Entering an Era of **Sustained Value Creation**

ANNUAL REPORT **2017-18**

prozone intu

Prozone Intu Properties Limited

Annual Report 2017-2018

View Online:
http://www.prozoneintu.com

Entering an Era of **Sustained Value Creation**

We have entered the phase of steady growth and sustained value creation. As a result of our meticulous delivery of various realty assets in recent years, we have made considerable progress on our strategic priorities. Today, we are better prepared for delivering strong asset realisations and superior returns from our existing and upcoming pipeline of assets. With our key projects entering the asset yielding and monetisation phases, our revenues and profitability are visibly expanding.

The key milestone for FY2018 has been the completion and opening of our Coimbatore mall. This asset has received exceptional response from both top brands, and the city's population at large. Barely into its first full year of operations, our Coimbatore mall has the making of becoming the destination beacon for this prospering urban centre. Confident of our future operating performance, we foresee intrinsic and sustained annuity income from the new mall. Furthermore, our more mature and established mall in Aurangabad continues to display steady organic growth in both consumption and rentals, contributing consistently towards our improving top and bottom lines.

Alongside this, we have entered the crucial asset monetisation phase for our Aurangabad PTC and Nagpur projects on the residential assets front. In addition, our recently launched Coimbatore residential project, adjacent to the new mall, is expected to unlock additional free cashflows in the coming years.

Our long-term strategy is to patiently extract the best possible value from our large land bank to realise our goals. We are excited about the potential of our business and are confident in its future. As we work on optimising the yields from our operating assets, we are concurrently planning the next phase of greenfield assets. With one of the least leveraged companies in our space, we are emerging as a high-quality, sustainable business, and a long-term value creator for our stakeholders.

Contents

Corporate Information

Board of Directors

Mr. Punit Goenka
Chairman and Independent Director

Ms. Deepa Misra Harris
Independent Director

Mr. Nikhil Chaturvedi
Managing Director

Mr. Salil Chaturvedi
Deputy Managing Director

Mr. David Andrew Fischel
Non-executive Director

Mr. Dushyant Singh Sangar
Non-executive Director

Chief Financial Officer
Mr. Anurag Garg

Company Secretary & Chief Compliance Officer
Mr. Ajayendra Pratap Jain

Statutory Auditors
M/s B S R & Co LLP
Chartered Accountants
Lodha Excelus,
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai – 400 011

Bankers
Bank of Baroda
LIC Housing Finance Limited
HDFC Bank Limited

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ISIN: INE195N01013
GSTIN: 27AADCC2086L1ZG

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Fax: +91-22- 49186060
Email id : rnt.helpdesk@linkintime.co.in
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At a Glance

Prozone Intu is a specialist retail and residential-led, mixed-use real estate development company, harnessing Intu Properties Plc (UK's largest and most experienced retail real estate developer) combined with in-depth knowledge of the Indian market.

The Company's key business strategy is to develop large scale land parcels for mixed use development with 75% of the land to be developed as Residential & Commercial on a Build & Sell model, whereas 25% of the Land to be developed as Retail on a Build & Lease Model.

Pedigree

The India Promoters hold 31.1%, INTU holds 32.4% and the balance is held by public.

Intu Properties is UK's largest Retail Real Estate Company. Intu Properties plc is a UK FTSE listed Company owning and managing assets worth more 10 bn pounds. It enjoys more than 22 mn sqft of retail space and 400 million customer visits a year.

Presence

Prozone Intu is a dominant player in Tier 2 and 3 cities in which robust urbanisation is expected. The Company has presence across the city of Aurangabad, Nagpur, Indore and Coimbatore across retail, commercial and residential space.

Total potential of developing 17.8 mn sq. ft. on its fully paid land bank of which 2.2 mn developed till date and more than 15.6 mn sq. ft. balance to be monetised which is being developed in different phases.

Vision

To become India's leading developer / manager of high quality shopping centers in emerging urban cities pan-India, incorporating mixed-use developments to facilitate the business model.

100+
Team Size

2.2 Mn Sf. Ft.
Projects Developed

3 Mn Sf. Ft.
Projects under Development

Message from the Managing Director

214%

Growth in EBITDA on YoY

Dear Shareholders,

I am delighted to present the Annual Report for FY2018, which was a successful year for Prozone Intu in terms of our expectations and objectives. Most significantly, we emerged as a multi retail asset company with the launch of our Coimbatore Mall, and at the same time showcased our ability to grow across sectoral cycles.

India's real estate sector saw two major radical reforms come into force - the Real Estate Regulatory Authority (RERA) and the Goods and Services Tax (GST). The landmark GST tax is expected to have far-reaching implications for the real estate sector and the complete impact is likely to unfold over the coming years. Undoubtedly in the long term, it is likely that the benefits of efficient supply chains and lower compliance costs will eventually positively aid businesses in India. We are now observing signs of recovery as the triple effects of demonetisation, RERA and GST have begun to shape up the sector with new standards of delivery, accountability and transparency.

With these measures and progressive intent in place, the real estate industry is estimated to grow at a healthy pace, providing various growth opportunities for your Company. In addition to this, rapid urbanisation, growing personal income and the Government's focus on infrastructure should further drive the sector positively, going forward.

The retail real estate industry in India is also gradually maturing and moving towards its next phase of evolution. With the tastes of Indian consumers rapidly maturing, coupled with the influx of international brands, we sense a growing confidence in the future trends of Indian retail real estate. At Prozone Intu, we have always been sensitive to consumer sentiments. Through our continuous brand churning and upgrading, we have ensured that we are aligned to the important emerging retail trends. This has reflected well on our performance metrics, meaningfully improving our KPIs. For FY2018, I am pleased to inform you that we reported the highest ever annual revenue with a growth of 46% from ₹ 73.92 crore in the previous fiscal to ₹ 107.71 crore in FY2018. We also produced record high EBITDA at ₹ 49.19 crore with EBITDA margin of 46%. We have delivered EBITDA growth of 214% over previous year during the year. Our numbers also reflect our tight control on costs and improved operational efficiencies introduced during the year.

> “Today, our malls in Aurnagabad and Coimbatore are testimony to our vision in creating outstanding retail assets and attracting consumers. With this strong foundation, we are actively looking for interesting new business opportunities for expanding our asset base and fuel faster growth.

Our Strategic Reinforcements

As a highly focused developer, owner and operator of mixed-use properties, we are always looking for better ways of delivering sustainable growth in shareholder value.

Firstly, we are increasingly convinced that our strategy for developing transformational mixed-use projects primarily in Tier 1 and Tier 2 geographies is the right one. With this strategy, we have created projects which we believe have the necessary scale, mix of uses and favourable locations, to become key destinations that can transform the areas in which they operate.

Furthermore, we are maximising the earnings and value out of our completed properties through active asset management, and by reinforcing these assets through enhancements, re-layouts and new additions. During the year, our Aurangabad Mall underwent strategic alterations in brand mix and mall layout. As a result, this property continues to enjoy its preeminent position as the most attractive and relevant retail destination in the city.

Additionally, we concentrated on management of our completed properties actively. We achieved this by optimising the mix of retail occupiers at both our malls. With a long term view, we consistently maintained high levels of consumer service at our malls to enhance and reinforce our brand. In doing so, we hope to maximise the consumption, occupancy and earnings potential of each of our properties.

We also aim to be at the forefront of sustainable development by designing energy efficient buildings through the innovative use of design, materials and new technology. With this view, we installed solar panels on our Aurangabad Mall to increase energy efficiency, reduce our carbon footprint, and simultaneously reduce our total energy bills.

Our measured approach for land purchases in the past also gives us a competitive edge. Having potential of developing 17.79 mn sq. ft., 88% is still available for future monetisation. We intend to do this at appropriate junctures in time by leveraging the benefits that come from developing large-scale mixed-use projects.

In following all these strategies, we continue to manage our capital base conservatively and prudently. We intend to maintain a strong balance sheet with a view to invest and finance our projects in a disciplined manner. This has helped us in maintaining our debt equity ratio at 0.40x, which is one of the lowest in the sector. As we look at new opportunities in the future, our balance sheet strength provides us a good headroom to raise capital as and when we need it.

Way Forward

With strong strategies already in place to create long-term value, our emphasis will be on project execution and asset monetisation. Looking ahead, we also see the horizon of our opportunities expanding at fast pace. With the launch of our Coimbatore Mall, we expect strong revenue traction from the asset going forward. We also have a strong pipeline of residential properties under development. We have progressed well on our residential projects in Nagpur, Coimbatore and Indore; and they are in the different stages of execution. We expect to see consistent free cash flow generation over the next few years from these projects. Our future growth will be backed by our fiscal prudence; strong balance sheet with low debt; and ample liquidity in form of cash and cash equivalents.

Over the years, we have created a legacy of trust - and we will continue to build on it. We will continue to create spaces that are aspirational and set benchmark for the industry. The foundation of our core existence is composed of many enablers, such as our strong investors, supporting bankers, focused employees and supportive retail partners. I take this opportunity to thank each of you for being highly supportive pillars of this organisation. With your constant backing, we are sure to witness further growth in customer delight and shareholder value in the years to come.

Sincerely,

Nikhil Chaturvedi
Managing Director

Message from the Deputy Managing Director

“

With two active malls and continuous monetisation of our residential ‘for-sell’ assets, we expect to produce consistent free cash flows over the next few years. Our future growth will be backed by our fiscal prudence and ample liquidity in the form of cash and cash equivalents.

Dear Shareholders,

I am delighted to share your Company’s achievements for the financial year 2018. It has been a momentous year as your Company achieved the highest ever revenue, and commenced operations of its second Mall. With both these achievements, we have reached an inflection point from where we aim to deliver consistent growth.

Our performance was bolstered by improved operations and revenue sharing at the Aurangabad mall; higher revenue recognition from PTC Aurangabad and Nagpur residential assets nearing completion; and revenue generation from the operationalisation of the Coimbatore mall.

Anchored on our core values and led by a committed team of people, your Company has focused on creating a sound foundation for sustainable growth. The positive results of this intention is already beginning to show fruit in FY2018, in which the conversion of our existing projects sped up our returns.

Progress on our Retail Assets

From the onset of its operations, our Coimbatore Mall has been displaying encouraging footfalls and trading volumes, despite the fact that many brands are still in their fit-out stages and haven’t started operations yet. We have received an overwhelming response from retailers wanting to participate at this mall. As of July 31st 2018, over 89% of Mall space has been already leased, while negotiations with many more brands are under finalisation. Furthermore, the imminent operationalisation of the impressive INOX nine-screen multiplex, will further add to our revenues meaningfully.

We are particularly excited about the progress of our Aurangabad mall. Having commenced operations eight years ago, the mall initially witnessed a slow start. However, thanks to the relentless efforts of our team, the Aurangabad Mall has been a turnaround story this year in terms of several KPIs. To be current with the times and to keep our consumers riveted, we successfully introduced leading international brands such as H&M and Marks & Spencers. We consciously worked on refurbishing the mall in terms of its overall brand mix, refitting and renovation. The Aurangabad Mall has transformed itself substantially in the last one year, from the perspective of both consumers and brands. Resultantly, revenue from our Aurangabad mall remains strong, with not less than 40 brands crossing the rental threshold limits and contributing revenue share.

Today, our malls are testimony to our vision in creating outstanding retail assets and attracting consumers. Both our Malls posted steady growth in most

40 + brands

Crossed the Minimum Guarantee rental threshold limits into revenue share at our Aurangabad Mall parameters, be it footfalls, vehicular entry, consumption, trading density or sales velocity.

Monetisation of our Assets

We have entered the new phase of consistent long-term growth and value creation with the large land parcel banks and project pipeline. In particular, we are in advanced stages of developing and delivering premium residential projects in Nagpur and Coimbatore. Our strategic focus remained on timely execution of these projects to generate positive free cash flows.

Our Nagpur project displayed healthy profitability as revenue recognition continues in a phased manner. In compliance with RERA requirements, this project is nearing completion and handover may commence from Q3 FY2019 onwards. Our Coimbatore Residential project has been launched, and construction is expected to start from Q2 FY2019 onwards. The monetisation of this asset over the coming few quarters will strengthen going forward. Additionally, the construction of the Phase 1 of Prozone Trade Centre (PTC) is progressing well as per our plan. We expect meaningful cash inflows to be generated from this asset in the coming year.

Outlook

We will continue to steer our enterprise in a direction that will maximise value for our stakeholders. We will also continue and reinforce our execution strategies to scale up of our operations. Furthermore, we intend to increasingly strengthen our project pipeline by exploring opportunities that align with our development philosophies.

I extend my special thanks and deep appreciation to our employees for their whole-hearted contribution and dedication in achieving impressive growth in overall performance. With this thought, we are exploring the idea of introducing

ESOPs for our key leadership members. This initiative will help in making our team members our partners in growth.

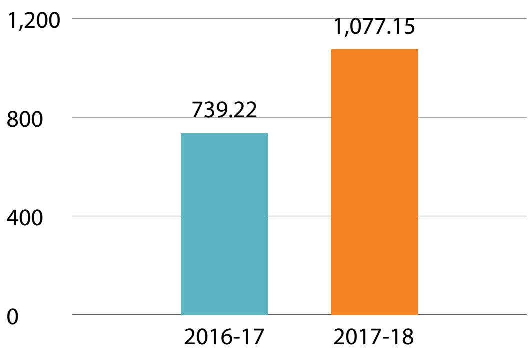
Lastly, I would also like to thank all our stakeholders and finance partners for their support and assure them that we will remain focused on continually improving our profitability and cash flows.

Sincerely,

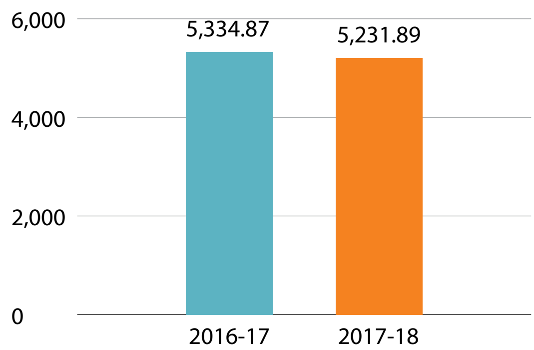
Salil Chaturvedi
Dy. Managing Director

Key Performance Highlights

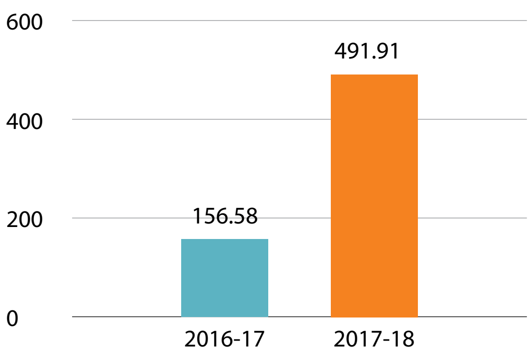
Income from Operations *(₹ million)*



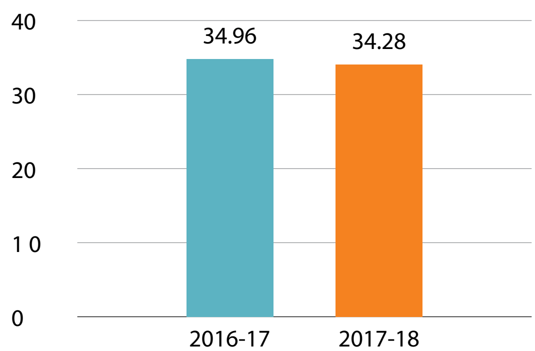
Networth *(₹ million)*



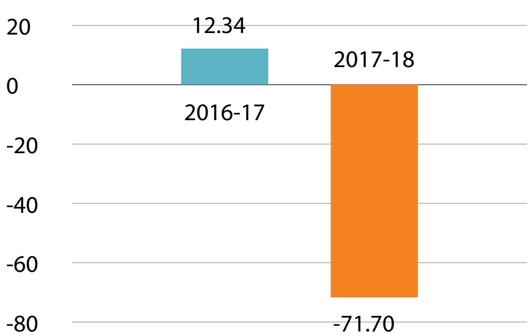
EBIDTA *(₹ million)*



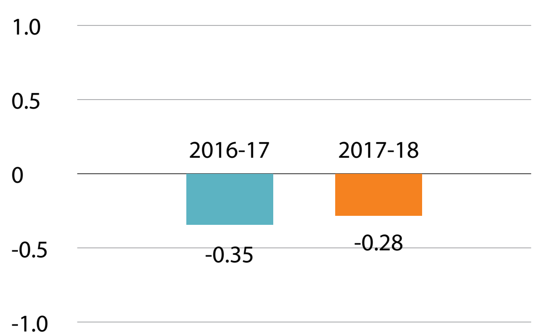
Book Value *(₹ per share)*



Profit After Tax *(₹ million)*



Earnings per Share *(₹ per share)*



Our Asset Summary

Aurangabad

Retail

Aurangabad Mall

- Gross leased area of 0.7 mn sq ft with 80% leased out space
- House of 100+ brands, including F&B segment

Saral Bazar

- A community street market with over 17,893 sq. ft. leasable area, of which 94% is sold
- Phase 1 project delivered, 95 stores are currently operational

Commercial

- Overall 190,528 sq. ft. of Commercial Area launched in Phase 1 and 96% has been sold out
- Construction progress as per plan, expected to be delivered by end of Q2 FY 2018-19

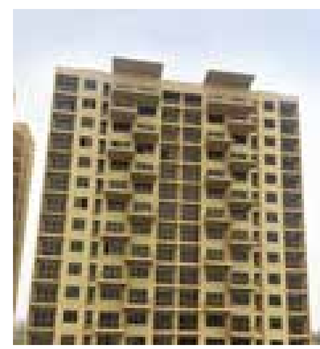
Nagpur

Residential

- Project complied with RERA requirement
- 336 units will be delivered under the project with revenue recognition in a phased manner
- Focus on completion of project, Phase wise completion of towers stating from Q3 FY 2019

Retail

- Finalised the retail design and approvals have been applied
- Expected to start construction in FY2019



Coimbatore

Retail

- Mall commenced operations during FY2018
- Houses 101 globally renowned brands and achieved 89% leased out space

Residential

- Statutory approval received for Coimbatore residential Phase -1 and construction to start soon
- Initial Infrastructure has been completed and 73 units are sold

Indore

Residential

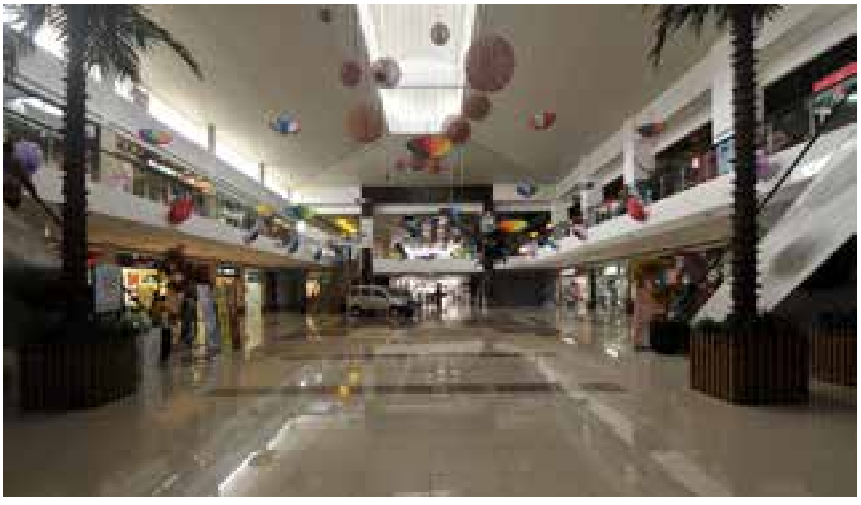
- Construction of sales office and site infrastructure completed, club house work is in progress
- Initiate the launch of plotted development by Q2 FY 18-19 and focus on faster monetization

Transforming Our Aurangabad Mall Into The City's De-Facto Consumption Epicentre

We work diligently to ensure that our assets remain the most attractive and relevant retail destinations within their respective cities, and that they can take full advantage of India's fast-evolving and exciting consumption story.

8+ Mn

Annual Footfall



With a continuous desire to extract the best possible value from our assets, and making our Aurangabad Mall better in every sense, we made far-reaching and strategic alterations to this well-loved retail destination. This included shifting some existing stores and making changes to the mall's layouts in order to suit the specific requirements of our tenants. These alterations also helped to accommodate fresh demand for rental space. A judicious churn in the leased out areas has also been undertaken to accommodate a greater number of international brands. These changes are expected to improve our consumers' experience, as well as the overall performance of the Mall.

Consequently, we witnessed exciting traction in our leasing activities during the year. Over 100 national and international brands occupied significant mall space, of which over 40 brands have started contributing revenue share above minimum guaranteed. We expect our growth to pick up further pace once all our signed brands become operational.

In FY2018, we also progressed in our sustainability initiatives to increase energy efficiency and reduce our carbon footprints. Under our green initiative, we installed solar panels on our Aurangabad Mall to add renewable energy in our mix of power sources, and simultaneously help in reducing our total energy bills.

Today, our Aurangabad Mall is a vivid testimony to our vision for creating outstanding retail assets, which has indisputably become the epicentre of consumption within the city. During the year under review, this mall continued to post steady growth in multiple parameters, be it footfalls, vehicular entry, total consumption, trading density or sales velocity. For the same period, it also reported the highest ever EBIDTA, assisted by our various operational and rationalisation initiatives.

Building partnerships with retailers has been instrumental in driving our business growth. We have successfully introduced leading large-format international brands such as H&M and Marks & Spencers. We also brought in recognised brands such as BIBA, Tommy Hilfiger, Barbeque Nation and HomeTown during the year.

Performance of Aurangabad Mall

Gross Leased Area (lakh sq.ft.)	5.43
Current Leasing Status	80%
Number of Stores Signed	99
Average Monthly Trading Density (₹/sq.ft.)	523
Total Annual Footfall (mn)	8.01

Giving Coimbatore
A World-Class Consumption Destination

> We have created an iconic consumption landmark in Coimbatore, serving the growing demand for strong brands in an increasingly prosperous city.

Prozone Intu's Coimbatore Mall is the dominant shopping centre within its catchment area, characterised by a fast-growing neighbourhood with strong purchasing power. Launched in July 2017, it is world class consumption centre that sets a great example for future shopping malls. The mall takes a fresh approach to its interior design, influenced by trending international shopping centres. It is the largest mall in the city with the potential of housing more than 128 occupiers, with a balanced mix of national and international brands along with quality entertainment and leisure options. It is home to the largest multiplex in the region with nine screens from one of India's leading multiplex entertainment firms Inox Leisure Limited.

A differentiating factor of the Coimbatore Mall is the slew of strong retail brands that it has attracted. It houses anchor brands such as Lifestyle, H&M, Spar, Max, Pantaloons, Reliance Trends, Unlimited, Reliance Digital, Hamley's, Fun unlimited, Inox and Westside.

The Mall has already experienced good traction and revenue visibility in its first year of operations as expected. It was recently recognised as 'Most admired Shopping Centre Launch of the Year (Non Metro – South)' by Indian Shopping Center forum hosted by REED Mapic.

Looking ahead, we expect the asset to mature further, in terms of becoming the key attraction in the city; garnering growing footfalls; introducing new brands and experiencing burgeoning consumption growth. With the mall becoming fully operational and occupied, it should meaningfully contribute to our annuity income growth.

89%
Area Leased

Performance of Coimbatore Mall

Gross Leased Area (lakh sq.ft.)	4.42
Current Leasing Status	89%
Total Number of Stores	128

Our Coimbatore Mall enjoys unique attributes in terms of its scale, brand mix, store designs and a highly conducive architectural layout. Once fully occupied, the asset will become the second fully functioning mall within our portfolio, taking our total retail assets to 1.25 mn sq. ft.

Unlocking Free Cash Flows Through Our 'For-Sale' Residential Projects

As part of our asset monetisation strategy, our business model includes the construction and sale of aspirational residential apartments. We have progressed in the multiple stages of execution at all our residential township projects across our portfolio, and we expect to see steady and consistent off-take and free cash flow generation over the next few years. Our progress across all our assets are expected to translate into sustainable revenue growth for the Company.

1 Nagpur Residential

Strategically located in the prime residential setting at Nagpur, our township is being developed in various phases. Phase # 1 is spread over 11 acres of land. This project is in full compliance with RERA requirements, and comprise of 14-storey towers, with over 336 aspirational apartments.

We have already completed the construction of the sales office, sample flat and infrastructure to process and manage the site. The civil work for the Club House and major structures in the landscape area are also completed. As the construction work is in full swing, we expect phase wise completion of towers from Q3 FY2019 onwards. Accordingly, our recognition of revenue is also progressing in a phased manner in line with the units sold.

336
Units Launched

273
Units Sold

2 Coimbatore Residential

Located on the Sathyamangalam road, the IT Corridor of Coimbatore, the project enjoys excellent road and transport connectivity to the site.

The soft launch has been initiated for an 18-storey residential tower, and as of 31st March 2018, 73 units were booked for sale. Tenders have been floated for civil works and finishes of the Phase #1. Based on current progress in our tendering processes, we expect to start the construction of the tower by Q2 FY2019.

540
Total Units in Phase 1

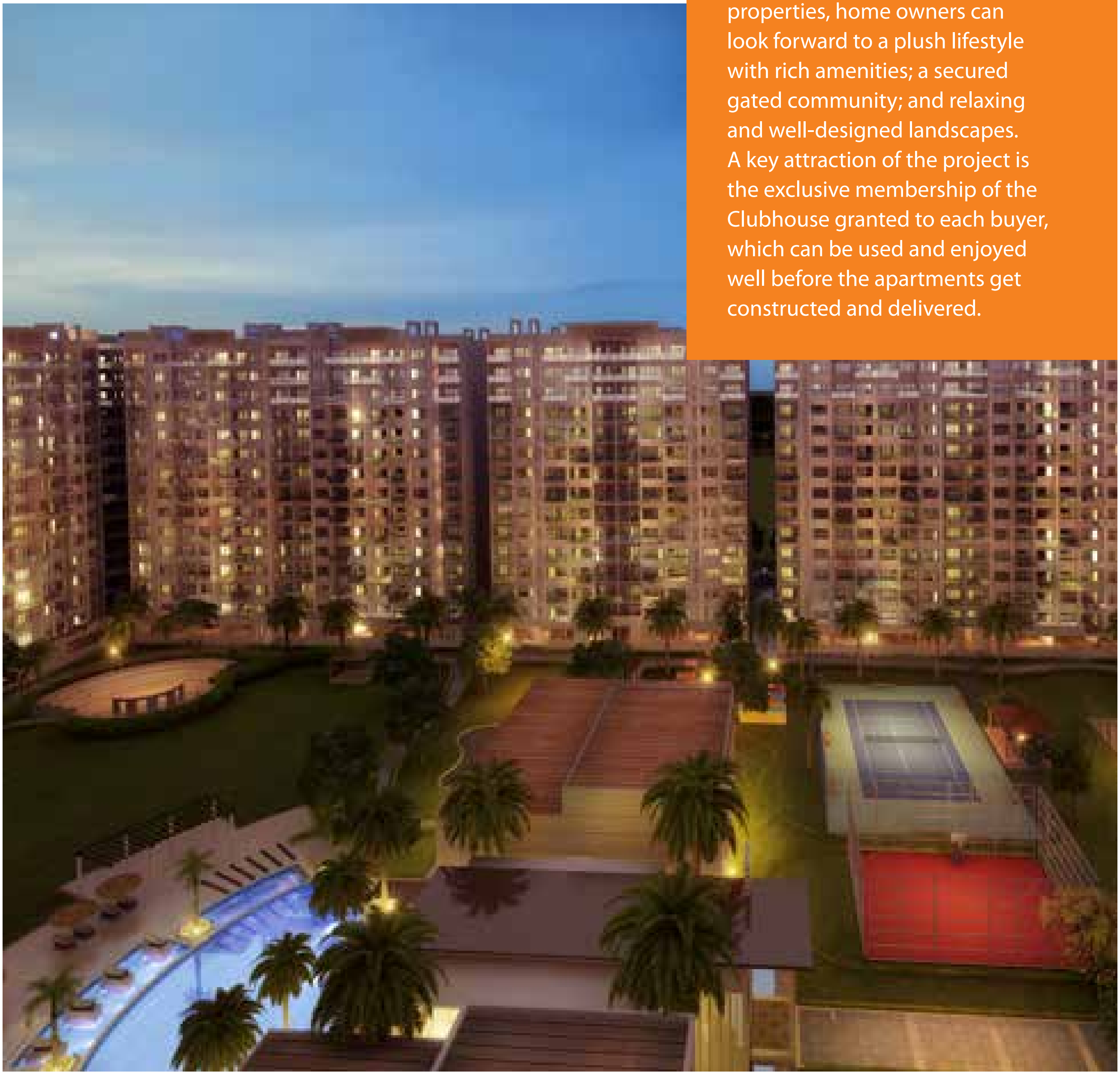
73
Units Sold at our Soft Launch

3 Indore Land

The residential project is situated on Kanadia Road, a prime residential location at Indore.

We are placing great attention towards accelerating our project execution. Till date, the construction of the sales office, the site infrastructure, and the civil works for the club house have been completed. With the idea of creating free cash flows early into the project, we plan to soft launch our portfolio of plotted land developments.

Living at Prozone Intu's residential properties, home owners can look forward to a plush lifestyle with rich amenities; a secured gated community; and relaxing and well-designed landscapes. A key attraction of the project is the exclusive membership of the Clubhouse granted to each buyer, which can be used and enjoyed well before the apartments get constructed and delivered.



Management Discussion & Analysis

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India is estimated to surpass the USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040.

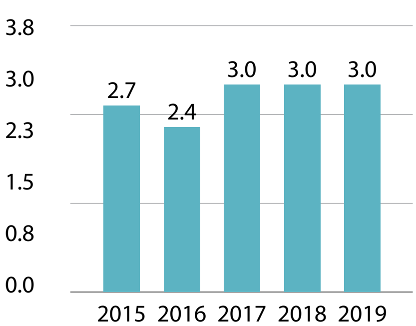
Global Economy Overview*

With a notable rebound in global trade, the global growth strengthened to 3% in 2017. It was driven by investment recovery in advanced economies; continued strong growth in emerging Asia; a notable upswing in emerging Europe; and signs of recovery in several commodity exporters. With financial conditions still supportive, global growth is expected to tick up to a 3% in both 2018 and 2019 as per IMF forecasts. Advanced economies are expected to grow faster than potential this year and next and Euro area economies are set to narrow excess capacity with support from accommodative monetary policy. Further, the expansionary fiscal policy will drive the US economy employment. Aggregate growth in emerging market and developing economies is projected to

* IMF Data

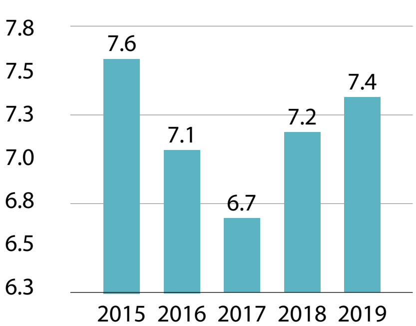
firm further, with continued strong growth in emerging Asia and Europe. Growth in South Asia is projected to accelerate to 6.9% in 2018 from 6.6% in 2017, mainly reflecting fading disruptions to economic activity in India.

World GDP Growth Rate (%)



Source: IMF

India GDP Growth Rate (%)



Source: IMF

Indian Economy Overview*

The Indian economy grew at 6.7% in FY2018 and has emerged as one of the fastest growing economies in the world. The constant GDP growth over the four quarters of FY2018 at 5.6%, 6.3%, 6.7% and 7.7% respectively in Q1, Q2, Q3 and Q4 shows that India has set itself on the track of growth.

This growth has been supported by several key developments in policy, like the introduction of the Insolvency & Bankruptcy Code, the Goods and Services Tax, and the Real Estate Regulation Act, among others. The International Monetary Fund expects India's real GDP growth to reach 7.2% in 2018 and 7.4% in 2019, thereby reinstating the country as the fastest growing economy in the world. India, on the back of recent developments like the increase in Ease of Doing Business ranking and rating upgrade by Moody's, has been able to garner foreign direct investments to the tune of US$ 35.94 billion during April-December 2017. The long-term outlook for the country remains strong especially on the back of the structural reforms implemented by the government which are expected to have a positive impact in the long run.

India's GDP is projected to reach US$ 6 trillion by FY2027 and is expected to become the third largest consumption economy as its consumption may triple to US$ 4 trillion by FY2025 owing to shift in consumer behaviour and expenditure patterns, according to a Boston Consulting Group (BCG) report. Furthermore, India is estimated to surpass the USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040.

US$ 4 trillion

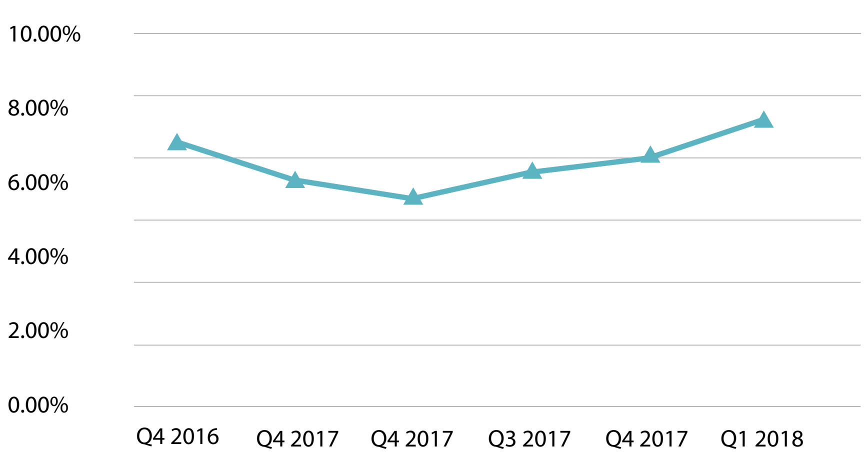
Expected Consumption by 2025 (BCS)

Industry Overview

FY2018 has been an eventful year in Real Estate Industry with the introduction of two key institutional reforms in the sector - the Real Estate Regulation Act and the Goods & Services Tax. These reforms will enhance the transparency and investment in the Real Estate sector. With the coming of RERA, customers can be ensured of timely delivery of project and faster resolution of their complaints. Going forward the Government's emphasis on housing and its efforts to mitigate risks though structural reforms is gradually building confidence in consumers and big market stakeholders such as institutional funds.

The Indian real estate market is expected to touch US$ 180 billion in revenues by 2020. The housing sector is expected to contribute around 11% to India's GDP by 2020. In the period FY2008-20, the market

% GDP Growth Rate (YoY basis)



Source: IMF

** IMF Data*

Management Discussion & Analysis...*(Continued)*

> **The per capita Income in Tier II and Tier III cities are expected to double by the end of 2020, which will give rise to consumption in the city and the demand of the residential real estate market.**

size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2%. Retail, hospitality and commercial real estate are also growing significantly, in line with the growing infrastructure needs of the country.

Small is the new Big: Growth of Tier II and Tier III cities

After tapping the growth prospects of metros and mini metros, real estate players are beginning to focus on Tier II and Tier III cities. Growth in the Tier II market looks attractive to developers for its low real estate costs, availability of land for development, and an untapped manpower pool.

The sustained GDP growth; special initiatives taken by the respective Governments in providing the smaller cities with infrastructure facilities; the creation of SEZs; the expanding service sector; and rising purchasing power and affluence have all contributed to the real estate developments in these cities. Under the incumbent government, many of these cities are now seeing significant infrastructure deployment, along with the smart cities program, which bodes well for their real estate markets.

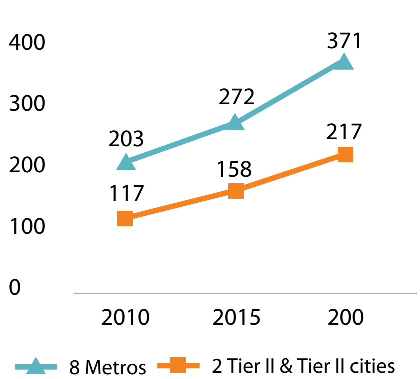
Retail Real Estate Overview

The retail market India is the 5th largest market in the world, while accounting for 10% of India's GDP and 8% of its total employment. From US$ 672 billion in 2017, the Indian retail market is expected to grow to US$1.1 trillion by 2020, while the modern retail market in India is expected to double in size over the next three years. With the growth in urbanisation, increase in disposable income, and improving lifestyle, the dynamics of Indian retail market are changing and growing rapidly. Despite many hiccups in the real estate industry, there were 600 operational malls as of December 2017. The year 2017 witnessed entry of almost 15 new global brands into the country.

With considerable increase in rentals across metro cities, the retail projects in Indian Tier II and Tier III cities continue to gain traction and have received investments of US$ 6,192 million between 2006-17. Further, the international airport connectivity across Tier II cities such as Aurangabad, Coimbatore, Lucknow, Kochi, Bhubaneswar, and Nagpur, as well as rising levels of disposable income, have prompted various global and local brands to plan their expansion plans in these cities. Demand for retail space on high streets is quite high. This, in addition to an increase in the FDI limit for multi-brand retail, will lead to a significantly higher demand for retail space.

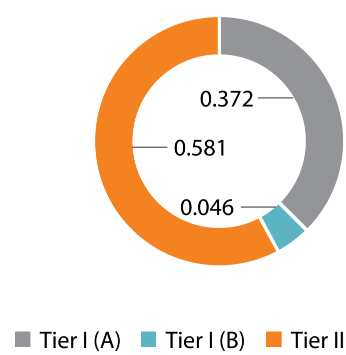
The per capita Income in Tier II and Tier III cities are expected to double by the end of 2020, which will give rise to consumption in the city and the demand of the residential real estate market. Till December 2017, out of the entire ₹ 10,000 crore worth of investments in the Indian Retail mall universe, 58% is in Tier II cities, which shows the increased belief of investors in untapped growth story of Tier II and Tier III cities.

Per Capital Income (in 000's)



Source: EY India's Growth Paradigm & JLL , 42 tier II & tier III cities include Coimbatore and Aurangabad

Retail Sector: Equity Investment Trends



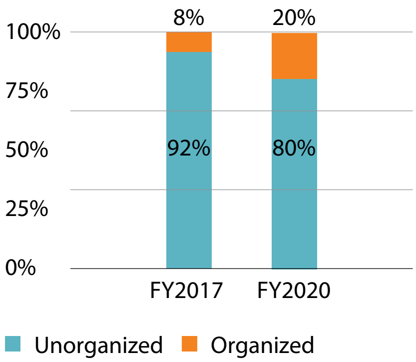
Source: EY India's Growth Paradigm & JLL , 42 tier II & tier III cities include Coimbatore and Aurangabad

Omni Channel Retail Expansion

Major e-commerce companies in India continued to expand their retail networks including opening physical outlets.

The retail ecosystem in India is at the forefront of change as one third of India's total population consists of millennials aged between 18-35 years and this generation is driving rapid growth within various consumer markets. India's population below 35 years of age, with exposure to global retail markets, are expected to drive the demand for organised retail.

Increasing Share of Organized Retail



Source: IMF

Residential Real Estate Overview

At the end of 2017, India's residential sector has shrunk to a fraction of its size in less than a decade. However, select markets — wherein RERA has matured — are witnessing the re-launch of projects by developers at attractive prices, which led to an uptick in sales volumes in 2017. The strategic switch in the developers' approach has led to a price reduction is most markets. Nevertheless, the near standstill triggered by demonetisation has tapered with time, and the demand for residential properties is surging due to increased urbanisation and rising household incomes. India is among the top 10 appreciating housing markets internationally.

Affordable housing as a segment is expected to see greater interest as incentives offered by the government are likely to result in more end user and developer participation. The urban housing shortage in India is estimated at around 10 million units (as of November 2017). This is being addressed through Pradhan Mantri Awas Yojana (PMAY), under which 1,427,486 houses have been sanctioned in FY2018. The total rural housing shortage in India stood at 14.8 million as of 2015, and is estimated to have grown to 48.8 million during the XII plan period (2012-2017). Significant increases in real estate activity in cities like Indore, Raipur, Ahmedabad, Jaipur and other Tier II cities have opened new avenues of growth for the sector.

Commercial Real Estate Overview

The Indian office space market has been plagued by the lack of viable office spaces over the past four years, while demand has stayed steady. This slide in office space development has been arrested in 2017, with supply growing by 7% in annual terms and a more pronounced 13% growth YoY during H2 CY2017. However, overall transactions continue to substantially exceed supply, pulling down vacancy levels to 11.6% from 13.5% a year ago.

The IT/ITES sector's share of transactions has increasingly weakened in recent periods due to macro headwinds in the form of a slowdown in spending, as well as an inclination to insource by the USA and several European countries. Losing ground since H2 2016, it accounted for 37% of the transacted volume compared to the 49% in the previous period.

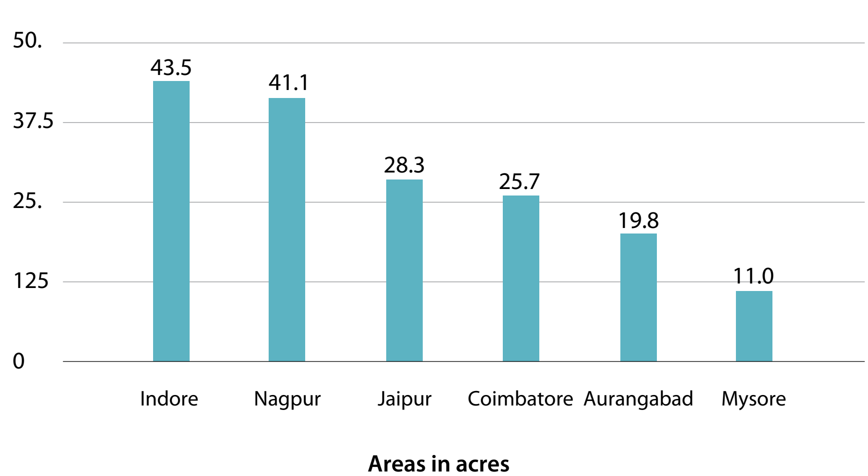
While the office sector remains quite buoyant in terms of investments, limited core asset portfolios and reducing yields are likely to result in more platforms being set up for brownfield/build to core developments.

Company Overview

Prozone Intu Properties Ltd is a focused Retail-led and Residential Mixed-Use Real Estate Development Company. It is harnessing the domain expertise and experience of Intu Properties Plc, UK's largest retail real estate developer, and combining it with Prozone's extensive knowledge of the Indian markets. The Company has a strong focus in Tier II and Tier III cities in India.

Intu Properties Plc. is a FTSE Company listed in the UK, owning and managing assets worth more than GBP 9 billion. It is UK's largest Retail Real Estate Company, owning 20 properties across the UK and Spain. Of these properties, 10 are amongst the top 25 shopping centres in the UK, representing ~38% of the market share in the country. Intu Properties Plc. has more than 22 million sq. ft. of retail space, visited by more than 400 million customers each year. Prozone Intu continues to gain immensely from its strategic partnership with Intu Properties, given their high levels of experience in successfully operating and creating value-generating realty assets in the UK. The partnership enables the sharing of valuable knowledge inputs and guidance to execute projects effectively and efficiently.

Fully Paid Land Bank



US$ 1.1 trillion

The size of Indian retail market expected to grow to by 2020

Management Discussion & Analysis...*(Continued)*

The Company owns six land banks, aggregating 169 acres in strategic city locations. All the land parcels are debt-free, placing Prozone Intu at an advantageous position to build, develop and manage these world-class, mixed-use development properties.

Prozone Intu has 169 acres of a completely paid-up land bank, with a maximum saleable area of approximately 17.8 million sq ft. The land bank is located in prime areas: major upcoming Tier II cities such as Aurangabad, Nagpur, Indore, Coimbatore, Jaipur and Mysore. Of its 17.8 million sq. ft. land bank, 2.2 million sq. ft. has been developed. With more than 15.6 million sq. ft. of the land bank left to be monetised, new and exciting projects are under different stages of development and completion. Currently, the Company has broken ground in three locations – Nagpur, Coimbatore and Aurangabad.

Over the next few years, we plan to develop 0.7 million sq. ft. of Retail Assets, and monetise 2.3 million sq. ft. of mixed-use assets, with a balance of 12.6 million sq. ft. for future development.

Our Sustainable Competitive Advantages

The Company's sustainable competitive advantages help it to stand out as an established real estate company in the marketplace. They also help the Company to create long-term value for customers and investors.

Strong Experienced Partners and Investors

The Company's international Partner Intu Properties UK Plc. is UK's largest Retail Real Estate developer. It owns 20 retail properties with a combined market value of GBP 10 billion. Notably, 10 of UK's top 25 shopping centres belong to Intu Properties. Its centres recorded an aggregate footfall of 400 million every year. Intu properties Plc has appointed two of their most Senior Directors onto the Board of Prozone Intu properties Ltd. – Mr. David Fischel, Chief Executive and Mr. Dushyant Singh Sangar , Director -International Business Development. This allows the Company to harness more than three decades of their invaluable experience across real estate sectors. The presence of such established board members as business partners is vitally important to the Company. Their valuable strategic inputs and guidance benefits and inspires the Company to constantly persevere, and to keep moving towards achieving our vision of becoming one of India's top real estate developers of high quality shopping centres in emerging cities.

Fully Paid-up Land Bank

In India, the Company owns six land banks, aggregating 169 acres in strategic city locations. All the land parcels are debt-free, placing Prozone Intu at an advantageous position to build, develop and manage these world-class, mixed-use development properties.

It has also received investments from major institutional investors - Triangle Fund anchored by Old Mutual Group, South Africa - who have developed large real estate projects, globally, over the last 50 years; and the Lewis Trust Group UK, an investment company that operates retail stores and hotels globally.

Healthy Financial Position with Low Leverage

As of 31st March 2018, the Company has a healthy balance sheet with a low leverage of 0.40X. With all land parcels being fully paid up and debt free, the Company has only LRD debt on our balance sheet. The LRD debt will be gradually paid off from the lease rental generated from the Aurangabad and Coimbatore malls. Having a healthy balance sheet enables it to focus on project execution and capitalising on future growth opportunities.

Strong Association with Leading National and International Retail Brands

The existing strong association with leading national and international brands greatly benefits the Company to continue to develop retail centres in the future. At the Prozone Mall in Aurangabad, there are 12 anchor tenants and approximately 90 stores currently operational. These include Shoppers Stop, Westside, Croma, Globus, Pantaloon, Big Bazaar, Reliance Trendz, Inox Multiplex, Max, Hometown, H&M and M&S among others. The Prozone Mall at Coimbatore has seen strong traction with various international and national brands such as H&M, Lifestyles, Hamleys, Pantaloons, Unlimited, Westside, Fun unlimited, Max, Inox multiplex, SPAR and Reliance Digital, who are the anchor brands at the mall.

Understanding Our Business Model

Business Strategy

The Company's business strategy is to acquire and develop large land parcels in locations with high growth corridors within city limits, with a focus on mixed-use development. The strategy is to utilise one-third of the land parcel to build the Anchor Asset – a regionally dominant Retail Centre, which is primarily a 'Build and Long Term Lease Asset'. With this strategy in mind, the Company's intension is to utilise two-thirds of the conjugate land bank to develop mixed-use developments, such as Residential Townships or Commercial Office blocks. Both Residential and Commercial assets would be developed from a 'Build & Sell' perspective, as it enables the Company to generate steady free cash flows, which further facilitates the Retail 'Build & Lease' model, thus resulting in Debt Free Annuity Assets and free cash flows for future developments.

Mall Development Strategy

For Retail Assets, the Company's focus is to build regionally dominant shopping and leisure destinations. Our partners Intu Properties bring on board over 36 years of invaluable experience in design and mall management capabilities. It designs its Shopping Centres in a Ground+1 floor horizontal model with a racetrack circulation. The Company builds strong supporting infrastructure, such as large parking spaces, well ahead of time, to cater to future growth. Also, the focus is to plan the right tenant mix with the right category mix to augment overall consumption for the local consumer communities.

15.6 Mn Sq. Ft.

Balance potential on available land bank

Residential Projects Strategy

For the Residential projects, the Company builds the required site infrastructure and facilities first. It also ensures all the required approvals are in place prior to the launch of the project. This builds strong brand credibility and improves the overall sale velocity for the project, resulting in better cash flows. This facilitates the Company to exhibit the quality of the project to potential customers, and in-turn increase their confidence in it. This strategy has been proven to be successful, and has been validated by the response of its Residential project launches in Nagpur and Coimbatore.

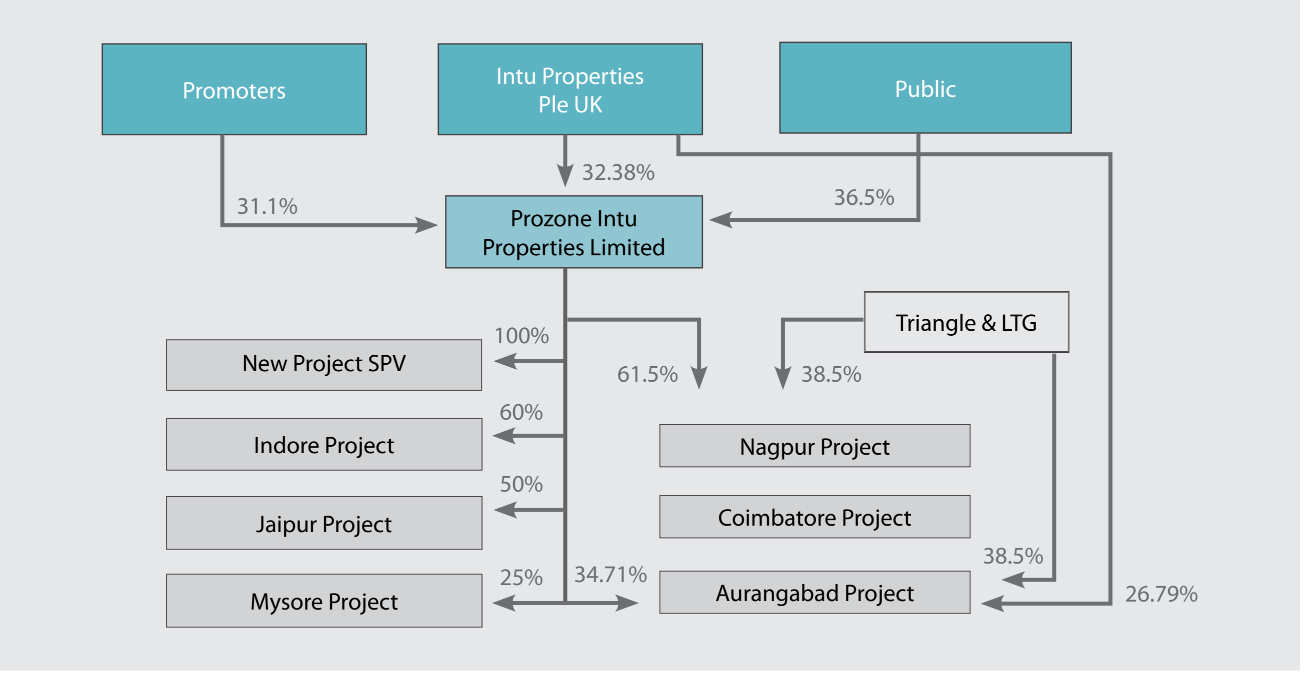
Understanding Our Business Model

- Locations selected in high growth corridors within city limits
- Execute high quality retail assets at the right price and the right time
- Develop and sell mixed-use assets to facilitate retail investments

Management Discussion & Analysis...*(Continued)*

Company Holding Structure

The Company has seven SPVs – one each in Aurangabad, Nagpur, Indore, Coimbatore, Jaipur and Mysore. The below chart highlights the Company's holding structure:



Segment wise performance - Project Portfolio Summary

Sr. No.	SPV	Ownership (%)	Residential	Commercial	Retail
1	Aurangabad	34.71%		**PTC Phase 1** • Launched PTC Phase 1 - 117 units (190,528 sft) - 96% booked at average rate of ₹ 3,258 psf • **Development Status:** Construction in finishing stage - Project to be completed by Q2 FY2019 • **Sales Status:** Total Sales Value - ₹ 595.4 mn, Amount Collected - ₹ 218.3 mn	**Mall** • **Leasing Status:** GLA - ~543,000 sft - 80% Area signed leased - 99 stores • **Financial Performance (FY 2017-18):** Net Revenue - ₹ 211.40 mn • **Operational Performance:** Footfalls - ~8.01 mn • **Key Tenants** – H&M, Inox, Marks & Spencer, Globus, Home Town Pantaloon, Reliance trends, Croma, Shopper Stop, Max **Saral Bazar** • **Project Launched** - Total Carpet Area - 17,893 sft - 94% booked at average rate of ₹ 13,499 psf • **Development Status:** Phase 1 project delivered – 95 units have already commenced operations • **Sales Status:** Total Sales Value - ₹ 227 mn, Amount Collected - ₹ 124 mn

Sr. No.	SPV	Ownership (%)	Residential	Commercial	Retail
2	Nagpur	61.50%	• Residential Project Phase 1 - Launched 336 Units - 273 sold • **Development Status:** Phase wise completion of towers stating from Q3 FY 2019.		Retail design has been finalized and project approval are in process
3	Indore	60.00%	• Initiate the launch of plotted development and focus on faster monetization • Construction of Initial Infrastructure has been completed		
4	Coimbatore	61.50%	• **Phase 1 Soft Launch Initiated** - 73 units booked at ₹ 3,540 psf • **Development Status:** Construction of Initial Infrastructure completed, Residential Tower construction expected to start by Q2 FY2019		• Grand opening for Coimbatore mall with glitz and glamour, one of the largest mall in Coimbatore of international standards with globally renowned brand • **Leasing Status:** Leasing stand at 89%, working towards further increasing occupancy • **Key Brands:** H&M, Lifestyles, Hamleys, Pantaloons, Unlimited, Westside, Fun unlimited, Max, Inox, SPAR, Reliance trends, FBB etc
5	Jaipur	50.00%	To Be Monetized in Future	To Be Monetized in Future	To Be Monetized in Future
6	Mysore	25.00%	To Be Monetized in Future	To Be Monetized in Future	To Be Monetized in Future

Company Outlook – Roadmap for Future

The Company continues to remain positive about its business prospects over the medium term. Its key focus area over the next 3-4 years is to effectively execute and monetise existing developments, and utilise cash flows to create long term debt-free annuity assets (retail centres), driving future growth by developing the balance land bank.

Future Business Strategy

Creating Debt-free Long-term Annuity Assets

Operational for eight years, the Company has been able to reduce the debt at SPV level for the Aurangabad Mall. Resultantly, the Company only has LRD debt, which will be paid off gradually from mall leases. Going forward, it will continue to repay the debt while simultaneously generating cash flows. Furthermore, going by the Company's business strategy, it will become debt-free over the next 3-4 years.

The Company has also launched the Coimbatore mall during the year, and converted construction finance debt to a LRD debt, thereby reducing interest cost. It has already soft launched the residential project in Coimbatore and has began to receive bookings. The Company expects to commence construction of this project in Q2 FY2019. As cash flows from the residential project pick up, they will be utilised to repay debt at the SPV level.

Focus on Asset Monetisation

In the Aurangabad SPVs, located at Saral Bazar and PTC Phase 1, the Company is witnessing positive developments. At Saral Bazar, about 95 stores have already commenced operations. The operational shops are witnessing a good pick-up in business, encouraging other buyers. It is expected that collections will increase this year as more stores become operational. In PTC Phase 1, the Company raised small debt to accelerate the completion of the project, and expects to make repayments by the end of the financial year. The Company expects to hand over possession and get the residual cash flows over the next few months. This will help catalyse debt repayment at the Aurangabad SPV, and help it become debt-free.

Regarding the Indore site, the strategy is to launch sales of plots to enable faster asset monetisation. The Company will

Management Discussion & Analysis...*(Continued)*

sell 75% of its Indore land parcel through plotted developments, and generate cash in a more timely framework than planned. The remaining 25% of the land parcel will be used for high rise residential.

At Nagpur, 336 units of phase 1 is under development. The Company is currently working towards completing the project, and aims to deliver the project in the second quarter of FY2019.

Utilising Remaining Land Bank for Future Monetisation

Over the next couple of years, the primary focus is on the execution of on-going projects. Post execution of these projects, the Company plans to launch new projects on its undeveloped land bank for effective monetisation.

It aims to achieve the effective monetisation of its assets over the next 3-4 years. The Company expects its financial performance to register significant improvement during the medium term as it increases its efforts to execute and deliver projects on time. Looking ahead, it aims to make both its retail centres debt-free and generate a strong annuity income. The Company is optimistic for its future business prospects as the efforts of the last few years shall now begin to bear fruit. It is confident that the Company is moving in the right direction towards achieving its long-term objectives and creating value for its stakeholders.

Risks and Concerns

Economic Risk

A slowdown in India's economic growth can affect the Company's performance. The Company's business is highly dependent on economic growth as it leads to a rise in disposable incomes and resultant consumption. Apart from consumption, which is reflected in our retail business, sale of residential property is also dependent upon the buyer's affluence. Any slowdown in economy and external shock to job market may create short term impact on residential sales as well. However, favourable population growth, a large pool of highly skilled workers, greater integration with the world economy and increasing domestic and foreign investment suggest that the Indian economy will continue its growth momentum for several years to come. Our commercial business is direct correlation of economic activity, which is expected to go up gradually with the long-term India growth story playing out well.

Business Risk

The Company operates in high growth urban centres, where retail consumption is being fuelled by a strong migration of the working population from smaller towns and rural areas. If the rate of urbanisation slows down, it will also slow down absorption rates of the real estate infrastructure in the development pipeline. However, through a carefully planned and phased development strategy, the management of the Company has reduced the risk to a minimal level.

Shopping Mall Risk

Large scale retail infrastructure's success is subject to well designed architecture and services to meet the needs of retailers and consumers over the long term. The population numbers in the catchment areas in these Tier II cities are constantly growing, and therefore, it should present no major long-term risk to the business. In addition, the Company is guided by the advice and expertise of Intu Properties Plc.'s Representative Directors on the Board. This ensures that the architecture and services have been designed with a long-term perspective to meet the needs of retailers and consumers alike, and therefore, do not represent significant risk to the business.

Brand Risk

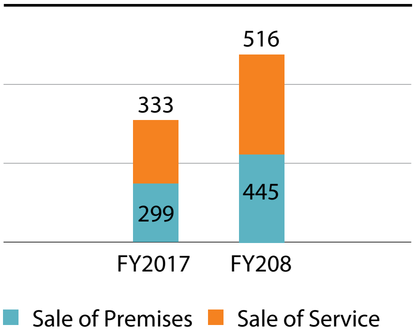
Any event that tarnishes the image of the Prozone Intu brand can lower the value of the brand and adversely affect the Company's business. The Company ensures that none of the characteristics and attributes of the brand are compromised within the Company's communication to its customers or its trade partners. The Company also gives wide focus on customer preferences and conducts extensive in-house research to maintain top-of-the-mind recall with the customer base with respect to the brand. The Company believes that it has an appropriate mitigation plan in place to handle brand risk.

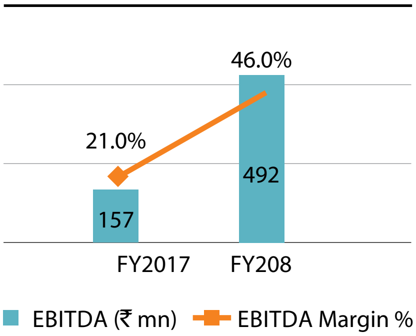
Internal Control System and Adequacies

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

Financial Performance

The Company recorded Revenues of ₹ 1077 million, EBITDA of ₹ 492 million during the year under review. This year EBITDA has grown over 214% compared to FY2017. Market has recovered post the slowdown from demonetization. The Company however maintained a healthy balance sheet, with low leverage with Gross Debt/Equity ratio of 0.40X on a consolidated basis.





> The Company is optimistic about its future business prospects. It is steadily gaining momentum towards achieving its long-term objectives, and creating value for its stakeholders.

Human Resource Management

The Company regards its human resources as its most valuable assets and proactively invests in processes towards creating an encouraging work environment. The Company provides challenges and opportunities to its employees and recognises their performance and potentials. As on 31st March 2018, the Company had a team size of 100+ employees.

While the organisation structure remained the same, the Company indulged in a realignment at the execution level portfolio whenever necessary. This is done with the aim of optimising the employee productivity and benefiting from the technical expertise. With new projects constantly being taken up, our key focus areas continue to be recruitment, re-allocation and re-deployment of existing manpower. Strengthening the business development team as well as the engineering team is also our prime focus. The key deliverables for the senior team and the project level management remained aligned with the overall objective of the Company and the Projects, respectively.

Employee Welfare

To create an environment of fun and camaraderie among the employees, the organisation celebrates several events, festivals and get-togethers. During the year, around six events, with fun and social intent, were organised. The Company continued to engage its employees with personalised and organisation-wide health initiative.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of PROZONE INTU LIMITED, which are forward-looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of PROZONE INTU LIMITED's Annual Report, FY2018.

Directors' Report

To the Members,
Prozone Intu Properties Limited

Your Directors are delighted to present their 11th Annual Report on the business and operations of your Company for the year ended March 31, 2018.

FINANCIAL RESULTS & OPERATIONS

₹ in Lakhs

Particulars	Standalone		Consolidated	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
Income from Operations	678.24	717.55	9614.64	6,317.04
Add: Other Income	845.29	1031.23	1156.81	1,075.20
Total Income	**1523.53**	**1748.78**	**10771.45**	**7,392.24**
Less: Total Expenditure	1064.83	1773.83	11255.78	7,975.05
Profit/ (loss) before Tax	**458.70**	**(25.05)**	**(484.33)**	**(582.81)**
Less: Tax expenses/ (Credit)	231.89	(129.54)	232.69	(706.25)
Profit/ (loss) after Tax	**226.81**	**104.49**	**(717.02)**	**123.44**
Add: Share of Profit of Joint Venture	-	-	16.50	37.46
Less: Minority Interest	-	-	(279.01)	693.13
Profit/ (loss) after Tax and minority interest	**226.81**	**104.49**	**(421.51)**	**532.23**

STATE OF COMPANY'S AFFAIRS / FINANCIAL PERFORMANCE

Standalone

The Company's gross (total) income for the financial year ended 31st March 2018 has lessened to ₹ 1523.53 lakhs as against ₹ 1748.78 lakhs during the previous year, however there were asymmetrical growth in profit before tax to ₹ 458.70 lakhs against loss of ₹ 25.05 lakhs during previous year and the profit after tax was increased to ₹ 226.81 lakhs as compared to ₹ 104.49 lakhs in the previous year.

Consolidated

The Company's gross (total) income for the financial year ended 31st March 2018 surged to ₹ 10771.45 lakhs from ₹ 7392.24 lakhs during the previous year, however, the Company was able to streamline its loss before tax to ₹ 484.33 lakhs from ₹ 582.81 lakhs as recorded during previous year. The loss after tax & minority interest of the reporting year stood at ₹ 421.51 lakhs against profit ₹ 532.23 lakhs reported in previous year.

DIVIDEND

Considering the current financial position, your Directors decided, not to propose dividend for the year ended March 31, 2018, thus there is no appropriation of any amount to General Reserve during the year under review.

LISTING

The equity shares of the Company are listed on The BSE Limited (BSE) and The National Stock Exchange of India Ltd. (NSE) and the listing fees for the year 2018-19 have been paid.

SHARE CAPITAL

The paid-up equity share capital of your company stood at ₹ 3,052.06 lakhs Crores consisting of 15,26,02,883 equity shares of ₹ 2/- each fully paid-up. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

SUBSIDIARY AND JOINT VENTURE COMPANIES

The Company has 11 subsidiaries as on 31st March 2018 including 6 step-down subsidiaries and 2 Joint Venture Companies.

Direct Subsidiaries:

1. Alliance Mall Developers Co. Private Limited
2. Kruti Multitrade Private Limited
3. Royal Mall Private Limited
4. Prozone Developers & Realtors Private Limited
5. Prozone Liberty International Limited, Singapore (Foreign susbsidiary)

Step-down subsidiaries:

6. Empire Mall Private Limited
7. Hagwood Commercial Developers Private Limited
8. Omni Infrastructure Private Limited
9. Prozone Intu Developers Private Limited

Associate Companies (Joint Venture)

1. Moontown Trading Company Private Limited
2. Emerald Buildhome Private Limited

During the financial year, two foreign subsidiaries at Singapore, Prozone International Coimbatore Limited. and Prozone Overseas Pte Ltd were struck off by Accounting and Corporate Regulatory Authority (ACRA) on application made by the Company w.e.f. 07th August 2017.

The Board of Directors ('the Board') regularly reviews the affairs of the subsidiary/joint venture/associate companies. A statement containing the salient features of the financials statement of subsidiary/joint venture/associate companies pursuant to the provision of section 129 (3) of the Companies Act 2013 read with rule 8(1) of the Companies Accounts Rules, 2014, is provided in format AOC-1 to the consolidated financial statement and therefore not repeated to avoid duplication.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of each of its subsidiaries, are made available on our website www.prozoneintu.com in due course. These documents will also be available for inspection during business hours at the registered office of the Company

The copies of accounts of subsidiaries companies can be sought by the member of the company by making a written request address to the Company Secretary at the registered office of the company.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The Company has also implemented several best governance practices. The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of operations, performance and future outlook of the Company and its business, as stipulated under Reg. 34 of the SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of Annual Report under the head 'Management Discussion and Analysis'.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detention of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future during the year under review.

PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor accepted the deposit from public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 amended from time to time.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- **Resignation, subsequent re-appointment and retirement by rotation**

  During the year, Mr. Rajiv Singh, Non Executive Independent Director of the Company has resigned from the Board with effect from 24th April 2017. The Board places on record its sincere appreciation for the valuable service rendered by Mr. Rajiv Singh during his entire tenure.

  During the year, Mr. Nikhil Chaturvedi and Mr. Salil Chaturvedi Managing Director and Dy. Managing Director of the Company respectively were re-appointed as Managing Director and Dy. Managing Director of the Company for a further term of 3 years w.e.f. 27th February 2017, in the last Annual General Meeting held on 28th September, 2017

  Pursuant to the provisions of section 152 of the Companies Act, 2013, the office of Mr. Salil Chaturvedi, (DIN: 00004768) is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for re-appointment. Accordingly, the proposal of his re-appointment has been included in the Notice convening the Annual General Meeting of the Company

  The first term of office of Mr. Punit Goenka (DIN : 00031263), as Independent Director will expire on 31st March 2019. The Board recommends his re-appointment for a second term of five consecutive years i.e. upto 31st March 2024 for the approval of members of the Company.

  A brief resume along details about Mr. Salil Chaturvedi and Mr. Punit Goenka as per the requirements of Reg. 36(3) of the SEBI (LODR) Regulations, 2015, are given in the section of notice of AGM forming part of the Annual Report.

- **Appointment and Remuneration of Directors**

  The appointment and remuneration of Directors is governed by the Remuneration Policy of the Company which also contains the criteria for determining qualifications, positive attributes and independence of Directors. The Policy aims at attracting and retaining high caliber personnel from diverse educational fields and with varied experience to serve on the Board for guiding the Management team to enhanced organizational performance.

Directors' Report *(Contd.)*

- **Declaration by Independent Directors**
  The Company has received necessary declarations from all Independent Directors pursuant to the requirement of section 149(7) of the Companies Act, 2013 that they fulfill the criteria of independence laid down in section 149(6) read with Schedule IV to Companies Act, 2013 and Reg. 16 (1) (b) of the SEBI (LODR) Regulations, 2015.

- **Annual Familiarization Programme**
  The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: http://www.prozoneintu.com/files/upload/ Familiarisaion-Programme-for-IDs.pdf

- **Key Managerial Personnel**
  There has been no change in Key Managerial Personnel during the financial year 2017-18. As on 31st March 2018, the following are the Key Managerial Personnel of the Company;

Name	Designation
Mr. Salil Chaturvedi	Dy. Managing Director
Mr. Anurag Garg	Chief Financial Officer
Mr. Ajayendra P. Jain	Company Secretary and Chief Compliance Officer

- **Board Evaluation**
  Pursuant to the Companies Act, 2013 a formal annual evaluation needs to be conducted by the Board of its own performance and that of its committees and individual directors. Schedule IV to the Companies Act 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

  The Broad based on evaluation criteria recommended by the 'Nomination and Remuneration Committee' and 'Code for Independent Directors' and pursuant to applicable regulations of Chapter II and Chapter IV read with schedule IV to SEBI (LODR) Regulations, 2015, evaluated the performance of Board members.

  The Board after due discussion and taking into consideration of the various aspects such as performance of specific duties, obligations, Board's functioning, composition of the Board and its Committees and governance expressed their satisfaction with the evaluation process and performance of the Board.

- **Remuneration Policy**
  The Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. This Remuneration Policy applies to Directors, Senior Management Personnel including its Key Managerial Personnel (KMP) of the Company, is attached to this report as '**Annexure 1**'.

  Secretarial Standards
  The Directors states that applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meeting of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that:

a. in the preparation of the annual accounts for the year ended March 31 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures, if any;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31 2018 and of the profit of the Company for the year ended on that date;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the annual accounts on a 'going concern' basis;

e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

Statutory Auditors

The members of the Company in their Annual General Meeting held on September 28, 2017, appointed M/s B S R & Co LLP, Chartered Accountants, as Statutory Auditor of the Company for the period of five financial years from 2017-2018 to 2021-2022. In the term of first proviso to section 139 of the Companies Act, 2013, subject to ratification at every subsequent AGM.

However, the Ministry of Corporate Affairs vide its notification S.O. 1833(E) dated 7th May 2018 notified the amendment in section 139 of the Companies Act 2013, pursuant to which the appointment of Statutory Auditors is not required to be ratified by the members every year during the tenure of Statutory Auditors once approved by the members in their Annual General Meeting.

However, as a good governance, the Auditors have confirmed their eligibility and independence for the financial year 2018-19

The observations and comments given by the Auditors in their report read together with notes to Accounts are self explanatory and hence do not require any further comments under section 134 (3) (f) of the Companies Act, 2013.

Secretarial Auditor

Pursuant to Section 204 of Companies Act, 2013, the Board of Directors had appointed M/s. HS Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Auditor's Report is attached to this report as '**Annexure 2**'. The Secretarial Audit Report is self explanatory and thus does not require any further comments.

Internal Auditor

Pursuant to Section 138 of Companies Act, 2013 and as recommended by Audit Committee, the Board of Directors has appointed M/s K.M. Tulsian & Associates (Firm Registration No. 111075W) Chartered Accountants, Mumbai to undertake the Internal Audit of the Company including performing internal audit of the activities of the Company's subsidiary.

DEMATERIALIZATION OF SHARES:

Break up of shares in physical and demat form as on 31st March 2018

Particulars	No. of Shares	% of Shares
Physical segment	64,142	0.04%
Demat segment	15,25,38,741	99.96%
NSDL	8,89,15,053	58.27%
CDSL	6,36,23,688	41.69%
Physical	64,142	0.04%
Total	15,26,02,883	100.00%

The Securities and Exchange board of India (SEBI) at its Board Meeting held on 28th March, 2018 revised the provisions relating to transfer of listed securities and decided that request for effecting transfer of listed securities shall not be processed unless the securities are held in the dematerialized from with a depository participant. The said measure of SEBI is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors. The effective date of such amendment is yet to be notified.

Shareholders who continue to hold shares in physical form are advised to dematerialise their shares at the earliest. For any clarifications, assistance or information, relating to dematerialization of shares the Company's RTA may be contacted.

DISCLOSURES UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has been employing women employees in various cadres within its corporate office and in branch offices. The Company has in place a policy against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committees is set up to redress complaints if received and are monitored on regular basis.

During the year under review, Company did not receive any complaint regarding sexual harassment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018 is given below and forms part of the Directors' Report

A. Conservation of Energy

i) The steps taken or impact on conservation of energy: Nil

ii) The steps taken by the Company for utilizing alternate sources of energy: Nil

iii) The capital investment on energy conservation equipments: Nil

Your Company is not engaged in manufacturing activity and thus its operations are not energy intensive. However, adequate measures are always taken to ensure optimum utilisation and maximum possible saving of energy.

B. Technology Absorption

i) The efforts made towards technology absorption : Nil

ii) The benefits derived like product improvement, cost reduction, product development or import substitution : Nil

iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable

(a) Details of Technology Imported;

(b) Year of Import;

(c) Whether the Technology has been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.

(iv) Your Company has not incurred any expenditure on Research and Development during the year under review.

Directors' Report *(Contd.)*

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings: ₹ Nil lakhs

Foreign Exchange Outgo: ₹ 12.76 lakhs

The above doesn't not include foreign exchange gain or loss arise due to change in foreign exchange rate.

DISCLOSURES UNDER COMPANIES ACT 2013

- **Extract of Annual Return:**
  In accordance with section 134(3) of the Companies Act 2013, an extract of the annual return in the prescribed format is appended as '**Annexure 3**' to the Boards' Report.

- **Number of meetings of the Board:**
  The Board met five times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act 2013 and SEBI (LODR) Regulations, 2015.

- **Committees of the Board:**
  The Board has established committees as per the requirement of Companies Act 2013 and SEBI (LODR) Regulations, 2015, including Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report. The composition of the Committees as on 31st March 2018 as per the applicable provisions of the Act, Rules and SEBI (LODR) Regulations, 2015 are as under:

Committee Name	Composition of the Committee
Audit Committee	Ms. Deepa Misra Harris, Chairperson Mr. Punit Goenka, Member Mr. Salil Chaturvedi, Member
Nomination & Remuneration Committee	Ms. Deepa Misra Harris, Chairperson w.e.f. 22nd August 2017 Mr. Punit Goenka, Member Mr. David Fischel, Member Mr. Rajiv Singh, Chairperson (Upto 24th April 2017)
Stakeholders Relationship Committee	Ms. Deepa Misra Harris, Chairperson w.e.f. 22nd August 2017 Mr. Punit Goenka, Member Mr. Nikhil Chaturvedi, Member Mr. Salil Chaturvedi, Member Mr. Rajiv Singh, Chairperson (Upto 24th April 2017)
Corporate Social Responsibility Committee	Mr. Nikhil Chaturvedi, Chairperson Ms. Deepa Misra Harris, Member Mr. Salil Chaturvedi, Member Mr. Rajiv Singh, Member (Upto 24th April 2017)

- **Vigil Mechanism/ Whistle Blower Policy:**
  Your Company has established a Vigil Mechanism and implemented Whistle Blower Policy, the mechanism to provide adequate safeguards against victimisation of director(s)/employee(s) who use mechanism to report genuine issues and also provide direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee of your Company oversees the Vigil Mechanism on regular basis.

  Your Company hereby affirms that no director/ employee have been denied access to the Chairman of Audit Committee and that no complaints were received during the quarter.

  The policy on Vigil Mechanism may be accessed on Company's website at the following link: http://www.prozoneintu.com/investor/policies

- **Particulars of loans, guarantees and investments:**
  Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 amended from time to time, are form part of the notes to the financial statements provided in this Annual Report.

- **Particulars of contracts or arrangements entered into with related parties:**
  The particulars of contracts or arrangements made with related parties referred to in section 188(1) of the Companies Act 2013, in the prescribed form **AOC-2** is appended as '**Annexure 4**' to the Boards' Report.

- **Particulars of employees:**
  Details in terms of the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration) Rules 2014 the names and other particulars of the employee is appended as '**Annexure 5**' to the Boards' Report

  The ratio of remuneration of each Director to the median employee's remuneration and other details in terms of

Section 197(12) of the Companies Act, 2013 read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as '**Annexure 6**' and forms part of this Report.

- **Transfer to Reserves:**

  During the year, Company was not required to transfer any amount to reserve.

- **Material changes and commitments:**

  No material changes and commitments affecting the financial position of your Company have occurred between 31st March 2018 and the date of the report.

- **Corporate Social Responsibility:**

  The CSR Policy of the Company and the details about the development of CSR Policy and initiatives taken by the Company on Corporate Social Responsibility during the year as per the Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as '**Annexure 7**' attached to this report. The CSR committee through its circular resolution passed on 24th November 2017 met once during the financial year 2017-18 the details of which are given in the Corporate Governance Report that forms part of this Annual Report.

REMOTE E-VOTING FACILITY TO MEMBERS:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Reg. 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote at the 11th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote E-Voting Services provided by Central Depository Securities (India) Limited (CDSL).

ELECTRONIC FILING:

The Company periodically uploads the Annual Reports, Financial Results, Shareholding Pattern, Corporate Governance Reports and others reports and intimations filed with Stock Exchanges etc. and other information on its website viz. www.prozoneintu.com.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

Pursuant to SEBI (LODR) Regulations 2015 the details of the shares lying with the Company in Unclaimed Suspense Account as on March 31 2018, are as under:

Sr. No	Description	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	17	3400
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	0	0
3	Number of shareholders to whom shares were transferred from suspense account during the year	0	0
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	17	3400

During the financial year, Company has not declared any corporate benefit on above shares however, corporate benefits, if any accrued on above numbered unclaimed shares will be credited to the same account and the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

APPRECIATION:

Your Directors take this opportunity to express their gratitude and sincere appreciation for the dedicated efforts of all the employees of the Company. Your Directors are also thankful to the esteemed share holders for their support and confidence reposed in the Company and to the Stock Exchanges, Government Authorities, Banks, Solicitors, Consultants and other business partners.

For and on behalf of Board of Director

	Sd/-	Sd/-
	Nikhil Chaturvedi	**Salil Chaturvedi**
Date: 29th May 2018	Managing Director	Dy. Managing Director
Place: Mumbai	DIN: 00004983	DIN: 00004768

ANNEXURE 1: Remuneration Policy

Preamble

The Remuneration Policy of Prozone Intu Properties Limited (the "Company") is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long- term value creation for shareholders.

This Remuneration Policy applies to directors, senior management personnel including its Key Managerial Personnel (KMP) of the Company.

Principles governing the remuneration decisions

1. **Support for strategic objective:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.

2. **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

3. **Flexibility:** Remuneration and rewards offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other obligations.

4. **Internal equity:** The Company shall remunerate the Board members and the executives in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

5. **External equity:** the company shall endeavor to pay equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality personnel and the influence of external remuneration pressures.

6. **Affordability and sustainability:** the Company shall ensure that remuneration of affordable on a sustainable basis.

Procedure for selection and appointment

1. **Criteria for Board Members:**

   The Nomination and Remuneration Committee ("the Committee'), along with the Board, will review of a annual basis, appropriate skills, characteristics and experience required by the Board as a whole and its individual member. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the company's operations.

   In evaluating the sustainability of individual Board Members, the committees takes into account many factors including general understanding of the Company's business, social perspective, educational and professional background and personal achievements.

   The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business. The Committee shall also identify suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board Member. Based on the recommendations of the Committee, the Board shall evaluate the candidates and decides on the selection the appropriate member.

   Criteria for evaluation of performance of Independent Directors:

   1. Knowledge and skills in accounting and finance, business judgement, general management practices, crisis response and management, industry knowledge, strategic planning etc.
   2. Personal characteristics matching the Company's values, such as integrity, accountability, financial literacy, and high performance standards
   3. Commitment to attend a minimum of 75% of meetings which will include the attendance through audio/video conferencing.
   4. Ability and willingness to represent the Stakeholders' long and short term interests
   5. Awareness of the Company's responsibilities to its customers, employees, suppliers, regulatory bodies, and the communities in which it operates
   6. Responsibility towards following objectives being an Independent Director
      i. Maintenance of independence and abstain himself from availing of benefits, directly or indirectly from the Company
      ii. Responsibilities of the Board as outlined in the Corporate Governance requirements prescribed under Clause 49 of the Listing Agreement
      iii. Accountability under the Directors' Responsibility Statement
      iv. Overseeing the maintenance of Corporate Governance standards of the Company and ethical conduct of business

2. **Criteria for other executives:**

   a. The Committee shall actively liaise with the relevant departments of the company to understand the requirement of management personnel and produce a written document thereon.

b. The Committee may conduct a wide ranging search for candidates for the positions of employees.

c. The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the candidates shall be complied as written documents.

d. The committee may examine the qualifications of the candidates on the basis of the conditions for appointment of the employees.

e. The Committee may carry out other follow up tasks based on the decisions and feedback from the Board of Directors, if any.

Compensation structure

a. Compensation to non-executive directors including Independent Directors

The non-executive directors shall be eligible for remuneration by way of payment of sitting fees only for attending the meetings of the Board of Directors and its committees. The amount of sitting shall be decided by the Board of Directors of the Company subject to the revisions from time to time within maximum permissible limit prescribed under the respective provisions of the Companies Act, 2013. Taking into account the financial positions of the Company, the Board of Directors shall be entitled to decide whether to reduce or waive the payment of sitting for a meeting or for a period specific or permanently until otherwise decided by the Board.

Besides sitting fees, non-executive directors shall also be entitled to reimbursement of expenses incurred by them for attending the meeting of Board of Directors and its committees.

All compensation, apart from sitting fees and reimbursement of expenses as stated above, if recommended by the Committee shall be fixed by the Board of Directors and shall require previous approval of the shareholders in general meeting, subject to the maximum limit and other compliances as prescribed under the Companies Act, 2013 and rules made there under.

The special resolution shall specify the limits for the maximum numbers of stock options that can be granted to non-executive directors, in any financial year and in aggregate. However the independent directors shall not be entitled for any stock option

b. Compensation to executive directors, key managerial personnel and senior management personnel

The remuneration determined for managing directors, whole-time directors and key management personnel are subjected to the approval of Board of Directors in due compliance with the provisions of the Companies Act 2013. The remuneration of the KMP and SMP after the appointment shall be informed to the Board of Directors and subsequent increment shall be decided by the Managing Director of the Company as per the HR policy of the Company. The executive directors shall not be eligible for payment of any sitting fees.

The Company shall formulate a credible and transparent framework in determining and accounting for the remuneration of the MD/ WTD/ KMPs and SMPs. Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards.

Disclosure of information

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application and amendment to the policy

This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.

The Board of Directors as per the recommendations of the Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the rules, regulations, notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Dissemination

The Company's Remuneration Policy shall be published on its website.

Directors' Report *(Contd.)*

ANNEXURE 2

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PROZONE INTU PROPERTIES LIMITED,

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PROZONE INTU PROPERTIES LIMITED (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit covering the financial period year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018, to the extent applicable provisions of:

I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

   e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.

VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company during the financial year ended 31st March 2018 as given below.

   - Shop & Establishment Act, 1948;
   - Various Tax regulations including but not limited to Goods and Service Tax, , TDS, etc
   - The Building and other construction workers (Regulation of Employment and Conditions of Services) Act, 1996.
   - Labour Laws and other incidental laws related to labour and employees appointed by the company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;

We have also examined compliances with the applicable clauses of the following:

i. Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India along with revised Secretarial Standards 1 and 2 as issued by The Institute of Company Secretaries of India with effect from 1st October, 2017

ii. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 except for;

   - *In compliance with Reg. 24(1) of SEBI (LODR) Regulations, 2015, the company is yet to nominate an independent director from its Board to the Board of its three Material Unlisted Subsidiary Companies*

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards as mentioned above

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors were took place during the year under review were carried out in compliance with the provisions of the Act. During the year under audit, Mr. Rajiv Singh resigned from the Board. Except this, there was no change in the composition of the Board.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period;

- Obtained Shareholders approval pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 for appointment of M/s B S R & Co LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/100022) as the Statutory Auditors of the Company for a period of 5 years.
- Regularised the re-appointment of Mr. Nikhil Chaturvedi, (DIN: 00004983) as Managing Director of the Company for a further period of 3 years with effect from 27th February 2017 in the Annual General Meeting.
- Re-Appointment of Mr. Salil Chaturvedi (DIN: 00004768), as Dy. Managing Director of the company for period of 3 years with effect from 27th February 2017 in the Annual General Meeting.
- Approval for grant of Corporate Guarantee for Alliance Mall Developers Company Private Limited, a material subsidiary, for securing a Lease Rent Discounting (LRD) Facility to the tune of ₹ 200 crore in its Board Meeting held on 13th December, 2017.

For HS Associates
Company Secretaries

Sd/-
Prasad R Chavan
Partner
ACS No.: 49921
CP No.:20415

Date: 29th May, 2018
Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms as integral part of this report.

Directors' Report *(Contd.)*

Annexure A

To,
The Members,
Prozone Intu Properties Limited

Our report of even date is to be read along with this letter.

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts, and related documents of the Company.

Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events, etc.

The Compliance of the provisions of Corporate and the other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For HS Associates
Company Secretaries

Sd/-
Prasad R Chavan
Partner
ACS No.: 49921
CP No.: 20415

Date: 29th May, 2018
Place: Mumbai

ANNEXURE 3

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L45200MH2007PLC174147
ii	Registration Date	14th September, 2007
iii	Name of the Company	Prozone Intu Properties Limited
iv	Category/Sub-category of the Company	Company Limited by share/ Indian Non-government Company
v	Address of the Registered office & contact details	105/ 106, Ground Floor, Dream Square, Dalia Industrial Estate, Off New Link Road, Andheri (West), Mumbai-400053. Contact No : +91-22-3068 0560
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083. Contact No : +91-22-4918 6000

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Management consultancy activities	7020	44.52%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Alliance Mall Developers Co. Pvt Ltd	U70101MH2007PTC173672	Subsidiary	61.50%	2(87)(ii)
2	Prozone Developers & Realtors Private Limited	U70100MH2011PTC221037	Subsidiary	100%	2(87)(ii)
3	Kruti Multitrade Pvt. Ltd.	U51909MH2006PTC159476	Subsidiary	100%	2(87)(ii)
4	Royal Mall Pvt Ltd.	U45202MH2007PTC174144	Subsidiary	100%	2(87)(ii)
5	Empire Mall Pvt Ltd	U52110MH2006PTC159594	Step Down Subsidiary	-	2(87)(i)
6	Hagwood Commercial Developers Pvt. Ltd.	U45201MH2006PTC164110	Step Down Subsidiary	-	2(87)(ii)
7	Prozone Intu Developers Private Limited	U45201MH2007PTC174150	Step Down Subsidiary	-	2(87)(ii)
8	Omni Infrastructure Pvt. Ltd.	U45202MP2007PTC019196	Step Down Subsidiary	-	2(87)(ii)
9	Prozone Liberty International Ltd.	Not Applicable	Foreign Subsidiary	100%	2(87)(ii)
10	Moontown Trading Company Pvt Ltd	U51900MH2005PTC157787	Associate Company (Joint Venture)	25%	2(6)
11	Emerald Buildhome Pvt. Ltd.	U45201RJ2006PTC023431	Associate Company (Joint Venture)	50%	2(6)

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IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(I) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	874,671	0	874,671	0.57%	799,671	0	799,671	0.52%	-0.05%
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	250,000	0	250,000	0.16%	250,000	0	250,000	0.16%	0.00
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	48,279,272	0	48,279,272	31.64%	46,337,546	0	46,337,546	30.36%	-1.27%
SUB TOTAL:(A) (1)	**49,403,943**	**0**	**49,403,943**	**32.37%**	**47,387,217**	**0**	**47,387,217**	**31.05%**	**-1.32%**
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0.00
b) Other Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks/FI	0	0	0	0	0	0	0	0	0.00
e) Any other…	0	0	0	0	0	0	0	0	0.00
SUB TOTAL (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**49,403,943**	**0**	**49,403,943**	**32.37%**	**47,387,217**	**0**	**47,387,217**	**31.05%**	**-1.32%**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks/FI	172,665	0	172,665	0.11%	273,762	0	273,762	0.18%	0.07%
C) Central govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Fund	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIIs/FPI	12,443,591	0	12,443,591	8.15%	12,441,606	0	12,441,606	8.15%	-0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (B)(1):	**12,616,256**	**0**	**12,616,256**	**8.27%**	**12,715,368**	**0**	**12,715,368**	**8.33%**	**0.06%**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	6,013,971	0	6,013,971	3.94%	8,585,033	0	8,585,033	5.63%	1.68%
ii) Overseas	0	0	0	0.00%	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	18,261,358	11,267	18,272,625	11.97%	18,302,634	11,267	18,313,901	12.00%	0.03%
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	14,951,564	52,875	15,004,439	9.83%	15,612,705	52,875	15,665,580	10.27%	0.43%
c) Others									
Hindu Undivided Family	2,240,390	0	2,240,390	0.95%	2,452,982	0	2,452,982	1.47%	0.52%
Foreign Companies	43,995,788	0	43,995,788	28.83%	43,995,788	0	43,995,788	28.83%	0.00%
Foreign Nationals	7,000	0	7,000	0.00%	0	0	0	0.00%	0.00%
Non Resident Indians (Non Repat)	200,512	0	200,512	0.11%	226,830	0	226,830	0.13%	0.02%
Non Resident Indians (Repat)	1,028,940	0	1,028,940	0.57%	1,970,505	0	1,970,505	0.67%	0.10%
Clearing Member	3,819,019	0	3,819,019	0.47%	1,289,679	0	1,289,679	2.50%	2.03%
SUB TOTAL (B)(2):	**90,518,542**	**64,142**	**90,582,684**	**56.68%**	**92,436,156**	**64,142**	**92,500,298**	**60.62%**	**3.94%**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**103,134,798**	**64,142**	**103,198,940**	**67.63%**	**105,151,524**	**64,142**	**105,215,666**	**68.95%**	**1.32%**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00%**	**0**	**0**	**0**	**0**	**0.00%**
Grand Total (A+B+C)	**152,538,741**	**64,142**	**152,602,883**	**100.00%**	**152,538,741**	**64,142**	**152,602,883**	**100.00%**	**0.00%**

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(II) Share Holding of Promoters

Sl No.	Shareholders Name	Shareholding at the begginning of the year (01.04.2017]			Shareholding at the end of the year (31.03.2018)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Nikhil Chaturvedi (In his capacity as trustee of Nikhil Chaturvedi Family Trust)	14,050,955	9.21%	0.00	14,050,955	9.21%	0.00	0.00%
2	Nikhil Chaturvedi And Shital Chaturvedi	5,000	0.00%	0.00	5,000	0.00%	0.00	0.00%
3	Salil Chaturvedi (In his capacity as trustee of Salil Chaturvedi Family Trust)	13,732,991	9.00%	0.00	13,732,991	9.00%	0.00	0.00%
4	Rakesh Rawat (In his capacity as trustee of Rakesh Rawat Family Trust)	4,111,750	2.69%	0.00	4,111,750	2.69%	0.00	0.00%
5	Deep Gupta (In his capacity as trustee of Deep Gupta Family Trust)	7,061,173	4.63%	0.00	7,061,173	4.63%	0.00	0.00%
6	Nigam Patel (In his capacity as trustee of Nigam Patel Family Trust)	1,697,445	1.11%	0.00	49,825	0.03%	0.00	-1.08%
7	Akhil Chaturvedi (In his capacity as trustee of Akhil Chaturvedi Family Trust)	3,264,117	2.14%	0.00	2,970,011	1.95%	0.00	-0.19%
7	Anisha Chaturvedi	166,260	0.11%	0.00	166,260	0.11%	0.00	0.00%
8	Veena Gupta	70,005	0.05%	0.00	70,005	0.05%	0.00	0.00%
9	Vandana Vaidh	1,620	0.00%	0.00	1,620	0.00%	0.00	0.00%
10	Ghanshyam Rawat	20,000	0.01%	0.00	20,000	0.01%	0.00	0.00%
11	Pushplata Rawat	36,501	0.02%	0.00	36,501	0.02%	0.00	0.00%
12	Bala Chhabra	100,000	0.07%	0.00	25,000	0.02%	0.00	-0.05%
13	Sushant Chhabra	67,300	0.04%	0.00	67,300	0.04%	0.00	0.00%
14	Virendra Chhabra	392,300	0.26%	0.00	392,300	0.26%	0.00	0.00%
15	Meerut Festival City Llp	4,360,841	2.86%	0.00	4,360,841	2.86%	0.00	0.00%
16	Provogue (India) Limited	250,000	0.16%	0.00	250,000	0.16%	0.00	0.00%
17	Santosh Subhash Gupta	10,000	0.01%	0.00	10,000	0.01%	0.00	0.00%
18	Subhash Gupta	5,685	0.00%	0.00	5,685	0.00%	0.00	0.00%
	Total	**49,403,943**	**32.37%**	**0.00**	**47,387,217**	**31.05%**	**0.00**	**-1.32%**

Note : Folios of Promoters in some cases have been clubbed on PAN basis

(iii) Change In Promoters' Shareholding

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year		Reason
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company	
1	**Nigam Patel Family Trust**					
	At the beginning of the year	1,697,445	1.11%	1,697,445	1.11%	NA
	14.04.2017	(300,000)	-0.20%	1,397,445	0.92%	Market sale
	01.09.2017	(45,500)	-0.03%	1,351,945	0.89%	
	08.09.2017	(6,759)	-0.00%	1,345,186	0.88%	
	22.09.2017	(25,000)	-0.02%	1,320,186	0.87%	
	06.10.2017	(50,000)	-0.03%	1,270,186	0.83%	
	13.10.2017	(50,949)	-0.03%	1,219,237	0.80%	
	20.10.2017	(60,000)	-0.04%	1,159,237	0.76%	
	17.11.2017	(20,000)	-0.01%	1,139,237	0.75%	
	01.12.2017	(47,523)	-0.03%	1,091,714	0.72%	
	22.12.2017	(40,000)	-0.03%	1,051,714	0.69%	
	29.12.2017	(7,500)	-0.00%	1,044,214	0.68%	
	05.01.2018	(24,000)	-0.02%	1,020,214	0.67%	
	12.01.2018	(50,389)	-0.03%	969,825	0.64%	
	19.01.2018	(920,000)	-0.60%	49,825	0.03%	
	At the end of the year		-	49,825	0.03%	NA
2	**Akhil Chaturvedi Family Trust**					
	At the beginning of the year	3,264,117	2.14%	3,264,117	2.14%	NA
	07.04.2017	(61,000)	-0.04%	3,203,117	2.10%	Market sale
	28.04.2017	(10,000)	-0.01%	3,193,117	2.09%	
	19.05.2017	(5,000)	-0.00%	3,188,117	2.09%	
	02.06.2017	(2,500)	-0.00%	3,185,617	2.09%	
	09.06.2017	(25,000)	-0.02%	3,160,617	2.07%	
	23.06.2017	(10,000)	-0.01%	3,150,617	2.06%	
	14.07.2017	(4,000)	-0.00%	3,146,617	2.06%	
	21.07.2017	(3,500)	-0.00%	3,143,117	2.06%	
	28.07.2017	(5,000)	-0.00%	3,138,117	2.06%	
	11.08.2017	(15,000)	-0.01%	3,123,117	2.05%	
	08.09.2017	(15,000)	-0.01%	3,108,117	2.04%	
	22.09.2017	(30,000)	-0.02%	3,078,117	2.02%	
	13.10.2017	(10,000)	-0.01%	3,068,117	2.01%	
	27.10.2017	(30,000)	-0.02%	3,038,117	1.99%	
	01.12.2017	(10,000)	-0.01%	3,028,117	1.98%	
	22.12.2017	(20,000)	-0.01%	3,008,117	1.97%	
	12.01.2018	(12,500)	-0.01%	2,995,617	1.96%	

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Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year		Reason
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company	
	23.02.2018	(20,000)	-0.01%	2,975,617	1.95%	
	16.03.2018	(5,606)	-0.00%	2,970,011	1.95%	
	At the end of the year		-	2,970,011	1.95%	
3	**Bala Chhabra**					
	At the beginning of the year	100,000	0.07%	100,000	0.07%	NA
	19.01.2018	(22,304)	-0.01%	77,696	0.05%	Market Sale
	26.01.2018	(52,696)	-0.03%	25,000	0.02%	
	At the end of the year		-	25,000	0.02%	

Note : There is no change in the Shareholding of remaining Promoter & Promoter Group

(iv) Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Nailsfield Limited	49,410,788	32.38%	49,410,788	32.38%
2	Rakesh Jhunjhunwala	3,750,000	2.46%	3,750,000	2.46%
3	**Unique Estates Development Company Limited**				
	At the beginning of the year	0	0.00%	0	0.00%
	07.04.2017	2,489,600	1.63%	2,489,600	1.63%
	At the end of the year		-	2,489,600	1.63%
4	Rajesh R Narang	2,324,160	1.52%	2,324,160	1.52%
5	Acacia Partners, LP	2,243,375	1.47%	2,243,375	1.47%
6	Cavendish Asset Management Ltd	1,797,065	1.18%	1,797,065	1.18%
7	Fairprice Traders (India) Pvt Ltd	1,525,195	1.00%	1,525,195	1.00%
8	**Gopikishan Shivkishan Damani**				
	At the beginning of the year	1,400,000	0.92%	1,400,000	0.92%
	11.08.2017	-132,375	-0.09%	1,267,625	0.83%
	At the end of the year		-	1,267,625	0.83%
9	**Aditya Shyamsunder Chandak**				
	At the beginning of the year	1250923	0.82%	1250923	0.82%
	09.02.2018	124,000	0.08%	1,374,923	0.90%
	At the end of the year		-	1,374,923	0.90%

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
10	**Edelweiss Custodial Services Limited**				
	At the beginning of the year	344,636	0.23%	344,636	0.23%
	28.04.2017	-215	-0.00%	344,421	0.23%
	02.06.2017	190,193	0.12%	534,614	0.35%
	09.06.2017	33,654	0.02%	568,268	0.37%
	16.06.2017	198,091	0.13%	766,359	0.50%
	23.06.2017	1,980	0.00%	768,339	0.50%
	30.06.2017	-3,550	-0.00%	764,789	0.50%
	07.07.2017	2,776	0.00%	767,565	0.50%
	14.07.2017	-46,656	-0.03%	720,909	0.47%
	21.07.2017	-3,125	-0.00%	717,784	0.47%
	28.07.2017	792	0.00%	718,576	0.47%
	04.08.2017	-78,508	-0.05%	640,068	0.42%
	11.08.2017	-403,862	-0.26%	236,206	0.15%
	18.08.2017	48,422	0.03%	284,628	0.19%
	25.08.2017	-218,954	-0.14%	65,674	0.04%
	01.09.2017	55	0.00%	65,729	0.04%
	08.09.2017	-76	-0.00%	65,653	0.04%
	15.09.2017	-157	-0.00%	65,496	0.04%
	22.09.2017	107,972	0.07%	173,468	0.11%
	29.09.2017	10,307	0.01%	183,775	0.12%
	06.10.2017	-43,737	-0.03%	140,038	0.09%
	13.10.2017	32,113	0.02%	172,151	0.11%
	20.10.2017	-4,045	-0.00%	168,106	0.11%
	27.10.2017	17,826	0.01%	185,932	0.12%
	03.11.2017	10,287	0.01%	196,219	0.13%
	10.11.2017	3,336	0.00%	199,555	0.13%
	17.11.2017	-17,126	-0.01%	182,429	0.12%
	24.11.2017	-60,980	-0.04%	121,449	0.08%
	01.12.2017	8,016	0.01%	129,465	0.08%
	08.12.2017	424	0.00%	129,889	0.09%
	15.12.2017	-3,231	-0.00%	126,658	0.08%

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Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	22.12.2017	5,793	0.00%	132,451	0.09%
	29.12.2017	-27,794	-0.02%	104,657	0.07%
	05.01.2018	17,181	0.01%	121,838	0.08%
	12.01.2018	-9,999	-0.01%	111,839	0.07%
	19.01.2018	932,126	0.61%	1,043,965	0.68%
	26.01.2018	-51,798	-0.03%	992,167	0.65%
	02.02.2018	16,159	0.01%	1,008,326	0.66%
	09.02.2018	89,464	0.06%	1,097,790	0.72%
	16.02.2018	3,541	0.00%	1,101,331	0.72%
	23.02.2018	2,057	0.00%	1,103,388	0.72%
	02.03.2018	30,767	0.02%	1,134,155	0.74%
	09.03.2018	40,493	0.03%	1,174,648	0.77%
	16.03.2018	568	0.00%	1,175,216	0.77%
	23.03.2018	220	0.00%	1,175,436	0.77%
	31.03.2018	5,168	0.00%	1,180,604	0.77%
	At the end of the year		-	1,180,604	0.77%

Note: The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Folios of top 10 shareholders in some cases have been clubbed on PAN basis.

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year		Reason
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	Nikhil Chaturvedi, Director jointly with his wife					
	At the beginning of the year	5,000	0.00%	5,000	0.00%	NA
	At the end of the year	5,000	0.00%	5,000	0.00%	NA

Note: Except above none of the Other Director / KMP's hold any shares in the Company as on 31.03.2018

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(INR in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	84.17	1,729.49	-	1,813.66
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	**84.17**	**1,729.49**	**-**	**1,813.66**
Change in Indebtedness during the financial year				
Additions	0.17	-	-	0.17
Reduction	30.23	-	-	30.23
Net Change	(30.06)	-	-	(30.06)
Indebtedness at the end of the financial year				
i) Principal Amount	54.11	1,729.49	-	1,783.60
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	**54.11**	**1,729.49**	**-**	**1,783.60**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(INR in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Mr. Nikhil Chaturvedi, Managing Director	Mr. Salil Chaturvedi, Dy. Managing Director	
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	83.89	59.89	143.78
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (reimbursement, PF & other contribution)	-	-	-
5	Others, please specify	36.11	0.11	36.22
Total (A)		**120.00**	**60.00**	**180.00**
Ceiling as per the Act				**Within the Prescribed Limit**

Directors' Report *(Contd.)*

B. Remuneration to other directors:

(INR in Lakhs)

SN	Particulars of Remuneration	Name of the Directors					Total Amount paid/ payable
1	Independent Directors						
	(a) Fee for attending board committee meetings						
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)						
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-
	Total (2)						
Total (B)=(1+2)		**-**	**-**	**-**	**-**	**-**	**-**
Total Managerial Remuneration		**-**	**-**	**-**	**-**	**-**	**-**
Overall Ceiling as per the Act.		**Within the prescribed limits**					

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD (Actual Paid)

(INR in Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	22.13	21.70	43.83
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others (reimbursement, PF & other contribution)	9.26	5.30	14.56
Total		**31.39**	**27.00**	**58.39**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of Board of Director

Sd/-
Nikhil Chaturvedi
Managing Director
DIN: 00004983

Sd/-
Salil Chaturvedi
Dy. Managing Director
DIN: 00004768

Date: 29th May 2018
Place: Mumbai

Directors' Report *(Contd.)*

ANNEXURE 4

FORM NO. AOC -2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SN	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
Not Applicable								

2. Details of material contracts or arrangements or transactions at Arm's length basis.

SN	Name (s) of the related party & nature of relationship	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
- Not Applicable -							

Note: For this purpose, a transaction with related party is considered material if the value of transaction(s) taken together during financial year exceeds 10% of annual consolidated turnover of the Company as per latest audited financial statement.

For and on behalf of Board of Director

Sd/-
Nikhil Chaturvedi
Managing Director
DIN:00004983

Sd/-
Salil Chaturvedi
Dy. Managing Director
DIN:00004768

Date: 29th May 2018
Place: Mumbai

ANNEXURE 5

Statement of particulars of employees pursuant to the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration) Rules 2014 and forming part of Directors' Report for the year ended 31st March 2018

A. Top 10 employees in term of remuneration drawn

Sr. No.	Name of Employee	Age	Designation	Qualification	Experience (In years)	Gross Remuneration (In ₹)	Date of commencement of employment	Last Employment		% of Equity Shares held by employee in the Company	Relation with Director/ Manager of the Company
								Name of Employer	Position held		
1	Mr. Nikhil Chaturvedi	47	Director	B. Com	24+	1,20,00,000	27.02.2017	Prozone Enterprises Pvt. Ltd	Managing Director	"5000 (0.003%)"	Brother of Salil Chaturvedi
2	Mr. Salil Chaturvedi	45	Director	B.Sc	19+	60,00,000	27.02.2017	Prozone Enterprises Pvt. Ltd	Dy. Managing Director	NIL	Brother of Nikhil Chaturvedi
3	Mr. Bipin Gurnani	45	President	Associate Degree in Management	25+	65,35,092	01.04.2008	Pyramid Retail	Chief Executive Officer	NIL	-
4	Mr. Sudhanshu Chaturvedi	53	Vice President Operations	M.Com	20+	21,24,000	01.12.2010	Indian Army	Lt. Colonel	NIL	-
5	Mr. Anurag Garg	42	Chief Financial Officer	C.A.	20+	35,00,004	21.04.2014	Future Consumer Enterprise Limited	Finance Controller	NIL	-
6	Mr. Ajayendra Jain	42	CS & Chief Compliance Officer	CS, LLB, MFA	20+	27,00,000	01.12.2015	Provogue India Limited	CS & Compliance Officer	NIL	-
7	Ms. Shakuntala S. Shetty	39	A.G.M Accounts & Taxation	Inter C.A.	15+	20,00,004	01.10.2011	Provogue India Limited	Senior Executive - Taxation		-
8	Ms. Anica Chaturvedi	24	Head - Marketing	MBA - Mgt Studies	-	12,00,000	14.02.2017	-	-	NIL	-
9	Mr. Pratik Shah	35	Assistant General Manager HR & Admin	MBA - HR	10+	12,00,000	15.11.2014	RNA Corp	Manager - HR & Admin	NIL	-
10	Mr. Deepak Chaturvedi	55	Manager - Liaision	M.A. - Economics	20+	3,04,920	23.06.2008	Indian Army	Officer	NIL	-

B. Employed throughout the financial year under review and were in receipt of gross remuneration for the financial year in aggregate of not less than ₹ 1.02 crore per annum.

Sr. No.	Name of Employee	Age	Designation	Qualification	Experience (In years)	Gross Remuneration (In ₹)	Date of commencement of employment	Last Employment		% of Equity Shares held by employee in the Company	Relation with Director/ Manager of the Company
								Name of Employer	Position held		
1	Mr. Nikhil Chaturvedi	47	Managing Director	B. Com	24+	1,20,00,000	27.02.2017	Prozone Enterprises Pvt. Ltd	Managing Director	"5000 (0.003%)"	Brother of Salil Chaturvedi

C. Employed throughout the financial year under review and were in receipt of gross remuneration for the financial year in aggregate of not less than ₹ 1.02 crore per annum.

Sr. No.	Name of Employee	Age	Designation	Qualification & Experience	Experience (In years)	Gross Remuneration (In ₹)	Date of commencement of employment	Last Employment		% of Equity Shares held by employee in the Company	Relation with Director/ Manager of the Company
								Name of Employer	Position held		
Not Applicable											

Notes:

1 Other terms and conditions as per Company's rules/ schemes and terms of individual appointment letter.

2 Detail required to be given under rule 5(2) (iii) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable

For and on behalf of Board of Director

Sd/-	Sd/-
Nikhil Chaturvedi	**Salil Chaturvedi**
Managing Director	Dy. Managing Director
DIN:00004983	DIN:00004768

Date: 29th May 2018
Place: Mumbai

Directors' Report *(Contd.)*

ANNEXURE 6

PARTICULARS OF EMPLOYEES AND RELATED DETAILS

(Pursuant to section 197(2) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

No.	Requirements	Disclosures	
1	The ratio of remuneration of each Director to the Median remuneration of employees for the financial year	Mr. Nikhil Chaturvedi, MD	6 : 1
		Mr. Salil Chaturvedi, Dy MD	3 : 1
		Mr. Punit Goenka, ID	Nil
		Ms. Deep Misra Harris. ID	Nil
		Mr. Rajiv Singh, ID*	Nil
		Mr. David Fischel, NED	Nil
2	Percentage increase in Remuneration of each director, CFO, CEO, CS in the Financial Year	Mr. Nikhil Chaturvedi, MD	No increase
		Mr. Salil Chaturvedi, Dy MD	No increase
		Mr. Anurag Garg, CFO	No increase
		Mr. Ajayendra P Jain, CS	No increase
3	The Percentage increase in the median remuneration of employees in the financial year	There has been no increase in median remuneration in the employees in the financial year	
4	The Number of permanent employees on the rolls of the Company	There were 11 employees as on 31st March 2018	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Increase in other than managerial personnel : No increase Increase in managerial personnel –No increase	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	It is confirmed that the remuneration is paid as per the remuneration policy of the Company.	

* up till 24th April 2017

For and on behalf of Board of Director

	Sd/-	Sd/-
	Nikhil Chaturvedi	**Salil Chaturvedi**
Date: 29th May 2018	Managing Director	Dy. Managing Director
Place: Mumbai	DIN:00004983	DIN:00004768

ANNEXURE 7

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Corporate Social Responsibility Policy ("Policy") of the Company is in line with the provisions of Section 135 of the Companies Act 2013 ("Act") read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 The Policy lays down the guiding principles that shall be applicable to the CSR projects/programme/activities of the Company. The Board of Directors approved this Policy, on the basis of the recommendations of the CSR Committee. The summary of the CSR policy is available at www.prozoneintu.com
2	The Composition of the CSR Committee.	The CSR Committee consists of following members: a. Mr. Nikhil Chaturvedi, Chairman b. Ms. Deepa Misra Harris, Member c. Mr. Salil Chaturvedi, Member
3	Average net profit of the Company for last three financial year	Not applicable, as applicability criteria stipulated u/s 135 of Companies Act 2013 was not met at the end of financial year 2016-17.
4	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	Not applicable
5	Details of CSR spent during the financial year.	
a	Total amount to be spent for the financial year	₹ 10.67 Lac being amount unspent pertaining to previous financial year
b	Amount unspent, if any	Nil
c	Manner in which the amount spent during the financial year	
	CSR project or activity identified	Protection of national heritage, art and culture
	Sector in which the project is covered	Clause V of Schedule VII of the Companies Act 2013
	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	 Other State- Rajasthan, District- Jaipur
	Amount outlay (budget) project or Programs wise	INR 10.67 Lac being amount unspent pertaining to previous financial year
	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads	 INR 10.67 Lac Nil
	Cumulative expenditure upto the reporting period	INR 10.67 Lac
	Amount spent: Directly or through Implementing agency (give details of implementing agency)	Implementing agency- Saat Saath Arts.
6	In case company has failed to spend the two percent of the average net profit of the last three financial years or ant part thereof, the company shall provide the reasons for not spending the amount in Board report.	Not applicable
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR Objectives and policy of the Company	The implementation and monitoring of CSR policy is in compliance with CSR Objectives and policy of the Company.

For and on behalf of Board of Director

Sd/-
Nikhil Chaturvedi
Managing Director
DIN:00004983

Sd/-
Salil Chaturvedi
Dy. Managing Director
DIN:00004768

Date: 29th May 2018
Place: Mumbai

Corporate Governance Report

The Board present the Company's Report on Corporate Governance for the year ended 31st March 2018, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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. One of the core missions of the Company is to achieve excellence in all spheres, be it profitability, growth in market share, superior quality of services to the satisfaction of the stakeholders through an efficient and effective code of governance. Company believes that sound Corporate Governance is critical to enhance and retain investors trust and faith in the Company.

The Corporate Governance Report of the Company for the year ended 31st March 2018 is as follows:

2. BOARD OF DIRECTORS:

a. Composition of the Board and Category of Director: The Company has a judicious mix of Executive, Non-Executive and Independent Directors to ensure proper governance and management. As on 31st March 2018 the Board comprised of six Directors of which, two Executive Directors, two Non-Executive Directors and two Independent Directors including one woman director. Further Mr. Punit Goenka, an Independent Director heading the Board as Chairman. As on 31st March 2018, the Independent Directors of the Company, have confirmed that they satisfy the criteria of independence as prescribed under Reg. 16 (1) (b) of SEBI (LODR) Regulations 2015 and Companies Act, 2013.

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. In case of business exigencies, the Board's approval is taken through circular resolutions. During the year under review no resolutions were passed through circular.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets .

In the financial year 2017-18, the Board met five times. The meetings were held on 19th May 2017, 22nd August 2017, 13th September 2017, 13th December 2017 and 13th February 2018 and the intervening gap between two meetings did not exceed one hundred twenty days between any two consecutive meeting.

The constitution of Board of Directors as on 31st March 2018, details of meeting attended by Directors and their directorship in Indian public Companies and membership in Committees are as under:

Name of the Director	Category[1]	No. of Board Meetings attended	Last AGM Attended	No. of Directorships and Committee Memberships and Chairmanships (including the Company)[2]		
				Directorship[3]	Committee	
					Chairmanship[4]	Membership[4]
Mr. Punit Goenka	C & ID	5	No	4	-	3
Ms. Deepa Misra Harris	ID	5	Yes	2	2	
Mr. Nikhil Chaturvedi	MD	5	Yes	2	-	1
Mr. Salil Chaturvedi	Dy. MD	5	No	4	1	2
Mr. David Fischel	NED	3	No	1	-	-
Mr. Dushyant Singh Sangar	NED	5	No	1	-	-

Leave of absence was granted to the concerned Directors who had expressed their inability to attend the respective meetings

1. In above table the term 'C&ID' refers to Chairperson & Independent Director, 'MD' refers to Managing Director, 'ID' refers to Independent Director, 'Dy. MD' refers to Deputy Managing Director; 'NED' refers to Non- executive Director.
2. None of the Directors is a member of more than 10 Board level Committees of Public Companies in which they are Directors nor is Chairman of more than 5 such Committees.
3. Only Directorships in Indian Public Limited Companies (listed or unlisted) have been considered.

4. In accordance with Reg. 26 of SEBI (LODR) Regulations, 2015, Membership / Chairmanship only in Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies, have been considered.
5. Except Mr. Nikhil Chaturvedi, Managing Director and Mr. Salil Chaturvedi, Dy. Managing Director, no other Directors are related to each other
6. No Shares of the Company are being held by any Non-Executive Director as on 31st March 2018

During the year under review Mr. Rajiv Singh resigned as Independent Director w.e.f. 24th April 2017.

b. Independent Director:

The Independent Directors fulfills the conditions of independence specified in Section 149 and Schedule IV of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulation. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulation has been issued on their appointment.

c. Meetings of Independent Directors:

In compliance with the provisions of Section 149(8) read with Schedule IV of the Companies Act, 2013 and Reg. 25 of SEBI (LODR) Regulation 2015, a meeting of the Independent Directors of the Company was held on 13th December 2017 without the presence of Non-Independent Directors. All the Independent Directors were present at the said meeting, to discuss the following matters

- Review of the performance of Non-Independent Directors and the Board as a whole;
- Review of the performance of the Chairman of the Company, taking into account the view of executive directors and non – executive Directors;
- Evaluate the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

d. Familiarization Programme for Independent Directors:

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities to be performed by him/her as a Director of the Company. He also explained in detail the Compliance required from him/her under Companies Act, 2013, Listing Regulation and other various statutes and an affirmation is obtained. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations by internal auditors on financials and internal financial controls, are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of Familiarisation Programmes imparted to Independent Directors, have been hosted on website of the Company. Link: www.prozoneintu.com

e. Payment of compensation to Non-Executive directors:

During the financial year 2017-18, no amount has been paid to Non-Executive Directors of the Company either as fees, compensation or otherwise.

COMMITTEES OF THE BOARD:

The Board of Directors have constituted Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Committees are formed with approval of the Board and functions under in accordance with powers it derived from the Board. These Committees play an important role in the overall management of day to-day affairs and governance of the Company. The Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board currently has the following Committees:

3. Audit Committee:

The Audit Committee acts as a link between the Independent Auditors, Internal Auditors, the Management and the Board of Directors and entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Audit committee interacts with the Internal Auditors, Statutory Auditors and reviews and recommends their appointment and remuneration. The Audit Committee is provided with all necessary assistance and information for enabling them to carry out its function effectively.

The Committee's composition meets the requirements of Section 177 of the Companies Act, 2013 and Reg. 18 SEBI (LODR) Regulations 2015. Members of the Audit Committee possess financial / accounting expertise / exposure/ qualifications.

a. Term of Reference:

The term of reference of Audit Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity, reviewing, with the management,

Corporate Governance Report *(Contd.)*

the financial statements before submission to the board for approval; reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process, scrutiny of related party transactions and inter-corporate loans and investments, reviewing the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit; reviewing with the management, the annual financial statements and auditor's report thereon before the same are forwarded to the board for approval, with primary focus on;

- Matters required to be included in the director's responsibility statement, to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013,
- Changes, if any, in accounting policies and practices and reasons for the same,
- Significant adjustments made in the financial statements arising out of audit findings,
- Disclosure of any related party transactions,
- Modified opinion(s) in the draft audit report.

b. Composition:

During the year under review, Mr. Rajiv Singh resigned from the directorship of the Company w.e.f. 24th April 2017 and accordingly the Committee was reconstituted at the Board Meeting held on 19th May 2017. Presently, the Committee comprises of two Independent Directors namely Mr. Punit Goenka and Ms. Deepa Harris, and one executive director Mr. Salil Chaturvedi, Dy. Managing Director of the Company. As on 31st March 2018, Ms. Deepa Harris, Independent Director of the Company, heads the Audit Committee as Chairman and Mr. Ajayendra P. Jain, Company Secretary acts as Secretary. The members of the Committee are well versed in finance, accounts, company law and general business practices.

c. Meetings and attendance of the Audit Committee:

Audit Committee met five times during the financial year 2017-18 on 19th May 2017, 22nd August 2017, 13th September 2017, 13th December 2017 and 13th February 2018. The gap between two Audit committee meetings was not more one hundred and twenty days between any two consecutive meetings.

The audit committee meetings are also generally attended by Managing Director, Dy. Managing Director, Chief Financial Officer and the representatives of Statutory and Internal Auditors. The minutes of every meeting of Audit Committee were discussed and taken note by the Board of Directors in subsequent meeting.

The details of attendance of the members in meetings are as follows:

Name of the Member	Category[1]	Position	Audit Committee Meetings	
			Held	Attended
Ms. Deepa Harris[2]	ID	Chairperson	5	5
Mr. Punit Goenka	ID	Member	5	5
Mr. Salil Chaturvedi	Dy. MD	Member	5	5
Mr. Rajiv Singh[2]	ID	Chairman	0	0

1. In above table 'ID' refers to Independent Director and 'Dy. MD' refers to Deputy Managing Director.
2. Mr. Rajiv Singh resigned from the office of directorship of the Company w.e.f. 24th April 2017 and accordingly at the Board Meeting held on 19th May 2017, the Committee was reconstituted with Ms Deepa Harris as Chairman, Mr Punit Goenka and Mr. Salil Chaturvedi as Members of the Committee.

The Audit Committee exercises all powers, performs such functions and reviews information as prescribed in Section 177 of the Companies Act, 2013 and Reg. 18(3) SEBI (LODR) Regulations 2015 read with Part C of Schedule II to the Regulation.

Composition of the Committee is available on Company's website i.e. www.prozoneintu.com

4. Nomination and Remuneration Committee:

a. Term of Reference:

The Board had constituted the Nomination & Remuneration Committee which ensures effective compliances as mentioned in section 178 of the Companies Act, 2013 and Reg. 19 of SEBI (LODR) Regulations, 2015. The Board has defined terms of reference for the Nomination & Remuneration Committee, are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

b. Composition:

The Committee as on 31st March 2018 comprised of Ms. Deepa Harris Independent Director as Chairman and Mr. Punit Goenka, Independent Director and Mr. David Fischel and Mr. Dushyant Singh Sangar, Non-executive Director as members of the Committee.

During the year under review, Mr. Rajiv Singh resigned from the Directorship of the Company w.e.f. 24th April 2017 and accordingly the Committee was reconstituted at the Board Meeting held on 22nd August 2017.

c. Meeting and attendance of the Committee:

No Nomination & Remuneration Committee Meeting held during the financial year under review.

d. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as of performance of the Directors individually. Feedback was sought on various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The evaluation was carried out based on responses received from the Directors

A separate exercise was carried out by the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

e. Remuneration of Directors:

Executive directors of the Company are appointed by the Board of Directors subject to the approval of shareholders in the general meeting. The remuneration package of the executive directors is determined by the Nomination and Remuneration Committee within the permissible limits, subject to approval by the Board and shareholders in their respective meetings as per applicable provisions of the Companies Act, 2013.

Corporate Governance Report *(Contd.)*

The details of remuneration paid to Directors during the year 2017-18 are as under:

Sr. No.	Name of the Director	Basic Salary Paid (₹)	Allowances & perquisites (₹)	Sitting Fees paid (₹)	Total Remuneration (₹)*
1	Mr. Punit Goenka	-	-	-	-
2	Mr. Nikhil Chaturvedi **	1,20,00,000	-	-	1,20,00,000
3	Mr. Salil Chaturvedi **	60,00,000	-	-	60,00,000
4	Ms. Deepa Harris	-	-	-	-
5	Mr. David Fischel	-	-	-	-
6	Mr. Dushyant Singh Sangar	-	-	-	-

* except above no other component included in the remuneration drawn by the Directors
** Directors at serial nos. 2 & 3 are brothers

As informed to the Company, none of the non-executive directors have any other pecuniary interest in the Company. The Company does not pay any sitting fee or remuneration to non-executive directors including independent directors. The Company has not framed any scheme/ plan to grant stock option to its employee or directors.

5. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee oversees the redressal of Shareholder's complaints relating to share transfers/ transmission and non receipt of Annual reports, etc.

a. Term of Reference:

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc.

b. Composition:

During the year under review, Mr. Rajiv Singh resigned from the directorship of the Company w.e.f 24th April 2017 and accordingly the Committee was reconstituted in the Board Meeting held on 22nd August 2017. The Stakeholders Relationship Committee comprises of two independent directors namely, Ms. Deepa Harris and Mr. Punit Goenka, and two executive directors namely, Mr. Nikhil Chaturvedi and Mr. Salil Chaturvedi. Ms. Deepa Harris Independent Director is the Chairman of the Committee. Mr. Ajayendra P. Jain, Company Secretary is a Compliance Officer of the Committee.

c. Meetings and attendance of the Committee:

During the year 2017-18, the Committee met once on 13th February 2018. The details of attendance of the members in meetings are as follows:

Name of the Member	Category[1]	Position	SRC Meetings	
			Held	Attended
Ms. Deepa Harris	ID	Chairperson	1	1
Mr. Punit Goenka	ID	Member	1	1
Mr. Nikhil Chaturvedi	MD	Member	1	1
Mr. Salil Chaturvedi	Dy. MD	Member	1	1

1. In above table 'ID' refers to Independent Director, 'MD' refers to Managing Director and 'Dy. MD' refers to Deputy Managing Director.

d. Name and Designation of Compliance Officer:

Mr. Ajayendra Pratap Jain, Company Secretary, acts as Compliance Officer of the Company.

e. Details of Shareholding Complaints:

The details of complaints received, resolved and pending are as under;

Particulars	No of Complaints
Number of Investors Complaints received during financial year 2017-18	Nil
Number of complaints not resolved to the satisfaction of the shareholders as on 31st March 2018	Nil
Number of pending complaints as on 31st March 2018	Nil

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

As on 31st March 2018, the Corporate Social Resoponsilbity (CSR) Committee consists of Mr. Nikhil Chaturvedi, Managing Director as 'Chairman' of the Committee and Mr. Salil Chaturvedi, Ms. Deepa Harris, Dy. Managing Director and Independent Directors respectively, as its members. The composition and role of the CSR Committee are in line with Section 135 of the Act, and Rules framed thereunder. The Company Secretary of the Company acts as Secretary to the Committee

a. Term of Reference:

The CSR Committee:

1) Reviews the existing CSR Policy from time to time and the activities to be undertaken by the Company towards CSR activities;

2) Recommends the project/ program to be undertaken, amount of expenditure to be incurred, roles and responsibilities of various stakeholders etc., in respect of CSR activities.

3) Monitors for ensuring implementation of the projects/ programs undertaken or the end use of the amount spent by the Company towards CSR activities.

The Company has adopted the CSR policy and hosted the same on Company's website at viz. www.prozoneintu.com. A detailed disclosure as per the requirements of section 135(3)(o) of the Companies Act 2013 read with rule 9 of the Companies (Corporate Social Responsibility) Rules 2014, is forming part of this report.

b. Meetings and attendance of the Committee:

No Corporate Social Responsibility Committee meeting was held during the financial year under review. However, during the year under review, the Committee vide its resolution passed by circulation approved the amount to be spent pursuant to section 135 of the Companies Act, 2013 in the financial year 2017-18.

c. Roles and Responsibilities of the CSR Committee:

1. To formulate and recommend to the Board, a CSR Policy which shall include the activities to be undertaken by the Company as envisaged in the Companies Act, 2013;
2. To recommend to the Board the amount of expenditure to be incurred on the activities as per the CSR Policy of the Company;
3. To monitor the projects and activities as per the CSR policy of the Company;
4. To review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities;
5. Review the CSR Report, with the Management, before submission to the Board for approval;
6. Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent for the intended purpose only;
7. To consider other functions, as defined by the Board or as may be stipulated under any law, rule or regulation including the SEBI LODR Regulations and the Companies Act, 2013.

The Committee had also adopted CSR policy outlining the activities to be covered under CSR activities to be undertaken by the Company. The CSR Policy intends to strive for economic development that positively impacts the society at large with minimal resource footprints. The Policy is made available on the Company's website at www.prozoneintu.com

GOVERNANCE CODES

Code of Conduct and Business Ethics

The Company has adopted Code of Conduct & Business Ethics ("the Code") which is applicable to the Board of Directors and Senior Managerial Personnel comprising all members of Core Management Team one level below the executive Directors including all Functional Heads (SMPs) of the Company. The Board of Directors and SMPs of the Company annually, are required to affirm the Compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is hosted on the Company's website viz www.prozoneintu.com

Insider Trading Code:

The Company, with a view to regulate the trading in securities of the Company, by the insiders including promoters, directors and designated/specified employees, the Company, had adopted a Code of conduct for Insider Trading and Fair Disclosures of UPSI ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees/ specified employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. The Code has been hosted on the Company's website viz. www.prozoneintu.com

Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

7. GENERAL BODY MEETING:

The location, date and time of Annual General Meeting held during the last 3 years are given hereunder:

Financial Year	Date	Time	Location	No. of Special Resolutions passed
Annual General Meetings:				
2014-15	30.09.15	2.00 p.m.	Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (W), Mumbai- 400 053	3
2015-16	22.09.16	11.00 a.m.	Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (W), Mumbai- 400 053	0
2016-17	28.09.17	1.00 p.m.	Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (W), Mumbai- 400 053	2

- None of the items transacted at the last Annual General Meeting held on 28th September 2017 were required to be passed by postal ballot, nor any resolution requiring postal ballot is proposed at the ensuing Annual General Meeting.

Postal Ballot including e-voting

During the financial year 2017-18, no resolution was passed by the Company through postal ballot.

8. MEANS OF COMMUNICATION:

The Company, from time to time and as and when required, communicates with its shareholders and investors through multiple channels of communications such as dissemination of information on the on-line portal of the Stock Exchanges, press releases, the Annual Reports and uploading relevant information on its website etc.

The unaudited quarterly results are announced within forty-five days of the close of quarter. The annual results are announced within 60 days from the close of the financial year as required under the SEBI (LODR) Regulations, 2015. The financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board Meeting at which these were considered and approved. The results are generally published in English and one Marathi daily newspaper, i.e. Financial Express and Mumbai Lakshadeep respectively.

The Annual Report of the Company, the quarterly and the annual financial statements other information required to be disseminated on Company's website are regularly posted on the Company's website i.e. www.prozoneintu.com and can be downloaded.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI (LODR) Regulations, 2015 including material information having a bearing on the performance / operations of the listed entity or other price sensitive information. All information are filed electronically on BSE's online Portal i.e. 'BSE Corporate Compliance & Listing Centre (Listing Centre)' and NSE's online portal i.e. NSE Electronic Application Processing System (NEAPS), and all disclosures made to the stock exchanges are also made available on Company website. In addition to this, all official new releases are also posted on the Company's website.

SEBI Complaint Redressal Systems (SCORES):

SEBI has provided facility for investors to place their complaints / grievances on a centralized web-based complaints redressal system viz. SEBI Complaints Redress System (SCORES). The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Presentations to institutional investors / analysts:

The Company is regularly holding meetings with institutional investors and analyst to discuss upon financials and future plan of action. The Detailed presentations made to institutional investors and financial analysts on the Company's performance during the period are hosted on Company's website and also have disseminated to the Stock Exchanges where the shares of the Company are listed.

9. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting: Date, Time and Venue:

As indicated in the notice accompanying this Annual Report, the 11th Annual General Meeting of the Company will be held on Wednesday, 26th September 2018 at 11.00 a.m. at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West), Mumbai – 400053.

Plant Location: Not Applicable
Financial Year: The Company follows a period from April 1 to March 31 as the financial year.
Dividend payment date: The Company has not recommended any dividend for the financial year 2017-18.

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

Un-audited results Q1 ending 30.06.2018	On or before 14th September 2018
Un-audited results Q2/half year ending 30.09.2018	On or before 14th December 2018
Un-audited results Q3/Nine months ending 31.12.2018	On or before 14th February 2019
Audited Results for the year ending 31.03.2019	On or before 30th May 2019

Book Closure Date:
Company was not required to decide any book closure period during the financial year.

Details of Stock Exchanges where Equity shares of the Company are listed

Stock Exchanges	Stock Code
BSE Ltd Listing Department P.J. Towers, Dalal Street, Fort Mumbai 400 001	534675
National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex, Bandra (E) Mumbai 400 051	PROZONINTU
Demat ISIN in NSDL and CDSL for Equity Shares	INE195N01013

Listing fees have been paid for the Financial Year 2018-19.

Corporate Governance Report *(Contd.)*

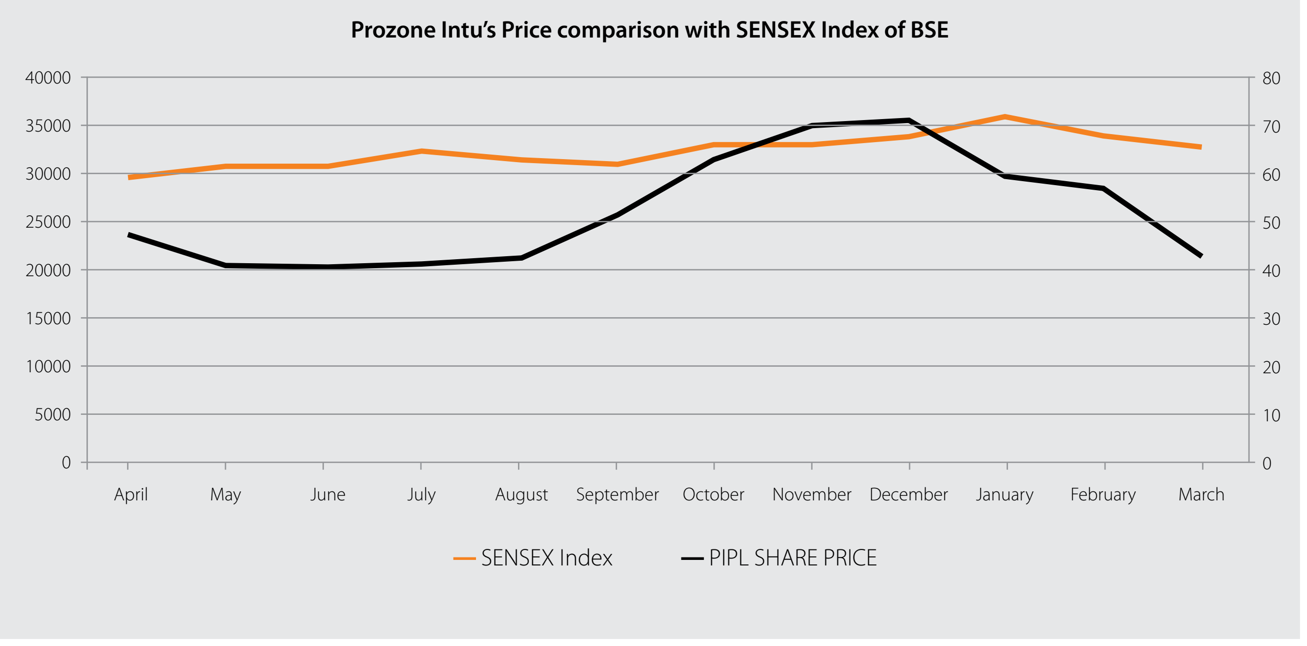
Market Price Data:

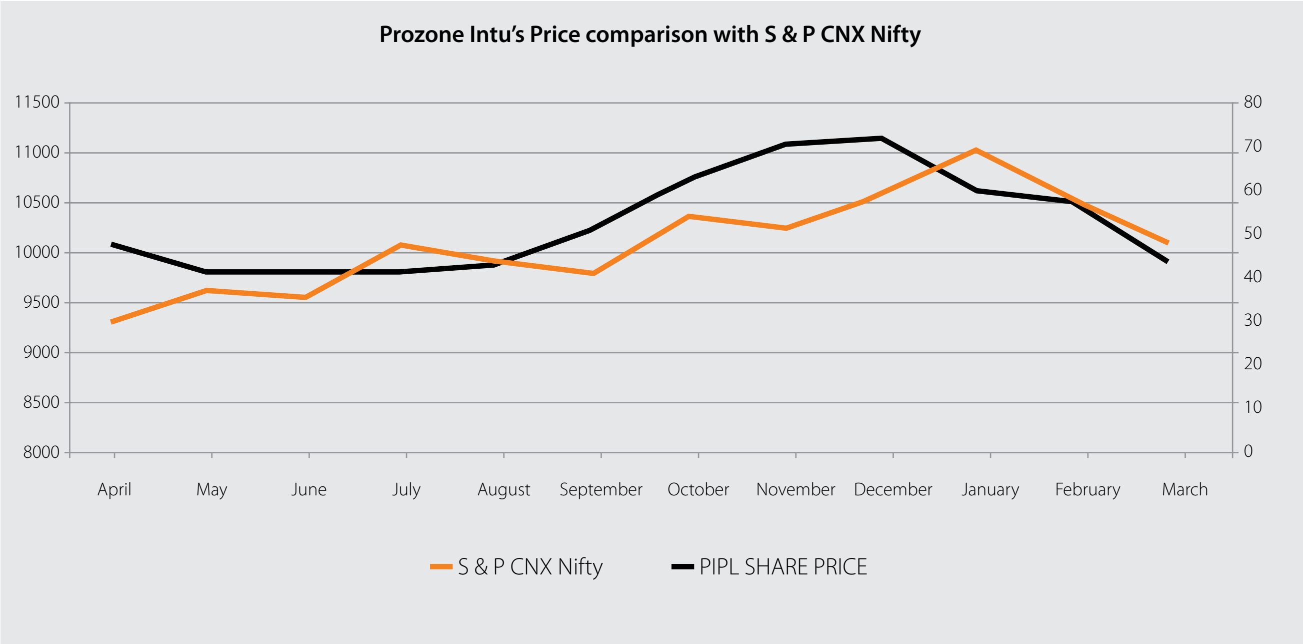
Market Price and Volume of the Company's Shares of face value of ₹ 2 each traded in the Stock Exchanges where Company's shares are listed during the financial year 2017-18:

Month	BSE				NSE			
	Share Price (in ₹)			SENSEX	Share Price (in ₹)			NIFTY
	High	Low	Close	Close	High	Low	Close	Close
Apr 2017	49.90	36.75	47.45	29918.40	50.30	36.55	47.60	9304.05
May 2017	48.30	39.50	40.90	31145.80	48.40	39.60	41.00	9621.25
Jun 2017	45.80	39.90	40.60	30921.61	45.95	40.00	40.40	9520.90
Jul 2017	45.50	40.40	41.40	32514.94	45.45	40.40	41.30	10077.10
Aug 2017	47.00	34.60	42.50	31730.49	46.25	34.05	42.40	9917.90
Sept 2017	60.50	41.00	51.35	31283.72	60.60	41.05	51.15	9788.60
Oct 2017	69.55	50.50	63.35	33213.13	69.40	50.55	63.30	10335.30
Nov 2017	76.00	56.90	70.25	33149.35	76.20	57.00	70.30	10226.55
Dec 2017	78.35	65.00	71.50	34056.83	78.40	65.00	71.65	10530.70
Jan 2018	75.30	57.50	59.65	35965.02	75.20	57.15	59.60	11027.70
Feb 2018	63.90	51.80	57.55	34184.04	63.90	50.85	57.70	10492.85
Mar 2018	58.25	43.10	43.50	32968.68	58.35	43.15	43.65	10113.70

Source – Websites: BSE Ltd. (www.bseindia.com) and The National Stock Exchange of India Ltd. (www.nseindia.com)

Performance in comparison to broad based indices such as BSE SENSEX Index & NSE S & P CNX Nifty (closing Price) :





Share Transfer system:

Share Transfer, Transmission and Duplicate issue of Shares in physical form are normally effected within a period of 15 days, 21 days (7 days if the transmission is in de-mat form) and 30 days respectively from the receipt of documents complete in all respects. Company has Link Intime India Pvt. Ltd as Registrar and Share Transfer Agent which handles the transfer, transmission and issue of duplicate share certificate other related matters from the lodgment of the documents.

Dematerialization of shares:

The Company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) to provide trading of shares in dematerialized form. As on 31st March 2018, 15,25,38,741 Equity shares of the Company, representing 99.96% of its issued capital, were held in dematerialized form and the balance 0.04% representing 64,142 equity shares were held in physical form.

Distribution of Shareholding as on March 31, 2018:

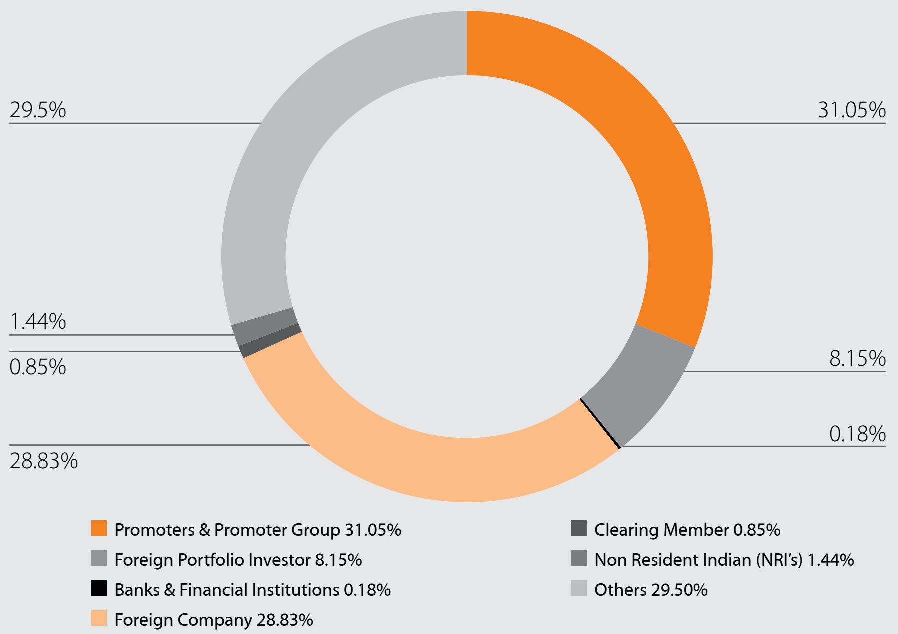
Share holding	**Shareholders**		**Shares**	
No. of Shares	**Number**	**% to total share capital**	**No. of Shares**	**% to total share capital**
(1)	**(2)**	**(3)**	**(4)**	**(5)**
0-1000	25715	79.86%	4092723	2.68%
1001-2000	3008	9.34%	2589678	1.70%
2001-4000	1531	4.75%	2462457	1.61%
4001-6000	604	1.88%	1578976	1.03%
6001-8000	254	0.79%	931162	0.61%
8001-10000	290	0.90%	1397608	0.92%
10001- 20000	382	1.19%	2964669	1.94%
20001- above	416	1.29%	136585610	89.51%
Total	**32200**	**100.00%**	**152602883**	**100.00%**

Corporate Governance Report *(Contd.)*

Categories of Shareholders as on 31.03.2018:

Category	No. of Shares	% of Shareholding
Promoters & Promoter Group	4,73,87,217	31.05%
Foreign Portfolio Investor	1,24,41,606	8.15%
Banks & Financial Institutions	2,73,762	0.18%
Foreign Company	4,39,95,788	28.83%
Clearing Member	12,89,679	0.85%
Non Resident Indians (NRI's)	21,97,335	1.44%
Others	4,50,17,496	29.50%
Total	**15,26,02,883**	**100.00%**

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments:



Upto 31st March, 2018, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company.

Commodity price risk or foreign exchange risk and hedging activities:
Disclosures on risks are forming part of Management Discussion and Analysis Report which is forming part of this Annual Report.

Address for correspondence:

Registered office:
Prozone Intu Properties Limited
105/106, Ground Floor, Dream Square, Dalia Industrial Estate, Off New Link Road,
Andheri (West) Mumbai 400 053
Phone: 022-3065 3111, Fax: 022-3068 0570,
Email id for investors: investorservice@prozoneintu.com
Website: www.prozoneintu.com

Registrar and Share Transfer Agent:
M/s Link Intime India Pvt. Ltd.
Unit: Prozone Intu Properties Limited
C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083
Phone: 022- 49186000, Fax: 022- 49186060
Email id: rnt.helpdesk@linkintime.co.in

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

10. OTHER DISCLOSURES

Related Party Transactions (RPTs):

All Related Party Transactions are placed before the Audit Committee and to the Board, wherever applicable, for their approval. Omnibus approvals of Audit Committee and Board of Directors are secured in most of the cases where RPTs are of repetitive nature and likely to be carried out throughout the financial year. Transactions entered into pursuant to omnibus approval are placed before the Audit Committee and/or the Board for review and approval on a quarterly basis.

All transactions entered with Related Parties during the year under review were in compliance with provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder. Further as required under Section 134 of the Companies Act, 2013, all material related party transactions were disclosed in form AOC-2 which forms part of Board's Report.

The policy on Related Party Transactions as approved by the Board of Directors has been hosted on the website of the Company. The above policy also covers a policy for determining 'material subsidiaries'. The web-link of the same is www.prozoneintu.com/investor/Policies

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

Statutory Compliance, Penalties and Strictures:

The Company has complied with all requirements of the SEBI (LODR) Regulations, 2015 to the extent applicable to the Company. There were no instances of material non-compliance observed by the Company and no strictures or penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

Vigil Mechanism and Whistle Blower Policy:

The Board of Directors has adopted a 'Whistle Blower Policy' to enable the Stakeholders (including Directors and Employees) to report their concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of conduct and provided a direct access to the Chairman of Audit Committee in exceptional cases.

Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The said policy has been disclosed on the Company's website.

Disclosure of Accounting Treatment:

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2017 with restatement of previous year figures presented in the Financial Statements. Accordingly, the Financial Statements, forming part of the Annual Report, have been prepared in accordance with IND AS prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards).

Risk Management:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

Management Discussion and Analysis Report:

A Management Discussion and Analysis Report forms part of the annual report and includes discussion on various matters specified under the SEBI (LODR) Regulation, 2015.

CEO & CFO certification:

Mr. Nikhil Chaturvedi, Managing Director and Mr. Anurag Garg, Chief Financial Officer have provided certification on financial reporting and internal control to the Board as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015.

Code of Conduct:

The Board has implemented a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code has been circulated to all members of the Board and Senior Management Personnel and has also been uploaded on the website of the Company i.e. www.prozoneintu.com. The compliance of Code has been affirmed by all of them on annual basis. A declaration by the Managing Director of the Company in this respect is given below:

"I, Nikhil Chaturvedi, Managing Director of Prozone Intu Properties Limited, in terms of provisions of Regulation 34 of SEBI (LODR) Regulations 2015, hereby confirm that all Board Members and Senior Management Personnel have affirmed the compliance with the "Code of Conduct and business ethics" of the Company during the financial year ended March 31, 2018."

Nikhil Chaturvedi, Managing Director
DIN: 00004983

Corporate Governance Report *(Contd.)*

Disclosures with respect to demat suspense account/unclaimed suspense account:

As on 31st March 2018, 3,400 Shares held by 17 Equity Shareholders were remained unclaimed in "Unclaimed Suspense Account". All those shareholders, whose shares are unclaimed, are required to contact the Company or M/s. Link Intime India Private Limited, Registrar and Transfer Agent of the Company with self attested copy of PAN Card and Address Proof. On receipt of the request letter and on verification of form, the Company shall arrange to credit the shares lying in the Unclaimed Suspense Account to demat account of concern shareholder or deliver the share certificate(s) after re-materialising the same.

During the year under report, the Company has not received any request from such shareholder for transfer of any shares from the Suspense Account and as such no shares were transferred from the said Account. The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

11. Subsidiary monitoring framework:

The Company has 11 subsidiary companies as on 31st March, 2018 of which Alliance Mall Developers Co. Pvt. Ltd., Empire Mall Pvt Ltd and Hagwood Commercial Developers Pvt Ltd have been recognised as a 'Material unlisted Indian subsidiary company'. Accordingly, pursuant to Regulation 24 of the SEBI (LODR) Regulations, 2015 the Company is under the process of appointing one common independent Director from the board of the Company to material unlisted Indian subsidiary companies.

The performance and management of the subsidiary is monitored inter-alia by the following means:

a. Financial Statements and in particular the investments made by the unlisted subsidiary company are reviewed by the Audit Committee of the Company.

b. The minutes of the Board meetings of the subsidiary company are placed before the company's Board for its regular review.

12. Mandatory and Non-mandatory requirements:

The Company has complied with all mandatory requirements laid down under the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of adoption of non-mandatory requirements are given below;

SN	Particulars	Remarks
1	The Board	The Company does not reimburse expenses incurred, if any, by the Non-Executive Chairman for maintenance of a separate Chairman's Office.
2	Shareholders' Rights	Quarterly financial results of the Company are furnished to the Stock Exchanges and are also published in the news papers and uploaded on website of the Company. Significant events are also posted on the Company's website under the Investors Section. A complete Annual Report is sent to every shareholder of the Company
3	Audit qualifications	There are no audit qualifications in the standalone financial statement for the period 2017-18. Standard practices and procedures are in place to ensure unqualified financial statements.
4	Separate posts of Chairman and CEO	The Company has appointed Independent Director as Chairman of the Company and Company is not having position of CEO.
5	Reporting of Internal Auditor	The Internal Auditor quarterly places the Internal audit report before the Audit Committee for its review and comments.

For and on behalf of Board of Director

Sd/-
Nikhil Chaturvedi
Managing Director
DIN: 00004983

Sd/-
Salil Chaturvedi
Dy. Managing Director
DIN: 00004768

Date: 29th May 2018
Place: Mumbai

To,
The Members,
Prozone Intu Properties Limited

We have examined the compliance of conditions of Corporate Governance by Prozone Intu Properties Limited ("the Company"), for the year ended 31st March, 2018 as per Regulation 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations").

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 condition of Corporate Governance as stipulated in the above mentioned Listing *Regulations, as applicable except for Regulation 24(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, with regards to pending appointment of common independent director from the Board of the Company to the Board of three unlisted material subsidiaries, incorporated in India.*

We further state that our examination of such compliances 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 **HS Associates**
Company Secretaries

Sd/-
Prasad R. Chavan
ACS – 49921
COP – 20415

Date : 29.05.2018
Place:- Mumbai

Independent Auditors' Report

To the Members of Prozone Intu Properties Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Prozone Intu Properties Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2018, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other matters

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor, M/s. S G C O & Co. LLP and M/s. S G C O & Co., Chartered Accountants, respectively whose reports for the year ended 31 March 2017 and 31 March 2016 dated 19 May 2017 and 19 May

Independent Auditors' Report
To the Members of Prozone Intu Properties Limited

2016 respectively expressed an unmodified opinion on those standalone financial statements, adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.

2. As required by sub-section (3) of Section 143 of the Act, we report that:

    (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;

    (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) the standalone Balance sheet, the standalone Statement of profit and loss (including other comprehensive income), the standalone cash flow statement and the standalone Statement of changes in equity dealt with by this report are in agreement with the books of account;

    (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

    (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the board of directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

    (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

    (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31 to the standalone Ind AS financial statements;

        ii. the Company did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2018; and

        iv. the disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed. Refer Note 43 of the standalone Ind AS financial statements.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Bhatt
Partner
Membership No: 036647

Place : Mumbai
Date : 29 May 2018

Annexure A to the Independent Auditors' Report – 31 March 2018

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets including property, plant and equipment and investment properties.

(b) The Company has a regular programme of physical verification of its fixed assets including property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified its fixed assets including property, plant and equipment and investment properties during the year and we are informed that no material discrepancies were noticed on such verification, and the same have been dealt with in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 4 to the standalone Ind AS financial statements, was vested to the Company as per the Composite Scheme of Arrangement and Amalgamation during the year ended 31 March 2012 are not held in the name of the Company. Details of the same is as below:

Particulars	Number of cases	Gross block (Rs in lacs)	Net block (Rs in lacs)	Remarks
Building	1	141.73	85.74	Held in the name of erstwhile demerged Company.

(ii) The Company does not currently hold any physical inventory. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has granted unsecured loans to ten companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

i) According to the information and explanations given to us, in our opinion, the terms and conditions on which the unsecured loans have been granted to the companies covered in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

ii) According to the information and explanations given to us, the terms of lending arrangements do not stipulate any repayment of principal and payment of interest and unsecured loans granted to companies covered in the register maintained under Section 189 of the Act are repayable on demand. The borrowers have been regular in payment of principal and interest as demanded.

iii) There are no overdue amounts for more than 90 days in respect of the unsecured loans granted to companies covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made and guarantees given. The Company has not provided any security to the parties covered under Section 186 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Goods and Service tax, Service tax, Cess and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Professional tax have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. According to the information and explanations given to us and on the basis of our examination of the records of the Company, *amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income tax have been regularly deposited during the year by the Company with the appropriate authorities, and there have been slight delays in many number of cases*. As explained to us, the Company did not have any dues on account of Employees' State Insurance, duty of excise, duty of customs, Sales tax and Value added tax.

Annexure A to the Independent Auditors' Report – 31 March 2018

According to the information and explanations given to us, no material undisputed amounts payable in respect of Provident fund, Professional tax, Income tax, Goods and Service tax, Service tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Goods and Service tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, following dues of Income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of the dues	Amount of demand under dispute (Rs))	Amount under dispute not deposited (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	14.87	14.87	AY 2010-2011	Income Tax Appellate Tribunal (appeal)

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks during the year. The Company did not have any dues to debenture holders and loans or borrowings from any financial institutions or government during the year.

(ix) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with the related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Bhatt
Partner
Membership No: 036647

Place : Mumbai
Date : 29 May 2018

Annexure B to the Independent Auditors' Report – 31 March 2018 (Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Prozone Intu Properties Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Annexure B to the Independent Auditors' Report –
31 March 2018 (Referred to in our report of even date)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Bhatt
Partner
Membership No: 036647

Place : Mumbai
Date : 29 May 2018

(Currency : Indian Rupees in Lakhs)

Standalone balance sheet
as at 31 March, 2018

Particulars	Note	31 March 2018	31 March 2017	1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	3	117.99	161.30	112.17
Investment property	4	85.74	90.09	95.22
Financial assets				
Investments	5	1,13,620.29	1,11,832.90	93,830.97
Loans	6	1,893.34	3,589.43	1,913.87
Other financial assets	7	1,177.05	1,173.51	1,168.15
Non-current tax assets (net)	8	134.36	152.08	227.59
Other non-current assets	9	14.52	30.50	60.34
Total non-current assets		**1,17,043.29**	**1,17,029.81**	**97,408.31**
Current assets				
Financial assets				
Investments	10	1,647.68	2,360.61	5,633.24
Trade receivables	11	57.88	58.82	660.97
Cash and cash equivalents	12	43.96	456.34	156.76
Loans	13	2,779.45	388.68	1,309.53
Other financial assets	14	1,814.57	1,779.03	1,776.63
Other current assets	15	23.01	19.32	16.56
Total current assets		**6,366.55**	**5,062.80**	**9,553.69**
Total assets		**1,23,409.84**	**1,22,092.61**	**1,06,962.00**
Equity and liabilities				
Equity				
Equity share capital	16	3,052.06	3,052.06	3,052.06
Other equity	16.1	1,00,356.60	99,812.77	87,994.44
Total equity		**1,03,408.66**	**1,02,864.83**	**91,046.50**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	1,152.72	1,085.23	952.60
Provisions	18	18.17	13.34	6.08
Deferred tax liabilities (net)	19	17,239.69	17,027.97	13,781.82
Other non-current liabilities	20	1,274.32	857.53	976.76
Total non-current liabilities		**19,684.90**	**18,984.07**	**15,717.26**
Current liabilities				
Financial liabilities				
Trade payables	21			
Total outstanding dues to micro enterprise and small enterprise (refer note 21)		0.54	17.24	13.48
Total outstanding dues to creditors other than micro enterprise and small enterprise		158.44	120.36	91.85
Other current liabilities	22	134.09	84.05	71.98
Provisions	23	23.21	22.06	20.93
Total current liabilities		**316.28**	**243.71**	**198.24**
Total equity and liabilities		**1,23,409.84**	**1,22,092.61**	**1,06,962.00**
Significant accounting policies	2.2			
Notes to the standalone Ind AS financial statements	2.3-45			

The accompanying notes form an integral part of these standalone Ind AS financial statements.
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Place : Mumbai
Date : 29 May, 2018

For and on behalf of the Board of Directors of
Prozone Intu Properties Limited
CIN : L45200MH2007PLC174147

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary &
Chief Compliance Officer
Membership No. A20718

Place : Mumbai
Date : 29 May, 2018

(Currency : Indian Rupees in Lakhs)

Standalone statement of profit & loss
for the year ended 31 March, 2018

Particulars	Note	31 March 2018	31 March 2017
Income			
Revenue from operations	24	678.24	717.55
Other income	25	845.29	1,031.23
Total Income		**1,523.53**	**1,748.78**
Expenses			
Employee benefits expense	26	394.26	382.33
Finance costs	27	115.76	109.75
Depreciation expense	28	48.25	84.66
Other expenses	29	506.56	1,197.09
Total Expenses		**1,064.83**	**1,773.83**
Profit/(loss) before tax		**458.70**	**(25.05)**
Less : Tax expense:	8		
Current tax		110.14	66.78
Reversal for current tax of earlier years		-	(43.28)
Deferred tax charge/ (credit)		121.75	(153.04)
Total tax expenses		**231.89**	**(129.54)**
Profit for the year (A)		**226.81**	**104.49**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
- Remeasurement of post employment benefit obligation	35	4.73	(2.97)
- Gains from investments measured at fair value through OCI		402.28	15,425.88
- Income tax effect on above		(89.97)	(3,399.19)
Items that will be reclassified subsequently to profit or loss		**-**	**-**
Other comprehensive income for the year, net of tax (B)		**317.04**	**12,023.72**
Total comprehensive income for the year (A+B)		**543.85**	**12,128.21**
Earnings per equity share	30		
(per equity share of nominal value ₹ 2 each)			
Basic and diluted (in ₹)		**0.15**	**0.07**
Significant accounting policies	2.2		
Notes to the standalone Ind AS financial statements	2.3 - 45		

The accompanying notes form an integral part of these standalone Ind AS financial statements.
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Place : Mumbai
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Chief Financial Officer

Ajayendra Jain
Company Secretary &
Chief Compliance Officer
Membership No. A20718

Place : Mumbai
Date : 29 May, 2018

(Currency : Indian Rupees in Lakhs)

Standalone statement of changes in equity
for the year ended 31 March, 2018

A) Equity share capital

Particulars	Note	Number in lakhs	Amount
Equity shares of ₹ 2 each issued, subscribed and paid			
Balance as at 1 April 2016	16	1,526.03	3,052.06
Changes in equity share capital for the year ended 31 March 2017		-	-
Balance as at the 31 March 2017		**1,526.03**	**3,052.06**
Changes in equity share capital for the year ended 31 March 2018		-	-
Balance as at the 31 March 2018		**1,526.03**	**3,052.06**

B) Other equity

	Note	Reserves and surplus			Other comprehensive income		Total
		Securities premium reserve	Amalgamation reserve	Retained earnings	Gain / (loss) on fair value of investments	Gain / (loss) on fair value of defined benefit plans	
Balance as at 1 April 2016		**36,434.05**	**688.75**	**74.49**	**50,797.16**	**-**	**87,994.44**
Stamp duty on Amalgamation*		-	(309.89)	-	-	-	(309.89)
Total comprehensive income for the year		-	-	104.49	12,025.71	(1.99)	12,128.21
Balance as at 31 March 2017		**36,434.05**	**378.86**	**178.97**	**62,822.87**	**(1.99)**	**99,812.77**
Total comprehensive income for the year		-	-	226.81	313.61	3.43	543.85
Balance as at 31 March 2018		**36,434.05**	**378.86**	**405.79**	**63,136.48**	**1.44**	**1,00,356.60**

*As per the order dated 15 October 2016, issued by Maharashtra Stamp Office, during the year 2016-17 the Company had paid ₹ 281 Lakhs towards stamp duty payable under Maharashtra Stamp Act on the Composite Scheme of Arrangement and Amalgamation as approved by the Honorable High Court, Mumbai vide order dated 10 February 2012. The Company had also paid a stamp duty amounting to ₹ 28.89 lakhs under Singapore laws, in respect of transfer of shares of Prozone Liberty International Limited, Singapore (Subsidiary of Amalgamating Company) in the name of Company.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Place : Mumbai
Date : 29 May, 2018

For and on behalf of the Board of Directors of
Prozone Intu Properties Limited
CIN : L45200MH2007PLC174147

Nikhil Chaturvedi
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Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary &
Chief Compliance Officer
Membership No. A20718

Place : Mumbai
Date : 29 May, 2018

(Currency : Indian Rupees in Lakhs)

Standalone statement of cash flows
for the year ended 31 March, 2018

	31 March 2018	31 March 2017
A. Cash flows from operating activities:		
Profit/(loss) before tax	**458.70**	**(25.05)**
Adjustments for:		
Depreciation expense	48.25	84.66
Finance costs (including fair value change in financial instruments)	99.40	94.92
Interest income (including fair value change in financial instruments)	(581.39)	(707.06)
Unrealised loss/(gain) on foreign exchange fluctuations	(0.27)	4.18
Provision for expected credit loss	(61.63)	679.89
Profit on sale of current investments	-	(1.25)
Notional gain on value of current investments measured at FVTPL	(0.64)	(7.67)
Remeasurement of post employment benefit obligation	4.73	(2.97)
Dividend income on current investments	(42.04)	(71.55)
Operating cash flows before working capital changes	**(74.89)**	**48.10**
Adjustments for changes in working capital:		
Decrease in trade receivables	0.94	602.15
Decrease in other financial assets	(39.12)	(53.26)
Decrease in other assets	12.30	27.08
Increase in trade payables	21.38	32.27
(Decrease) in other liabilities	(94.98)	(213.77)
Increase in provisions	5.98	8.39
Cash flows (used in)/ generated from operations	**(168.39)**	**450.96**
Direct taxes paid (net of refunds received)	(92.42)	52.01
Net cash flows (used in)/ generated from operating activities (A)	**(260.81)**	**502.97**
B. Cash flows from investing activities:		
Payments for property, plant and equipment and investment property	(0.59)	(128.66)
(Purchase)/ sale of investments	(105.01)	796.13
Movement in loans	(477.30)	(1,250.65)
Stamp duty on Amalgamation	-	(309.89)
Interest received	425.92	564.43
Dividend received	42.04	71.55
Net cash flows (used in) investing activities (B)	**(114.94)**	**(257.09)**
C. Cash flows from financing activities:		
Repayment/ proceeds from long-term borrowings	(30.05)	63.46
Interest paid	(6.58)	(9.77)
Net cash flows (used in) / generated from financing activities (C)	**(36.63)**	**53.69**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(412.38)**	**299.58**
Cash and cash equivalents at the beginning of the year	456.34	156.76
Cash and cash equivalents at the end of the year	**43.96**	**456.34**

(Currency : Indian Rupees in Lakhs)

Standalone statement of cash flows
for the year ended 31 March, 2018

The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Cash Flow Statement prescribed in Companies (Indian Accounting Standard) Rules, 2015, notified under section 133 of the Companies Act, 2013.

The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1 April 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendments.

Components of cash and cash equivalents considered only for the purpose of cash flow statement

	31 March 2018	31 March 2017
Cash in hand	0.41	3.45
In bank current accounts in Indian rupees	13.57	29.01
Cheques on hand	29.98	423.88
	43.96	**456.34**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	31-Mar-17	Cash flows	Non-cash changes		31-Mar-18
			Fair value changes	Current / Non - current classification	
Long-term borrowings	1,085.23	(30.05)	92.82	4.72	1,152.72
Other financial liabilities	30.23	-	-	(4.72)	25.51
Total liabilities from financing activities	**1,115.46**	**(30.05)**	**92.82**	**-**	**1,178.23**

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Place : Mumbai
Date : 29 May, 2018

For and on behalf of the Board of Directors of
Prozone Intu Properties Limited
CIN : L45200MH2007PLC174147

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary &
Chief Compliance Officer
Membership No. A20718

Place : Mumbai
Date : 29 May, 2018

Notes to the standalone Ind AS financial statements
for the year ended 31 March 2018

1 Corporate information

Prozone Intu Properties Limited (formerly known as Prozone Capital Shopping Centres Limited) (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of developing, owning and operating of shopping malls, commercial and residential premises. The Company is also providing related management consultancy services. The equity shares of the Company are listed on both the Bombay Stock Exchange and the National Stock Exchange.

2.1 Basis of preparation

(a) Statement of compliance

These standalone Ind AS financial statements (hereinafter "Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The Company's standalone financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act. As these are the Company's first Ind AS financial statements prepared in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported standalone financial position, standalone financial performance and standalone cash flows of the Company is provided in note 2.3 to these Ind AS financial statements.

These Ind AS financial statements for the year ended 31 March 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 29 May 2018.

Details of accounting policies are included in Note 2.2 to the Ind AS financial statements.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer note 2.2 (A))
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined obligations

(c) Functional and presentation currency

These Ind AS financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 19- recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 34- measurement of defined benefit obligations: key actuarial assumptions;
- Notes 18, 23 and 31- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 40 - impairment of financial assets and
- Note 2.2 (B) and 2.2 (C) - estimation of useful life of property, plant and equipment and investment properties.

(e) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a

Notes to the standalone Ind AS financial statements
for the year ended 31 March 2018

liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 40 – financial instruments and
- Note 4 – investment property

(f) Current vs non-current classification

All assets and liabilities are classified into current and non-current.

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within twelve months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the balance sheet date; or

(d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS balance sheet at 1 April 2016 for the purposes of the transition to Ind AS, unless otherwise indicated.

A. Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designates as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces on accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profit, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

  - the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost- These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income,

Notes to the standalone Ind AS financial statements
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foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI- These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

B. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer note 2.3).

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(iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iv) Depreciation

Depreciation on Property, Plant and Equipment of the company has been provided as per written down value method as per the estimated useful lives of the respective item of Property, Plant and Equipment indicated in Part 'C' of Schedule II of the Act.

The details are set out as below:

Asset	Useful life as per Schedule II of the act
Furniture and fittings	10 years
Motor vehicles	8 years
Office equipments	5 years
Computers	3 years

(v) Capital work-in progress and capital advances

Capital work-in progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as 'Other non-current assets'.

C. Investment Property

(i) Recognition and measurement

Investment properties are held to earn rentals or for capital appreciation, or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

(ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties (refer note 2.3).

(iii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the item is recognized in Statement of Profit and Loss.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the note no 4 of the Ind AS financial statements.

(iv) Depreciation

Depreciation on Investment Property has been provided as per written down value method as per the useful lives indicated in Part 'C' of Schedule II of the Act which is 60 years.

D. Impairment

(i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Trade and other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected, etc. and expectations about future cash flows.

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Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generated sufficient cash flows to be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

E. Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are

Notes to the standalone Ind AS financial statements
for the year ended 31 March 2018

expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Company net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognises in profit or loss in the period in which they arise.

F. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflows of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

G. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Rendering of services

Revenue from management consultancy is recognized on accrual basis as per the terms and conditions of the contract.

(ii) Dividend Income

Dividend income is recognized in the statement of profit and loss on the date the entity's right to receive the payments is established.

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(iii) Rental income

Rent income is recognised on time proportionate basis over the period of the rent.

All revenue is stated exclusive of goods and service tax.

H. Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

(ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

(iii) Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

I. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset that have become credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

J. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

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- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax assets and liabilities will be realised simultaneously.

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

K. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

L. Foreign exchange translation and accounting of foreign exchange transaction

(i) Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximates the actual rate at the date of the transactions.

(ii) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

M. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

N. Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand and at banks including cheques on hand, which are subject to an insignificant risk of changes in value.

Notes to the standalone Ind AS financial statements
for the year ended 31 March 2018

O. Recent accounting pronouncements

Standards issued but not yet effective

(i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, the Ministry of Corporate Affairs (the MCA) notified the Companies (Indian Accounting Standards Amendment Rules 2018 containing Appendix B to Ind AS 21 Foreign currency transactions and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration. The amendment will come into force from April 1, 2018. The Company is evaluating the impact of this amendment on its financial statements.

(ii) Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The company is evaluating the requirements of the IND AS 115 and the effect on the financial statements is being evaluated.

2.3 First time adoption of Ind AS

Explanation of transition to Ind AS:

As stated in Note 2.1 of the standalone Ind AS financial statements, these are the Company's first standalone financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company has prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 2.2 have been applied in preparing these standalone financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening standalone Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its standalone Ind AS balance sheet as at 1 April 2016 and in preparing the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in standalone financial statements prepared in accordance with previous GAAP. The below note explains the principal adjustments made by the Company in restating its standalone financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's standalone financial position, standalone financial performance and standalone cash flows.

A) Exemptions and exceptions availed

1) Ind-AS optional exemptions :

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Deemed cost

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

– fair value;

– or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

Notes to the standalone Ind AS financial statements
for the year ended 31 March 2018

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. As permitted by Ind AS 101, the Company has elected to measure all of its property, plant and equipment and investment property at their previous GAAP carrying value.

b) Investments in subsidiaries, jointly controlled entities and associates

Ind AS 101 provides an exemption to the first-time adopter to measure an investment in subsidiaries, jointly controlled entities and associates at:

a) cost determined in accordance with Ind AS 27; or

b) deemed cost, which shall be its:

i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

ii) previous GAAP carrying amount at that date.

The Company has elected fair value at the date of transition as deemed cost for its investment in each subsidiary, joint venture or associate.

c) For financial instruments, wherein fair market values are not available (viz. interest free and below market rate security deposits or loans) the Company has elected to adopt fair value recognition prospectively to transactions entered after the date of transition.

2) Ind AS mandatory exceptions:

a) Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – unquoted equity shares, compulsorily convertible preference shares and debt securities.
- FVTPL – investment in mutual funds
- Determination of the discounted value for financial instruments carried at amortised cost.
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

b) Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

B) Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Balance sheet as at 1 April 2016 and 31 March 2017

II. Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

III. Reconciliation of Equity as at 1 April 2016 and 31 March 2017 between previous GAAP and IND AS

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

(Currency : Indian Rupees in Lakhs)

Notes to the standalone Ind AS financial statements
as at 31 March 2018

I. Reconciliation of Balance sheet as at 1 April 2016 and 31 March 2017

Particulars	Notes	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP	Adjustment on transition to Ind AS	Ind AS	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Assets							
Non-current assets							
Property, plant and equipment	1	264.41	(103.11)	161.30	220.41	(108.24)	112.17
Investment property	1	-	90.09	90.09	-	95.22	95.22
Financial assets							
Investments	2 , 5 , 6	29,714.68	82,118.22	1,11,832.90	27,229.27	66,601.70	93,830.97
Loans	6 , 7	4,099.64	(510.21)	3,589.43	2,566.71	(652.84)	1,913.87
Other financial assets	9	2,233.51	(1,060.00)	1,173.51	2,182.65	(1,014.50)	1,168.15
Non-current tax assets (net)		152.08	-	152.08	227.59	-	227.59
Other non-current assets	7	1.49	29.01	30.50	16.84	43.50	60.34
Total non-current assets		**36,465.81**	**80,564.00**	**1,17,029.81**	**32,443.47**	**64,964.83**	**97,408.31**
Current assets							
Financial assets							
Investments		2,360.61	-	2,360.61	5,633.24	-	5,633.24
Trade receivables		58.82	-	58.82	660.97	-	660.97
Cash and cash equivalents		456.34	-	456.34	156.76	-	156.76
Loans	9	1,794.10	(1,405.42)	388.68	2,080.56	(771.03)	1,309.53
Other financial assets	9	2,134.03	(355.00)	1,779.03	2,131.63	(355.00)	1,776.63
Other current assets	7	4.83	14.49	19.32	2.07	14.49	16.56
Total current assets		**6,808.73**	**(1,745.93)**	**5,062.80**	**10,665.23**	**(1,111.54)**	**9,553.69**
Total assets		**43,274.54**	**78,818.06**	**1,22,092.61**	**43,108.70**	**63,853.29**	**1,06,962.00**
Equity and liabilities							
Equity							
Equity share capital		3,052.06	-	3,052.06	3,052.06	-	3,052.06
Other equity		38,283.94	61,528.82	99,812.77	38,205.48	49,788.95	87,994.44
Total equity		**41,336.00**	**61,528.82**	**1,02,864.83**	**41,257.54**	**49,788.95**	**91,046.50**
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	8	1,783.43	(698.20)	1,085.23	1,735.95	(783.35)	952.60
Provisions		13.34	-	13.34	6.08	-	6.08
Deferred tax liabilities (net)	4	(101.94)	17,129.91	17,027.97	(89.11)	13,870.93	13,781.82
Other non-current liabilities	8	-	857.53	857.53	-	976.76	976.76
Total non-current liabilities		**1,694.83**	**17,289.24**	**18,984.07**	**1,652.92**	**14,064.34**	**15,717.26**
Current liabilities							
Financial liabilities							
Trade payables							
Total outstanding dues to micro enterprise and small enterprise		17.24	-	17.24	13.48	-	13.48
Total outstanding dues to creditors other than micro enterprise and small enterprise		120.36	-	120.36	91.85	-	91.85
Other current liabilities		84.05	-	84.05	71.98	-	71.98
Provisions		22.06	-	22.06	20.93	-	20.93
Total current liabilities		**243.71**	**-**	**243.71**	**198.24**	**-**	**198.24**
Total equity and liabilities		**43,274.54**	**78,818.06**	**1,22,092.61**	**43,108.70**	**63,853.29**	**1,06,962.00**

(Currency : Indian Rupees in Lakhs)

Notes to the standalone Ind AS financial statements
as at 31 March 2018

II. Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

Particulars	Notes	For the period ended 31 March 2017		
		Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Income				
Revenue from operations		717.55	-	717.55
Other income	5, 6 , 7	678.73	352.50	1,031.23
Total Income		**1,396.28**	**352.50**	**1,748.78**
Expenses				
Employee benefits expense	3	385.30	(2.97)	382.33
Finance costs	8	10.11	99.64	109.75
Depreciation expense		84.66	-	84.66
Other expenses	9	517.18	679.92	1,197.09
Total Expenses		**997.26**	**776.59**	**1,773.83**
Profit/(loss) before tax		**399.02**	**(424.09)**	**(25.06)**
Less : Tax expense				
Current tax		66.78	-	66.78
Reversal for current tax of earlier years		(43.28)	-	(43.28)
MAT Credit Entitlement	4	(7.48)	7.48	-
Deferred tax charge/ (credit)	4	(5.35)	(147.69)	(153.04)
Total tax expenses		**10.67**	**(140.21)**	**(129.54)**
Profit for the year (A)		**388.35**	**(283.89)**	**104.48**
Other comprehensive income (OCI)	**10**			
Items that will not be reclassified subsequently to profit or loss:				
- Remeasurement of post employment benefit obligation	3	-	(2.97)	(2.97)
- Gains from investments in equity instruments measured at FVOCI	2	-	15,425.88	15,425.88
- Income tax effect on above	4	-	(3,399.19)	(3,399.19)
Items that will be reclassified subsequently to profit or loss		**-**	**-**	**-**
Other comprehensive income for the year, net of tax (B)		**-**	**12,023.72**	**12,023.72**
Total comprehensive income/ (loss) for the year, net of tax (A+B)		**388.35**	**11,739.84**	**12,128.20**

III. Reconciliation of Equity as at 1 April 2016 and 31 March 2017 between previous GAAP and IND AS

	Notes	As at 31 March 2017	As at 1 April 2016
Equity as per Previous GAAP		**41,336.00**	**41,257.54**
Add/(Less) :			
Notional income from Corporate Guarantee in favour of subsidiaries	5	293.81	166.77
Discounting of Loans and advances given to subsidiaries to present value and corresponding impact on finance income and Investment	6	431.64	306.71
Discounting of Loans and advances given to joint ventures to present value and corresponding impact on finance income and deferred asset	7	(19.83)	(23.05)
Discounting of Loans taken from joint ventures to present value and corresponding impact on finance cost and deferred liability	8	201.03	203.35
Investments in subsidiaries and JVs carried at fair value through Other Comprehensive Income	2	80,685.73	65,214.85
Other investments carried at fair value through Other Comprehensive Income	2	(100.20)	(55.20)
Provision for Expected Credit Loss on Loans and advances	9	(2,820.42)	(2,140.53)
Depreciation on property, plant and equipment		(13.02)	(13.02)
Deferred tax impact on above adjustments	4	(17,129.91)	(13,870.93)
Equity as per Ind AS		**1,02,864.83**	**91,046.49**

(Currency : Indian Rupees in Lakhs)

Notes to the standalone Ind AS financial statements
as at 31 March 2018

Footnotes to the reconciliation of Balance sheet and Equity as at 1 April 2016 and 31 March 2017 and Total Comprehensive Income for the year ended 31 March 2017.

1) Recognition of Investment Property

Investment Properties under previous GAAP were presented as a part of non-current Investments or Plant, Property and Equipment. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet.

2) Financial Asset

Investment in subsidiaries and joint ventures

The Company has availed the option to value investment in subsidiaries, associates and joint ventures at deemed cost. The deemed cost for this purpose can be either its fair value at the entity's date of transition to Ind AS in its separate financial statements or previous GAAP carrying amount at the transition date. The Company has decided to use fair value as deemed cost for investments.

Investments other than Investment in subsidiaries and joint ventures

Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments at fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes.

Under Indian GAAP, the Company accounted for mutual funds as investment measured at lower of cost or NRV. Ind AS requires such investments to be measured at fair value.

3) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through OCI.

4) Deferred Tax (Including MAT Credit)

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. This has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in other equity or a separate component of equity.

Under Previous GAAP, MAT credit was disclosed under non-current assets. In accordance with Ind AS 12, deferred tax asset shall include any carry forward unused tax credits. Hence, MAT credit entitlement has been included in deferred tax asset.

5) Financial guarantee commission to subsidiaries

The Company has provided financial guarantees to bank for loans taken by its subsidiaries. Hence at the date of transition to Ind AS, the same was recognised in investments which is subsequently amortised as an interest income to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

6) Interest free loan to Subsidiaries and step down subsidiaries

Under Ind AS, loans are valued at present value as compared to being carried at cost in the previous GAAP. This adjustment includes the difference between the book value and the present value of an interest free loan or loan below market rate given to a subsidiary, which is treated as investment in that subsidiary. The interest income on the present value of this loan is recognised over the tenure of the loan using the EIR method.

7) Interest free loan to Joint venture

Under Ind AS, loans are valued at present value as compared to being carried at cost in the previous GAAP. This adjustment includes the difference between the book value and the present value of an interest free loan to a joint venture company, which is treated as deferred asset. The interest income on the present value of this loan is recognised over the tenure of the loan using the EIR method.

8) Interest free loan taken from Joint venture

Under Ind AS, loans are valued at present value as compared to being carried at cost in the previous GAAP. This adjustment includes the difference between the book value and the present value of an interest free loan taken from joint venture company, which is treated as Deferred Liability. The interest expense on the present value of this loan is recognised over the tenure of the loan using the EIR method.

9) Expected Credit Loss (ECL) Provision

The Company has provided ECL as per Ind AS. Impact of ECL as on date of transition is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss .

(Currency : Indian Rupees in Lakhs)

Notes to the standalone Ind AS financial statements
as at 31 March 2018

10) Other Comprehensive Income

The concept of other comprehensive income did not exist under previous GAAP.Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans and gains on remeasurement of financial assets.

11) Statement of Cash Flows

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flow from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

Note 3 : Property, plant and equipment

Particulars	Furniture and fittings	Motor vehicles	Office equipments	Computers	Total
Cost or deemed cost (gross carrying amount):					
Deemed cost as at 1 April 2016*	**68.01**	**33.17**	**4.04**	**6.94**	**112.17**
Additions	0.36	118.23	2.28	7.80	128.67
Disposals	-	-	-	-	-
Balance as at 31 March 2017	**68.37**	**151.40**	**6.32**	**14.74**	**240.83**
Additions	0.33	-	-	0.26	0.59
Disposals	-	-	-	-	-
Balance as at 31 March 2018	**68.70**	**151.40**	**6.32**	**15.00**	**241.42**
Accumulated depreciation					
Depreciation for the year	28.50	46.13	0.86	4.04	79.53
Disposals	-	-	-	-	-
Balance as at 31 March 2017	**28.50**	**46.13**	**0.86**	**4.04**	**79.53**
Depreciation for the year	5.22	29.90	0.81	7.97	43.90
Disposals	-	-	-	-	-
Balance as at 31 March 2018	**33.72**	**76.03**	**1.67**	**12.01**	**123.43**
Carrying amounts (net)					
At 1 April 2016	**68.01**	**33.17**	**4.04**	**6.94**	**112.17**
At 31 March 2017	**39.87**	**105.27**	**5.46**	**10.70**	**161.30**
At 31 March 2018	**34.98**	**75.37**	**4.65**	**2.99**	**117.99**

*The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP.

Particulars	Furniture and fittings	Motor vehicles	Office equipments	Computers	Total
Gross Block as at 1 April 2016	565.45	242.58	75.22	101.09	984.34
Accumulated depreciation as at 1 April 2016	497.44	209.41	71.18	94.15	872.17
Net Block as at 1 April 2016	**68.01**	**33.17**	**4.04**	**6.94**	**112.17**

Prozone Intu Properties Limited - Annual Report - 2018 (Currency : Indian Rupees in Lakhs)

Notes to the standalone Ind AS financial statements
as at 31 March 2018

Note 4 : Investment property

A. Reconciliation of carrying amount

Particulars	Building
Cost or deemed cost (gross carrying amount):	
Deemed cost as at 1 April 2016*	**95.22**
Additions	-
Disposals	-
Balance as at 31 March 2017	**95.22**
Additions	-
Disposals	-
Balance as at 31 March 2018	**95.22**
Accumulated depreciation	
Depreciation for the year	5.13
Balance as at 31 March 2017	**5.13**
Depreciation for the year	4.35
Balance as at 31 March 2018	**9.48**
Carrying amounts (net)	
At 1 April 2016	**95.22**
At 31 March 2017	**90.09**
At 31 March 2018	**85.74**
Fair Value	
At 1 April 2016	**421.92**
At 31 March 2017	**436.46**
At 31 March 2018	**436.46**

For Investment property existing as on the date of transition to IND - AS, the Company has used Indian GAAP carrying value as deemed cost.

B. Measurement of fair values

i. Fair value hierarchy

The fair value of investment property has been determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for the investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

ii. Valuation technique

The Company follows valuation in accordance with the Ready Reckoner rates prescribed by the Government of Maharashtra for the purpose of levying stamp duty.

*The Company has availed the deemed cost exemption in relation to the investment property on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP.

Particulars	Building
Gross Block as at 1 April 2016	141.73
Accumulated depreciation as at 1 April 2016	46.51
Net Block as at 1 April 2016	**95.22**

Notes to the standalone Ind AS financial statements
as at 31 March 2018

Note 5 : Investments

Non-current investments

Particulars	31 March 2018	31 March 2017	1 April 2016
Investments valued at fair value through other comprehensive income (FVOCI)			
a) Investment in equity shares			
i) In subsidiaries	22,293.66	23,962.61	17,504.69
ii) In foreign subsidiary	87,909.40	85,071.01	75,963.38
iii) In joint venture	141.84	142.07	142.10
iv) In other company	1.00	1.00	1.00
b) Investment in preference shares			
i) In other company	199.40	399.80	219.80
c) Investment in debentures			
i) In subsidiary	3,075.00	2,256.41	-
Total non-current investments	**1,13,620.29**	**1,11,832.90**	**93,830.97**

Note 5.1: Detailed list of non-current investments

Face value of ₹ 10 each, unless otherwise stated	31 March 2018		31 March 2017		1 April 2016	
	Nos	Amount in lakhs	Nos	Amount in lakhs	Nos	Amount in lakhs
Investments valued at fair value, fully paid up, unquoted, unless otherwise stated						
a) Investments in equity shares:						
i) In subsidiaries						
Alliance Mall Developers Co Private Limited	20,10,000	22,213.18	20,10,000	23,943.46	20,10,000	17,491.80
Prozone Intu Developers Private Limited (formerly known as Jaipur Festival City Private Limited)	-	-	-	-	10,000	0.10
Royal Mall Private Limited	10,000	-	10,000	0.14	10,000	-
Kruti Multitrade Private Limited	10,000	12.79	10,000	12.79	10,000	12.79
Prozone Developers & Realtors Private Limited (formerly known as Classique Creators Private Limited) (face value of ₹ 2/- each, fully paid up)	2,50,000	67.70	2,50,000	6.22		
	22,80,000	**22,293.66**	**22,80,000**	**23,962.61**	**20,40,000**	**17,504.69**
ii) In foreign subsidiary						
Prozone Liberty International Limited (Singapore) (face value of 1 USD each, fully paid up)	6,14,74,094	87,909.40	6,14,74,094	85,071.01	6,14,74,094	75,963.38
	6,14,74,094	**87,909.40**	**6,14,74,094**	**85,071.01**	**6,14,74,094**	**75,963.38**
iii) In joint venture						
Moontown Trading Company Private Limited	20,02,500	141.84	20,02,500	142.07	20,02,500	142.10
	20,02,500	**141.84**	**20,02,500**	**142.07**	**20,02,500**	**142.10**
iv) In other company						
Samriddhi Finvest Advisory Services Private Limited	5,000	1.00	5,000	1.00	5,000	1.00
	5,000	**1.00**	**5,000**	**1.00**	**5,000**	**1.00**
b) Investment in preference shares:						
i) In other company						
Samriddhi Finvest Advisory Services Private Limited	50,00,000	199.40	50,00,000	399.80	27,50,000	219.80
	50,00,000	**199.40**	**50,00,000**	**399.80**	**27,50,000**	**219.80**

Notes to the standalone Ind AS financial statements
as at 31 March 2018

	31 March 2018		31 March 2017		1 April 2016	
	Nos	Amount in lakhs	Nos	Amount in lakhs	Nos	Amount in lakhs
c) Investment in 0.001% unsecured compulsorily convertible debentures:						
i) In subsidiary						
Alliance Mall Developers Co Private Limited	2,95,134	3,075.00	2,16,567	2,256.41	-	-
	2,95,134	**3,075.00**	**2,16,567**	**2,256.41**	**-**	**-**
Total non-current investments	**7,10,56,728**	**1,13,620.29**	**7,09,78,161**	**1,11,832.90**	**6,82,71,594**	**93,830.97**

Particulars	31 March 2018	31 March 2017	1 April 2016
Details:			
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	1,13,620.29	1,11,832.90	93,830.97
Aggregate amount of impairment in value of investments	-	-	-

Note 6 : Loans

(Unsecured, considered good)

Particulars	31 March 2018	31 March 2017	1 April 2016
To related parties			
Loans to subsidiary company /step down subsidiaries (refer note 35)	1,658.22	3,374.66	1,717.11
Loans to Moontown Trading Company Private Limited, Joint venture company (refer note 35)	235.12	214.77	196.76
Total Loans	**1,893.34**	**3,589.43**	**1,913.87**

Note 7 : Other financial assets

(Unsecured, considered good, unless otherwise stated)

Particulars	31 March 2018	31 March 2017	1 April 2016
To parties other than related parties			
Advance recoverable in cash or kind			
Unsecured, considered good	1,169.06	1,169.06	1,163.70
Unsecured, considered doubtful	1,060.00	1,060.00	1,014.50
	2,229.06	**2,229.06**	**2,178.20**
Less : Provision for expected credit loss	**(1,060.00)**	**(1,060.00)**	**(1,014.50)**
	1,169.06	**1,169.06**	**1,163.70**
Security deposits	4.45	4.45	4.45
Bank deposits (due to mature after 12 months of the reporting date) (refer note below)*	3.50	-	-
Interest accrued on fixed deposits held with bank	0.04	-	-
Total other financial assets	**1,177.05**	**1,173.51**	**1,168.15**

* Restrictions on fixed deposits

Fixed deposit has been offered as a security against locker facility taken by the company from Corporation Bank

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as at 31 March 2018

Note 8 : Non-current tax assets (net)

(a) Amount recognised in the statement of profit and loss

Particulars	31 March 2018	31 March 2017
Current tax expense (A)		
Current year	110.14	66.78
Reversal for current tax of earlier years	-	(43.28)
Deferred tax expense (B)		
Origination and reversal of temporary differences	121.75	(153.04)
Tax expense (A+B)	**231.89**	**(129.54)**

(b) Amounts recognised in other comprehensive income

Particulars	31 March 2018			31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligation	4.73	(1.30)	3.43	(2.97)	0.98	(1.99)
Gains from investments in equity instruments measured at FVOCI	402.28	(88.66)	313.62	15,425.88	(3,400.17)	12,025.71
	407.01	**(89.97)**	**317.04**	**15,422.91**	**(3,399.19)**	**12,023.72**

(c) Reconciliation of effective tax rate

Particulars	31 March 2018	31 March 2017
Profit/(loss) before tax	**458.70**	**(25.05)**
Tax using the Company's domestic tax rate (Current year 27.55% and Previous year 33.063%)	126.37	(8.28)
Tax effect of :		
Effect of income which is exempt from taxation	(11.66)	(23.66)
Effect of expenses that is non-deductible in determining taxable profit	1.07	0.77
Brought forward losses	-	(54.03)
Effect on Deffered Tax due to change in tax rate	105.46	-
Change in temporary differences not consider in Income tax	10.46	3.92
Other adjustments	0.18	(4.99)
Adjustments recognised in current year in relation to the current tax of prior years	-	(43.28)
Tax expense as per statement of profit and loss	**231.88**	**(129 .55)**
Effective tax rate	50.55%	517.18%

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance tax including tax deducted at source (net of provision for tax ₹ 564.37 lakhs (31 March 2017: ₹ 454.23 lakhs, 1 April 2016: ₹ 429.54 lakhs)	134.36	152.08	227.59
Total non-current tax assets (net)	**134.36**	**152.08**	**227.59**

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Notes to the standalone Ind AS financial statements
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(d) Movement in deferred tax balances

Particulars	Net balances at 1 April 2017	Recognised in the statement of profit and loss	Recognised in OCI	Balance at 31 March 2018		
				Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and Equipments	82.47	10.09	-	72.38	72.38	-
Investments	(17,762.66)	-	88.67	(17,851.33)	-	17,851.33
Loans	(183.12)	12.31	-	(195.44)	-	195.44
Other financial assets	932.51	172.40	-	760.11	760.11	-
Other current assets	46.97	3.84	-	43.13	43.13	-
Borrowings	187.87	5.74	-	182.13	182.13	-
Other non-current liabilities	(351.48)	(17.32)	-	(334.16)	-	334.16
Provisions	11.71	(1.00)	1.30	11.40	11.40	-
Other current liabilities	0.28	0.03	-	0.25	0.25	-
MAT Credit Entitlement	7.48	(64.35)		71.83	71.83	-
Tax assets (liabilities) before set-off	**(17,027.97)**	**121.75**	**89.97**	**(17,239.69)**	**1,141.24**	**18,380.93**
Set-off of deferred tax liabilities					**(18,380.93)**	
Net deferred tax assets/ (liabilities)					**(17,239.69)**	

Particulars	Net balances at 1 April 2016	Recognised in the statement of profit and loss	Recognised in OCI	Balance at 31 March 2017		
				Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and Equipments	79.97	(2.50)		82.47	82.47	-
Investments	(14,362.49)		3,400.17	(17,762.66)	-	17,762.66
Loans	(135.97)	47.16		(183.12)	-	183.12
Other financial assets	707.72	(224.79)		932.51	932.51	-
Other current assets	42.18	(4.79)		46.97	46.97	-
Borrowings	159.72	(28.15)		187.87	187.87	-
Other non-current liabilities	(282.09)	69.39		(351.48)	-	351.48
Provisions	8.93	(1.80)	(0.98)	11.71	11.71	-
Other current liabilities	0.21	(0.07)		0.28	0.28	-
MAT Credit Entitlement		(7.48)		7.48	7.48	-
Tax assets (liabilities) before set-off	**(13,781.82)**	**(153.04)**	**3,399.19**	**(17,027.97)**	**1,269.29**	**18,297.27**
Set-off of deferred tax liabilities					**(18,297.27)**	
Net deferred tax assets/ (liabilities)					**(17,027.97)**	

(e) Unrecognised deferred tax assets

Deferred tax have not been recognised in respect of the following items :

Particulars	31 March 2018	31 March 2017	1 April 2016
Unrecognised tax losses carried forward	259.26	351.55	351.55
	259.26	**351.55**	**351.55**

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Note 9 : Other non-current assets
(Unsecured, considered good)

Particulars	31 March 2018	31 March 2017	1 April 2016
To related parties			
Deferred asset on interest free loans given to Moontown Trading Company Private Limited, Joint venture company	29.01	43.50	57.99
Less : Current portion disclosed under Other current assets	(14.49)	(14.49)	(14.49)
	14.52	**29.01**	**43.50**
To parties other than related parties			
Capital advances	-	-	16.18
Balances with government authorities	-	1.49	0.66
Total other non-current assets	**14.52**	**30.50**	**60.34**

Note 10 : Investments

Particulars	31 March 2018	31 March 2017	1 April 2016
Investments valued at fair value through profit and loss (FVTPL)			
Investment in mutual funds	1,647.68	2,360.61	5,640.91
Total Current investments	**1,647.68**	**2,360.61**	**5,640.91**

Note 10.1 Detailed list of Current investments

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Nos	₹ in lakhs	Nos	₹ in lakhs	Nos	₹ in lakhs
I. Investments valued at fair value, fully paid up, unquoted, unless otherwise stated						
a) Investments in mutual fund						
Birla Sun Life Enhanced Arbitrage fund - Dividend Regular Plan Payout	-	-	-	-	51,28,000	558.19
Kotak Treasury Advantage Fund - Daily Dividend Regular Plan	-	-	-	-	15,43,000	2,573.74
Kotak Equity Arbitrage Fund - Monthly Dividend Regular Plan	-	-	-	-	2,39,27,000	155.53
Kotak Treasurely Advantage Fund - Daily Dividend - Regular Plan	79,92,519	805.63	30,07,000	303.07	93,37,000	1,011.11
Birla Sun Life Plus Daily Dividend - Regular	8,32,814	835.08	12,02,000	1,204.39	-	-
Reliance Arbitrage Advantage Fund - Monthly Dividend Plan	-	-	-	-	95,61,000	1,004.77
Reliance Money Manager Fund - Daily Dividend Plan	691	6.97	85,000	853.15	34,000	337.57
	88,26,024	**1,647.68**	**42,94,000**	**2,360.61**	**4,95,30,000**	**5,640.91**
Add/(Less) : Fair value gain/(loss)		-		-		(7.67)
Total Current investments	**88,26,024**	**1,647.68**	**42,94,000**	**2,360.61**	**4,95,30,000**	**5,633.24**

(Currency : Indian Rupees in Lakhs)

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Particulars	31 March 2018	31 March 2017	1 April 2016
Details:			
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	1,647.68	2,360.61	5,640.91
Aggregate amount of impairment in value of investments	-	-	7.67

Note 11 : Trade receivables
(Unsecured, considered good)

Particulars	31 March 2018	31 March 2017	1 April 2016
Trade receivables	57.88	58.82	660.97
Total Trade receivables	**57.88**	**58.82**	**660.97**

Note 12 : Cash and cash equivalents

Particulars	31 March 2018	31 March 2017	1 April 2016
Balances with banks			
- in current accounts	13.57	29.01	109.05
Cheques on hand	29.98	423.88	36.98
Cash on hand	0.41	3.45	10.73
Total cash and cash equivalents	**43.96**	**456.34**	**156.76**

Note 13 : Loans
(Unsecured, considered good, unless otherwise stated)

Particulars	31 March 2018	31 March 2017	1 April 2016
Loans to subsidiary company /step down subsidiaries (refer note 35)	2,349.34	102.40	308.74
Loans to parties other than related parties	1,756.06	1,688.94	1,765.23
	4,105.40	**1,791.34**	**2,073.97**
Less : Provision for expected credit loss	(1,343.78)	(1,405.42)	(771.03)
	2,761.62	**385.92**	**1,302.94**
Advances to employees	17.83	2.76	6.59
Total Loans	**2,779.45**	**388.68**	**1,309.53**

Note 14 : Other financial assets
(Unsecured, considered good, unless otherwise stated)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advances recoverable in cash or in kind	399.57	364.03	361.63
Less : Provision for expected credit loss	(355.00)	(355.00)	(355.00)
	44.57	**9.03**	**6.63**
Others receivables (refer note below)	1,770.00	1,770.00	1,770.00
Total other financial assets	**1,814.57**	**1,779.03**	**1,776.63**

Note:
Others receivables represents amount due on maturity of investment in 1.77 lakhs 0% optional convertible debentures of ₹ 1,000/- each in Omni Infrastructure Private Limited (step down subsidiary company) which was matured during the year ended 31 March 2016 and option of the conversion was not exercised by the Company.

Notes to the standalone Ind AS financial statements
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Note 15 : Other current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Current portion of deferred asset on interest free loans given to Moontown Trading Company Private Limited, Joint venture company	14.49	14.49	14.49
Prepaid expenses	8.52	4.83	2.07
Total other current assets	**23.01**	**19.32**	**16.56**

Note 16 : Equity share capital

Particulars	31 March 2018	31 March 2017	1 April 2016
Authorised share capital			
2,002.50 lakhs (31 March 2017: 2,002.50 lakhs; 1 April 2016: 2,002.50 lakhs) equity shares of ₹ 2 each	**4,005.00**	**4,005.00**	**4,005.00**
Issued, subscribed and fully paid up			
1,526.03 lakhs (31 March 2017: 1,526.03 lakhs; 1 April 2016: 1,526.03 lakhs) equity shares of ₹ 2 each, fully paid up	**3,052.06**	**3,052.06**	**3,052.06**
Total issued, subscribed and paid-up equity share capital	**3,052.06**	**3,052.06**	**3,052.06**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

Particulars	31 March 2018		31 March 2017		1 April 2016	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
Equity Shares						
At the beginning of the year	1,526.03	3,052.06	1,526.03	3,052.06	1,526.03	3,052.06
Issued during the year	-	-	-	-		-
Outstanding at the end of the year	**1,526.03**	**3,052.06**	**1,526.03**	**3,052.06**	**1,526.03**	**3,052.06**

(b) Details of shares issued for a consideration other than cash:

During the year 2011-12, the Company has allotted 1,523.53 Lakhs equity shares of ₹ 2 each fully paid up to the Shareholders of Demerged Company and Transferor Company pursuant to the Scheme of Demerger and Amalgamation.

(c) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) The details of shareholders holding more than 5% of the equity shares of the Company as at year end are as below :

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Number of equity shares held in lakhs	% of holding	Number of equity shares held in lakhs	% of holding	Number of equity shares held in lakhs	% of holding
Nailsfield Limited, Mauritius	494.11	32.38	494.11	32.38	494.11	32.38
Nikhil Chaturvedi (In his capacity as trustee of Nikhil Chaturvedi Family Trust)	140.51	9.21	140.51	9.21	140.51	9.21
Salil Chaturvedi (In his capacity as trustee of Salil Chaturvedi Family Trust)	137.33	9.00	137.33	9.00	137.33	9.00

(Currency : Indian Rupees in Lakhs)

Notes to the standalone Ind AS financial statements
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Note 16.1 : Other equity

Reserves and surplus

Particulars	31 March 2018	31 March 2017	1 April 2016
(i) Securities premium account			
Opening balance	36,434.05	36,434.05	36,434.05
Add: Securities premium received on issue of equity shares	-	-	-
Closing balance (refer sub-note 1)	**36,434.05**	**36,434.05**	**36,434.05**
(ii) Retained earnings			
Opening balance	178.95	74.47	74.47
Add: profit for the year	226.81	104.49	-
Closing balance (refer sub-note 2)	**405.77**	**178.95**	**74.47**
(iii) Amalgamation reserves			
Opening balance	378.86	688.75	688.75
Less: Stamp duty on Amalgamation (refer sub-note 3)	-	309.89	-
Closing balance (refer sub-note 3)	**378.86**	**378.86**	**688.75**
(iv) Other Comprehensive Income			
Opening balance	62,820.88	50,797.16	50,797.16
Add: (loss) on fair value of defined benefit plans	3.43	(1.99)	-
Add: Gain / (loss) on fair value of investments	313.60	12,025.71	-
Closing balance	**63,137.91**	**62,820.88**	**50,797.16**
Total	**1,00,356.58**	**99,812.75**	**87,994.42**

Sub-note:

1. Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;
   i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
   ii) for the purchase of its own shares or other securities;
   iii) in writing off the preliminary expenses of the Company;
   iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
   v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

2. Retained earnings represents the accumulated profits of the Company.

3. Amalgamation Reserve represents the capital reserve pursuant to the Composite Scheme of Arrangement and Amalgamation dated 10th February, 2012

   As per the order dated 15th October 2016, issued by Maharashtra Stamp Office, during the year 2016-17 the Company had paid ₹ 281 Lakhs towards stamp duty payable under Maharashtra Stamp Act on the Composite Scheme of Arrangement and Amalgamation as approved by the Honorable High Court, Mumbai vide order dated 10th February, 2012. The Company had also paid a stamp duty amounting to ₹ 28.89 lakhs under Singapore laws, in respect of transfer of shares of Prozone Liberty International Limited, Singapore (Subsidiary of Amalgamating Company) in the name of Company.

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Note 17 : Borrowings

Particulars	31 March 2018	31 March 2017	1 April 2016
Secured			
Hire Purchase Loans (refer note below)	54.12	84.17	20.71
Less: current maturities of long term debt	(25.51)	(30.23)	(14.25)
Hire Purchase Loans (refer note below)	**28.61**	**53.94**	**6.46**
Unsecured			
Loan taken from Emerald Build Home Private Limited, joint venture company (refer note 35)	1,124.11	1,031.29	946.14
	1,152.72	**1,085.23**	**952.60**

Nature of security:

Hire Purchase Loans includes :

- ₹ Nil (31 March 2017: ₹ 6.29 lakhs, 1 April 2016: ₹ 20.71 lakhs) in respect of one vehicle which is secured by hypothecation of vehicle financed. The loan carries interest @ 12.13% p.a. The loan is repayable in 53 equal instalments starting from 1st May, 2013.
- ₹ 54.12 lakhs (31 March 2017: ₹ 77.88 lakhs ,1 April 2016: ₹ Nil) in respect of one vehicle which is secured by hypothecation of vehicle financed. The loan carries interest @ 9.50% p.a. The loan is repayable in 48 equal instalments starting from 15th April, 2016.

Details of unsecured loan

The unsecured loan were taken from Emerald Buildhome Private Limited, a step down Joint Venture Company (JVC) vide Joint Venture Agreement (JVA) dated 14th December 2007 entered into with the Co-venturer, Shree Salasar Overseas Private Limited for developing a Mall at Jaipur. The said loan was repayable to the JVC at the time of acquisition of additional land. Since the JVC presently does not have any land proposal in hand, the said loan remains with the Company and no interest is payable as agreed between the JV Partners, till the time any new land is acquired by the JVC.

The Company's exposure to interest rate and liquidity risks are disclosed in note 40 to the financial statements.

Note 18 : Provisions

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for employee benefits (refer note 34)			
- provision for gratuity	18.17	13.34	6.08
Total Provisions	**18.17**	**13.34**	**6.08**

Note 19 : Deferred tax liabilities (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred tax liabilities			
Investments carried at FVOCI	17,851.33	17,762.66	14,362.49
Deferred tax assets			
- Difference in depreciation in block of fixed assets as per Income-tax Act, 1961 and depreciation allowable under books	72.38	82.47	79.97
- Provision for expenses disallowed under Section 43B of Income-tax Act, 1961	467.43	644.74	500.70
	539.81	**727.21**	**580.67**
MAT credit entitlement	71.83	7.48	-
Deferred tax liabilities, (net)	**17,239.69**	**17,027.97**	**13,781.82**

(Currency : Indian Rupees in Lakhs)

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Note 20 : Other non-current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred liability on loan taken from Emerald Build Home Private Limited, joint venture company	414.35	497.17	580.00
Deferred guarantee income	859.97	360.36	396.76
Total other non-current liabilities	**1,274.32**	**857.53**	**976.76**

Note 21 : Trade payables

Particulars	31 March 2018	31 March 2017	1 April 2016
- Total outstanding dues of micro enterprises and small enterprises (refer note below)	0.54	17.24	13.48
- Total outstanding dues of creditors other than micro enterprises and small enterprises.	158.44	120.36	91.85
Total Trade payables	**158.98**	**137.60**	**105.33**

Note:
The Company had sought confirmation from the vendors whether they fall in the category of Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006. On the basis of the information and records available with the management, the required disclosure for Micro, Small and Medium Enterprises under the above Act is given below :

Particulars	31 March 2018	31 March 2017	1 April 2016
the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year*;	0.54	17.24	13.48
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-

* Interest paid/payable by the Company on the aforesaid principle amount has been waived by the concerned suppliers.

Note 22 : Other current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Other liabilities	33.13	33.13	33.13
Current maturities of long term debt	25.51	30.23	14.25
Employee benefits payable	24.69	11.35	14.28
Other advances:			
Advances received from customers	24.27	-	-
Others:			
Statutory dues payable			
- Tax deducted at source payable	26.14	8.96	9.95
- Professional tax payable	0.02	0.02	0.02
- Provident fund payable	0.33	0.36	0.35
Total Other current liabilities	**134.09**	**84.05**	**71.98**

(Currency : Indian Rupees in Lakhs)

Notes to the standalone Ind AS financial statements
as at 31 March 2018

Note 23 : Provisions

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for employee benefits (refer note 34)			
- provision for compensated absences	17.89	18.75	17.43
- provision for gratuity	5.32	3.31	3.50
Total Provisions	**23.21**	**22.06**	**20.93**

Note 24 : Revenue from operations

Particulars	31 March 2018	31 March 2017
Sale of services:		
Management consultancy charges	678.24	717.55
Total Revenue from operations	**678.24**	**717.55**

Note 25 : Other income

Particulars	31 March 2018	31 March 2017
Interest income		
- on unwinding of loans taken from/given to related parties (refer note 35)	155.47	142.63
- on loans	425.92	564.43
- on income-tax refunds	2.08	33.84
- on notional corporate guarantee given in favour of subsidiaries	66.92	127.04
- on amortisation of deferred liabilities on loans taken from joint ventures	82.82	82.82
Rental income (refer note 42)	7.50	-
Profit on sale of current investments	-	1.25
Notional gain on value of current investments measured at FVTPL	0.64	7.67
Dividend income on current investments	42.04	71.55
Reversal of provision for expected credit loss	61.63	-
Gain on foreign exchange fluctuations	0.27	-
Total other income	**845.29**	**1,031.23**

Note 26 : Employee benefits expense

Particulars	31 March 2018	31 March 2017
Salaries and bonus	195.05	189.08
Directors' remuneration	180.00	180.00
Contribution to provident fund	2.20	2.37
Expenses related to post-employment defined benefit plans (refer note 34)	10.91	5.43
Staff welfare expense	6.10	5.45
Total Employee benefits expense	**394.26**	**382.33**

(Currency : Indian Rupees in Lakhs)

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Note 27 : Finance costs

Particulars	31 March 2018	31 March 2017
Interest expenses		
- on loan taken from bank	6.58	9.77
- on late payments of statutory dues	1.87	0.34
- on unwinding of loans taken from/given to related parties (refer note 35)	92.82	85.15
- on amortisation of deferred assets on loans given to joint ventures	14.49	14.49
Total Finance costs	**115.76**	**109.75**

Note 28 : Depreciation expense

Particulars	31 March 2018	31 March 2017
Depreciation on tangible assets	43.90	79.53
Depreciation on investment property	4.35	5.13
Total Depreciation expense	**48.25**	**84.66**

Note 29 : Other expenses

Particulars	31 March 2018	31 March 2017
Rent (refer note 42)	36.00	36.00
Rates and taxes	1.52	1.36
Insurance	6.16	11.86
Repairs and maintenance - others	28.29	42.30
Electricity charges	18.69	19.26
Printing and stationery	6.54	4.47
Communication costs	10.44	12.49
Professional fees	84.39	100.94
Travelling and conveyance	69.62	84.90
Vehicle expenses	46.50	47.59
Housekeeping expenses	14.01	13.48
Advertisement and business promotion expenses	67.75	81.47
Payment to auditors' (refer note 29(a) below)	22.22	22.65
Office expenses	12.39	10.98
Membership and subscription	59.97	18.98
Loss on foreign exchange fluctuations	-	4.18
Provision for expected credit loss	-	679.89
Corporate social responsibility expenses (refer note 38)	10.67	-
Miscellaneous expenses	11.40	4.29
Total Other expenses	**506.56**	**1,197.09**

Note 29(a) : Payment to auditors

Particulars	31 March 2018	31 March 2017
- Statutory audit	20.25	14.40
- Tax audit	1.25	-
- Reimbursement of expenses	0.72	-
- For Taxation Matters	-	8.25
	22.22	**22.65**

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Note 30 : Earnings per equity share

A reconciliation of profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Basic: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares purchased by the Company and held as treasury shares.

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company.

Particulars	31 March 2018	31 March 2017
Weighted average number of equity shares of ₹ 2 each (No. in Lakhs)		
Number of shares at the beginning and end of the year	1,526.03	1,526.03
Weighted average number of shares outstanding during the year	1,526.03	1,526.03
Weighted average number of potential equity shares outstanding during the year	-	-
Total number of potential equity share for calculating diluted earning per share	1,526.03	1,526.03
Net profit after tax available for equity shareholders (₹ In lakhs)	226.81	104.49
Basic Earning per share (in ₹)	0.15	0.07
Diluted Earning per share (in ₹)	0.15	0.07

Note 31 : Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets" are given below:

Particulars	31 March 2018	31 March 2017
I) Claims not acknowledged as debts :		
Disputed liability in respect of income-tax (Interest thereon not ascertainable at present)	14.87	14.87
II) Guarantees		
Guarantee given to bank on behalf of subsidiary company and stepdown subsidiary company*	29,119.87	25,207.81
	29,134.74	**25,222.68**

* The company have provided corporate gaurentee on behalf of loan taken by its subsidiary and step down subsidiary company. The details of loan outstanding are provided below:

Name of subsidiary company / step down subsidiary	Loan outstanding as on	
	31 March 2018	31 March 2017
Alliance Mall Developer Company Private Limited, subsidiary	19,944	17,699
Empire Mall Private Limited, step down subsidiary	9,176	7,509
Total	**29,120**	**25,208**

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Note 32 : Loans and advances in the nature of loans given to subsidiaries and associates as required to be disclosed in the annual accounts of the Company pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:

a) Details of loans to subsidiaries / step down subsidiaries

Name of subsidiary/ step down subsidiary companies	Nature of relationship	31 March 2018		31 March 2017	
		₹ in Lakhs	Maximum Amount	₹ in Lakhs	Maximum Amount
Alliance Mall Developers Company Private Limited	Subsidiary	-	1,825.50	11.25	1,428.19
Royal Mall Private Limited	Subsidiary	0.73	3.88	3.27	3.27
Prozone Intu Developers Private Limited (formerly known as Jaipur Festival City Private Limited)	Step down subsidiary	119.75	129.49	59.75	1,000.00
Prozone Liberty International Limited, Singapore	Subsidiary	177.90	177.90	161.98	161.98
Omni Infrastructure Private Limited	Step down subsidiary	2,139.83	2,139.83	2,123.39	2,123.39
Empire Mall Private Limited	Step down subsidiary	106.21	106.21	-	303.35
Hagwood Commercial Developers Private Limited	Step down subsidiary	-	65.16	31.16	250.39
Kruti Multitrade Private Limited	Subsidiary	45.60	45.60	39.19	39.19
Prozone Developers & Realtors Private Limited (formerly known as Classique Creators Private Limited)	Subsidiary	1,728.27	1,728.27	1,493.12	4,062.98
		4,318.27	**6,221.82**	**3,923.10**	**9,372.74**

b) Details of investments in subsidiaries

(No. of shares)

Name of subsidiary companies	31 March 2018	31 March 2017
Alliance Mall Developers Company Private Limited	20,10,000	20,10,000
Royal Mall Private Limited	10,000	10,000
Kruti Multitrade Private Limited	10,000	10,000
Prozone Liberty International Limited (Singapore)	6,14,74,094	6,14,74,094
Prozone Developers & Realtors Private Limited (formerly known as Classique Creators Private Limited)	2,50,000	2,50,000
Investments through Prozone Liberty International Limited (Singapore)		
Empire Mall Private Limited *, step down subsidiary	4,72,09,412	4,72,09,412
Hagwood Commercial Developers Private Limited, step down subsidiary	94,80,235	94,80,235
Omni Infrastructure Private Limited, , step down subsidiary	24,000	24,000
Investments through Royal Mall Private Limited		
Prozone Intu Developers Private Limited, step down subsidiary (Formerly known as Jaipur Festival City Private Limited)	10,000	10,000

* Considered subsidiary on control basis

(No. of debentures)

Name of subsidiary companies	31 March 2018	31 March 2017
Alliance Mall Developers Co Private Limited	2,95,134	2,16,567

(Currency : Indian Rupees in Lakhs)

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Note 33 : The Company has the following Joint Ventures as on 31st March, 2018 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Ventures is given below :

Name of Company	Country of Incorporation	% Voting Power held	31 March 2018		For the year ended 31 March 2018	
			Assets	Liabilities	Income	Expenditure
Emerald Buildhome Private Limited (EBPL)	India	50.00	2,483.70	0.47	46.41	41.45
Moontown Trading Company Private Limited (MTCPL)	India	25.00	212.52	67.88	2.72	3.85

Name of Company	Country of Incorporation	% Voting Power held	31 March 2017		For the year ended 31 March 2017	
			Assets	Liabilities	Income	Expenditure
Emerald Buildhome Private Limited (EBPL)	India	50.00	2,468.40	0.43	42.58	42.49
Moontown Trading Company Private Limited (MTCPL)	India	25.00	212.51	67.02	3.62	4.46

Note 34 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A Defined benefit obligations and short-term compensated absences

i) Defined benefit plan

The gratuity plan is governed by the Payment of Gratuity Act,1972 under which an employee who has completed five years of service is entitled to specific benefits.The level of benefits provided depends on the member's length of service and salary at retirement age.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

ii) Short-term compensated absences

26 days of privilege leave for staff is allowed each year. Unutilised leave can be carried forward to the extend of 42 days of leave, If the same not availed in calendar year then the same will be lapsed.

Particulars	Funded Plan	
	Gratuity	
	31 March 2018	31 March 2017
a) Expenses recognised in the statement of profit and loss		
Current service cost	3.31	3.50
Past service cost	7.20	-
Interest cost	1.05	0.61
Components of defined benefit costs recognized in profit or loss	**11.56**	**4.11**
b) Included in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	(1.11)	1.19
Actuarial changes arising from changes in demographic assumptions	-	-
Experience adjustments	(3.65)	1.75
Return on plan assest excluding amounts included in Interest Income	0.03	0.03
Actuarial (gain) / loss recognized in OCI	**(4.73)**	**2.97**

(Currency : Indian Rupees in Lakhs)

Notes to the standalone Ind AS financial statements
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Particulars	Funded Plan	
	Gratuity	
	31 March 2018	31 March 2017
c) Recognised in balance sheet		
Present value of obligation as at the end of the year	38.17	30.44
Fair value of plan assets as at the end of the year	(14.68)	(13.78)
Net Liability	**23.49**	**16.66**
d) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year		
Defined Benefit Obligation ("PBO") at the beginning of the year	30.44	22.37
Current Service cost	3.31	3.50
Past Service cost	7.20	-
Interest cost	1.98	1.63
Actuarial loss / (gain)	(4.76)	2.94
Present value of obligation as at the end of the year	**38.17**	**30.44**
e) Change in fair value of assets		
Fair value of plan assets at the beginning of the year	13.78	12.78
Interest Income	0.93	1.02
Return on plan assets excluding amounts included in interest income	(0.03)	(0.03)
Benefits paid	-	-
Fair value of plan assets at the end of the year	**14.68**	**13.78**
f) Reconciliation of net defined benefit liability		
Net opening provision in books of accounts	16.66	9.58
Transfer in/(out) obligation	-	-
Expenses recognised in the statement of profit and loss	11.56	4.11
Expenses recognised in Other Comprehensive Income	(4.73)	2.97
Benefits paid	-	-
Closing provision in books of accounts	**23.49**	**16.66**

Particulars	Unfunded Plan	
	Compensated absences	
	31 March 2018	31 March 2017
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year		
Defined Benefit Obligation ("PBO") at the beginning of the year	18.75	17.43
Current Service cost	4.99	4.54
Interest cost		1.24
Actuarial loss / (gain)	(5.64)	(4.46)
Liabilities transferred in / (out)		
Benefits paid	(0.21)	-
Present value of obligation as at the end of the year	**17.89**	**18.75**

(Currency : Indian Rupees in Lakhs)

Notes to the standalone Ind AS financial statements
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Particulars	Unfunded Plan	
	Compensated absences	
	31 March 2018	31 March 2017
b) Expenses recognised in the statement of profit and loss		
Current service cost	4.99	4.54
Interest cost	-	1.24
Net value of remeasurements on the obligation and plan assets	(5.64)	(4.46)
Total included in 'employee benefit expense'	**(0.65)**	**1.32**
c) Liability recognised in balance sheet		
Present value of unfunded obligation as at the end of the year	**17.89**	**18.75**
Net Liability	**17.89**	**18.75**
d) Components of actuarial gain/losses on obligation		
Actuarial changes arising from changes in financial assumptions	**(0.40)**	**0.62**
Actuarial changes arising from changes in demographic assumptions	**-**	**-**
Experience adjustments	**(5.24)**	**(5.07)**
Net actuarial (gain)	**(5.64)**	**(4.46)**

Particulars	Gratuity		Compensated absences	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
e) Current/ non-current classification				
Current	5.50	3.31	3.28	3.32
Non- current	17.99	13.34	14.62	15.43
	23.49	**16.66**	**17.89**	**18.75**

The following table summarizes the principal assumptions used for defined benefit obligation and compensated absences:

Actuarial assumptions	Gratuity		Compensated absences	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
Discount rate	7.55%	7.00%	7.80%	7.80%
Salary escalation rate (% p.a.) *	5.10%	5.10%	5.10%	5.10%
Withdrawal Rates	10% at all ages	10% at all ages	10% at all ages	10% at all ages
Leave availment rate	-	-	5.00%	5.00%
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(Currency : Indian Rupees in Lakhs)

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Quantitative sensitivity analysis for significant assumption is as below:

Particulars	Gratuity		Compensated absences	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	0.5% increase		**0.5% increase**	
i. Discount rate	37.21	29.68	17.54	18.36
ii. Salary escalation rate - over a long-term	38.59	30.76	18.26	19.16
	0.1% increase		**0.1% increase**	
iii. Withdrawal rate (W.R.)	38.59	30.77	17.73	18.55
	0.5% decrease		**0.5% decrease**	
i. Discount rate	39.18	31.23	18.26	19.16
ii. Salary escalation rate - over a long-term	36.85	30.34	17.53	18.35
	0.1% decrease		**0.1% decrease**	
iii. Withdrawal rate (W.R.)	37.72	29.85	18.07	18.97

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

Maturity analysis of defined benefit obligation

Particulars	Gratuity		Compensated absences	
	Cashflow	Distribution (%)	Cashflow	Distribution (%)
1st Following Year	4.65	7.90%	3.28	13.10%
2nd Following Year	4.63	7.80%	2.94	11.70%
3rd Following Year	4.91	8.30%	2.73	10.90%
4th Following Year	4.17	7.00%	2.33	9.30%
5th Following Year	6.50	11.00%	2.61	10.40%
Sum of Year 6 to 10 Year	23.22	39.20%	8.83	35.20%
Total expected payments	48.08		22.72	

B Defined contribution plans

The Company makes contribution towards provident fund to a defined contribution retirement plan for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement contribution schemes to fund benefits.

The Company has recognised the following amounts in the statement of profit and loss for the year:

Particulars	31 March 2018	31 March 2017
Contribution to provident funds	2.20	2.37
	2.20	**2.37**

(Currency : Indian Rupees in Lakhs)

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Note 35 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

a) Names of related parties and nature of relationship

A) Key Management Personnel (KMP) and their relatives

Mr. Nikhil Chaturvedi	Managing Director
Mr. Salil Chaturvedi	Dy. Managing Director
Mr. Punit Goenka	Independent Director
Mr. Rajiv Singh *(upto 24 April 2017)*	Independent Director
Ms. Deepa Misra Harris	Independent Director
Mr. David Fischel	Non Executive Director
Mr. Dushyant Sangar	Non Executive Director
Mr. Anurag Garg	Chief Financial Officer
Mr. Ajayendra Jain	Company Secretary & Chief Compliance Officer

B) Enterprises having common Key Management Personnel (KMP) with whom the company has entered into transaction during the year.

Provogue (India) Limited

C) Subsidiaries / Step down Subsidiaries :-

Alliance Mall Developers Co Private Limited
Royal Mall Private Limited
Prozone Intu Developers Private Limited (Formerly known as Jaipur Festival City Private Limited)
Prozone Liberty International Ltd, Singapore
Omni Infrastructure Private Limited
Empire Mall Private Limited
Hagwood Commercial Developers Private Limited
Kruti Multitrade Private Limited
Prozone Developers & Realtors Private Limited (Formally known as Classique Creators Private Limited)

D) Joint Ventures

Emerald Buildhome Private Limited
Moontown Trading Company Private Limited

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

Summary of related party transactions

Transactions	Key Management Personnel (KMP) and their relatives		Enterprises having common Key Management Personnel with whom the company has entered into transaction		Subsidiaries / Step down subsidiaries		Joint Ventures		Total	
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
Remuneration to key management personnel	238.39	238.24							238.39	238.24
Sale of services					678.24	717.55			678.24	717.55
Interest income					344.84	421.42			344.84	421.42
Notional interest income					136.17	124.92	19.30	17.71	155.47	142.63
Notional interest expenses							92.82	85.15	92.82	85.15
Loans given					2,666.16	7,958.74			2,666.16	7,958.74
Repayment of loans given					2,615.90	7,054.70			2,615.90	7,054.70
Rent paid			36.00	36.00				-	36.00	36.00

Notes to the standalone Ind AS financial statements
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Balances payable/outstanding at the year end

Transactions	Key Management Personnel (KMP) and their relatives			Enterprises having common Key Management Personnel with whom the company has entered into transaction			Subsidiaries / Step down subsidiaries			Joint Ventures			Total		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Trade receivables	-	-	-	-	-	-	57.04	58.82	660.97	-	-	-	57.04	58.82	660.97
Advance from customers	-	-	-	-	-	-	24.27	-	-	-	-	-	24.27	-	-
Trade payable	-	-	-	81.47	61.08	30.43	-	-	-	-	-	-	81.47	61.08	30.43
Loans given	-	-	-	-	-	-	4,007.56	3,477.06	2,025.85	235.12	214.77	196.76	4,242.68	3,691.83	2,222.61
Loans taken	-	-	-	-	-	-	-	-	-	1,124.11	1,031.29	946.14	1,124.11	1,031.29	946.14
Advance recoverable in cash or kind	-	-	-	-	-	-	-	1.14	1.14	-	-	-	-	1.14	1.14
Remuneration payable	15.06	2.45	8.36	-	-	-	-	-	-	-	-	-	15.06	2.45	8.36

Note: Related parties are as disclosed by the management and relied upon by the auditors.

Note 36 : Segment Reporting as required under Indian Accounting Standard 108, "Operating Segments" :

Basis of segmentation

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. "Designing, developing, owning and operating of Shopping Malls, Commercial and Residential Premises through its various SPVs. The Company is also providing related management consultancy services to its SPVs". Accordingly, these financial statements are reflective of the information required by the Ind AS 108 "Operating segments".

Note 37 : Disclosure with regards to section 186 (4) of the Companies Act, 2013

i) For investment refer note no. 5 and 10
ii) For corporate guarantees given refer note no. 31.
iii) For loans given :

Particulars	Rate of Interest	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 1 April 2016
Subsidiaries / Step down subsidiaries	8.5% to 13.5%	2,213.61	1,818.95	488.81
Others	9%	1,534.45	1,463.84	1,561.72
Total		**3,748.06**	**3,282.79**	**2,050.53**

Notes:

1) Out of the above (ie loan to others) the Compay has not provided interest on ₹ 638.99 Lakhs in current year as company has made provision for expected credit loss due to uncertainty regarding recoverability of said loans and advance.

2) Above disclosures do not include unsecured loans (including interest) granted before enforcement of Companies Act, 2013 amounting to ₹ 2605.42 lakhs (31 March 2017: ₹ 2607.56 lakhs, 1 April 2016: ₹ 2590.13 lakhs).

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Note 38 : Expenditure on Corporate Social Responsibility (CSR) activities

A Gross amount required to be spent by the Company during the year 2017-18 - ₹ 9.09 Lakhs (31 March 2017- ₹ 10.67 Lakhs)

B Amount spent during the year on:

Sr. No	Particulars	In Cash/ Cheque	Yet to be paid in cash	Total
i	Construction/acquisition of any assets	-	-	-
ii	On purposes other than (i) above	10.67	-	10.67

C Related party transactions in relation to Corporate Social Responsibility: - - -

D Provision movement during the year 2017-18

Sr. No	Particulars	In Cash/ Cheque	Yet to be paid in cash	Total
1.	Opening provision	10.67		
2.	Addition during the year	9.09		
3.	Utilised during the year	10.67		
4.	Closing provision	9.09		

Note 39 : Expenditure in foreign Currency

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Foreign travelling expense	12.76	23.96

Note 40A : Financial instruments – Fair values and risk management :

A) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

31 March 2018	Note	Carrying amount			Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets								
Investments (current and non-current)	5 , 10	1,647.68	1,13,620.29	-	-	1,647.68	1,13,620.29	1,15,267.97
Loans (current and non-current)	6 , 13	-	-	4,672.79	-	-	-	-
Trade receivables	11	-	-	57.88	-	-	-	-
Cash and cash equivalents	12	-	-	43.96	-	-	-	-
Other financial asset (current and non-current)	7 , 14			2,991.62	-	-	-	-
		1,647.68	**1,13,620.29**	**7,766.25**				
Financial liabilities								
Borrowings	17	-	-	1,152.72	-	1,152.72	-	1,152.72
Trade payables	21	-	-	158.98	-	-	-	-
		-	**-**	**1,311.70**				

Prozone Intu Properties Limited - Annual Report - 2018 (Currency : Indian Rupees in Lakhs)

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31 March 2017	Note	Carrying amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments (current and non-current)	5 , 10	2,360.61	1,11,832.90	-		2,360.61	1,11,832.90	1,14,193.51
Loans (current and non-current)	6 , 13	-	-	3,978.11	-	-	-	-
Trade receivables	11	-	-	58.82	-	-	-	-
Cash and cash equivalents	12	-	-	456.34	-	-	-	-
Other financial asset (current and non-current)	7 , 14	-	-	2,952.54	-	-	-	-
		2,360.61	**1,11,832.90**	**7,445.81**				
Financial liabilities								
Borrowings	17	-	-	1,085.23	-	1,085.23	-	1,085.23
Trade payables	21	-	-	137.60	-	-	-	-
		-	**-**	**1,222.83**				

1 April 2016	Note	Carrying amount			Fair value			
		FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Investments (current and non-current)	5 , 10	5,633.24	93,830.97	-		5,633.24	93,830.97	99,464.21
Loans (current and non-current)	6 , 13	-	-	3,223.40	-	-	-	-
Trade receivables	11	-	-	660.97	-	-	-	-
Cash and cash equivalents	12	-	-	156.76	-	-	-	-
Other financial asset (current and non-current)	7 , 14	-	-	2,944.78	-	-	-	-
		5,633.24	**93,830.97**	**6,985.91**				
Financial liabilities								
Borrowings	17	-	-	952.60	-	952.60	-	952.60
Trade payables	21	-	-	105.33	-	-	-	-
		-	**-**	**1,057.93**				

B) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation processes are described in Note 4.

i) Financial instruments measured at amortised cost

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Borrowings	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable
Other financial liabilities- (current maturities of long-term debt)	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable

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ii) Financial instruments measured at fair value through profit or loss

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuer of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which the issuers will redeem such units from the investor.	Not applicable	Not applicable

iii) Financial instruments measured at fair value through Other Comprehensive Income

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in equity, preference shares and debentures	The fair value of investment has been determined by external, independent property valuers, having appropriate recognised professional qualifications and relevent experience the field.	Discount Rate; Market Capitalisation Rate	15.50% to 23.00%; 9.25% to 10.00%

Note 40B : Financial instruments – Fair values and risk management:

B) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

a. credit risk ;

b. liquidity risk ; and

c. market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Notes to the standalone Ind AS financial statements
as at 31 March 2018

a. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular follow up,engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings.The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast specturm. The Company also takes security deposits, advances , post dated cheques etc from its customers, which mitigate the credit risk to an extent.

Investments in companies

The Company has made investments in subsidiaries, step down subsidiaries and Joint Venture. The Company does not percieve any credit risk pertaining to investments made in such related entities.

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks of ₹ 43.96 lakhs; ₹ 456.34 and ₹ 156.76 lakhs as at 31 March 2018 ; 31 March 2017 and 1 April 2016 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

Exposure to credit risk

The allowance for impairment in respect of trade receivables during the year was ₹ Nil (2017: ₹ Nil)

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31 March 2018 , 31 March 2017 and 1 April 2016 is as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Financial assets for which loss allowances are measured using 12 months Expected Credit Losses (ECL) :			
Loans	1,343.78	1,405.42	771.03
Advance recoverable in cash or kind	1,415.00	1,415.00	1,369.50

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amounts
Balance as at 1 April 2016	**2,140.53**
Impairment loss recognised	679.89
Balance as at 31 March 2017	**2,820.42**
Impairment loss recognised	(61.63)
Balance as at 31 March 2018	**2,758.78**

The Company has no other financial assets that are past due but not impaired.

b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(Currency : Indian Rupees in Lakhs)

Notes to the standalone Ind AS financial statements
as at 31 March 2018

Exposure to liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

Particulars	Contractual cash flows			
	One year or less	1 - 5 years	More than 5 years	Total
As at 31 March 2018				
Non - derivative financial liabilities				
Borrowings (Refer Note 17)	-	1,152.72	-	1,152.72
Trade payables (Refer Note 21)	158.98	-	-	158.98
	158.98	**1,152.72**	**-**	**1,311.70**
As at 31 March 2017				
Non - derivative financial liabilities				
Borrowings (Refer Note 17)	-	1,085.23	-	1,085.23
Trade payables (Refer Note 21)	137.60	-	-	137.60
	137.60	**1,085.23**	**-**	**1,222.83**
As at 1 April 2016				
Non - derivative financial liabilities				
Borrowings (Refer Note 17)	-	952.60	-	952.60
Trade payables (Refer Note 21)	105.33	-	-	105.33
	105.33	**952.60**	**-**	**1,057.93**

c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and bank deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk:

The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from banks.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Fixed-rate instruments:			
Financial asset (Bank deposits)	3.50	-	-
Financial liabilities (Borrowings)	(54.12)	(84.17)	(20.71)
	(50.62)	**(84.17)**	**(20.71)**
Variable-rate instruments:	-	-	-
Financial liabilities (Borrowings)	-	-	-

Notes to the standalone Ind AS financial statements
as at 31 March 2018

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Foreign currency risk

he Company has negiligible expsoure to currency risk since almost all the transactions of the Company are denominated in Indian Rupees.

Commodity and other price risk

The Company is not exposed to the commodity and other price risk.

Note 41 : Capital Management

The Company manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors vis-a-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. Higher leverage is used for funding more liquid working capital needs and conservative leverage is used for long-term capital investments. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2017. The Company calculates the level of debt capital required to finance the working capital requirements using traditional and modified financial metrics including leverage/gearing ratios and asset turnover ratios.

As of balance sheet date, leverage ratios is as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total borrowings (Refer note 17 and 22)	1,178.23	1,115.46	966.85
Less: cash and bank balances (Refer note 12)	43.96	456.34	156.76
Adjusted net debt	**1,222.19**	**1,571.80**	**1,123.61**
Total equity (Refer note 16 and 16.1)	1,03,408.66	1,02,864.83	91,046.50
Adjusted net debt to adjusted equity ratio (times)	0.01	0.02	0.01

Note 42 : Operating leases

Leases as lessee

i) The Company has taken office premises situated at Andheri, Mumbai on operating lease. The Company has entered into a leave and license agreement for using of its office premises for 5 year, with an option to renew the lease after this period. The lease payments recognised in the statement of profit and loss is ₹ 36 lakhs (31 March 2016: ₹ 36 lakhs).

ii) The future minimum lease payments for cancellable operating lease are as follows:

Particulars	31 March 2018	31 March 2017
Not later than one year	36.00	36.00
Later than one year and not later than five years	93.00	129.00
Later than five years	-	-
Amounts recognised in profit or loss		
Lease expense	36.00	36.00
Contingent rent expense	-	-
Total	**36.00**	**36.00**

Initial direct costs incurred on these leasing transactions have been recognised in the Profit and Loss Account.

Notes to the standalone Ind AS financial statements
as at 31 March 2018

Leases as lessor

i) The Company has given office premises on lease which is situated at Oshiwara, Andhei West. The cancellable leases are renewable by mutual consent on mutually agreeable terms. The lease income recognised in the statement of profit and loss is ₹ 7.50 lakhs (31 March 2017: ₹ Nil)

ii) There is no future minimum lease payments under non-cancellable operating lease.

Note 43 : Disclosure of Specified Bank Notes (SBNs)

During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBNs) Disclosure related to Specified Bank Notes (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs (₹ 1,000 and ₹ 500)*	Other denomination notes	Total
Closing cash in hand as on 8th November 2016	-	0.22	0.22
(+) Permitted receipts	-	3.30	3.30
(-) Permitted payments	-	3.52	3.52
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30th December 2016	-	-	-

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

Note 44 : Prior year comparatives

Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

Note 45:

Prior period figures have been audited by a firm of Chartered Accountants other than B S R & Co. LLP

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Place : Mumbai
Date : 29 May, 2018

For and on behalf of the Board of Directors of
Prozone Intu Properties Limited
CIN : L45200MH2007PLC174147

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary &
Chief Compliance Officer
Membership No. A20718

Place : Mumbai
Date : 29 May, 2018

Independent Auditors' Report

To the Members of Prozone Intu Properties Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Prozone Intu Properties Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("hereinafter referred to as the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint venture or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its joint ventures to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018 and their consolidated loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date

Independent Auditors' Report
To the Members of Prozone Intu Properties Limited

Other matters

The comparative financial information of the Group and its joint venture for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor, M/s. S G C O & Co. LLP and M/s. S G C O & Co. Chartered Accountants, whose reports for the year ended 31 March 2017 and 31 March 2016 dated 19 May 2017 and 19 May 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us with respect to the Holding Company and by other auditors with respect to the subsidiaries and joint venture as noted in paragraph (a) below.

(a) We did not audit the Ind AS financial statements of four subsidiaries and one joint venture of the Holding Company, included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of Rs 5,835.66 lakhs as at 31 March 2018 and total revenue of Rs Nil for the year ended on that date. The consolidated Ind AS financial statements also includes the Group's share of (loss) after tax of Rs 0.85 lakhs for the year ended 31 March 2018 in respect of one joint venture, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements of these subsidiaries and joint venture of the Holding Company, have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, is based solely on the report of such subsidiaries and joint venture auditor. Our opinion is not modified in respect of this matter.

(b) We did not audit the financial information of two subsidiaries, included in the statement of unaudited consolidated financial results, whose unaudited financial information reflect total revenue of Rs Nil lakhs for the year ended 31 March 2018 and total assets of Rs 38,659.10 lakhs as at 31 March 2018. The consolidated financial results also includes the Group's share of profit after tax of Rs 0.04 lakhs for the year ended 31 March 2018 in respect of one joint venture. These unaudited financial information has not been reviewed by the respective auditors and are based solely on the management certified accounts. In our opinion and according to the information and explanations given to us by the management, these financial results are not material to the Group. Our conclusion is not modified in respect of this matter.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / information certified by the Management.

Report on Other Legal and Regulatory Requirements

1 As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate Ind AS financial statements and other financial information of subsidiaries and joint venture, as noted in the 'Other matters' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and joint venture incorporated in India, none of the directors of the Group companies and joint venture company incorporated in India are disqualified as on 31 March 2018 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;

(f) With respect to the adequacy of the internal controls over financial reporting of the Holding Company, its subsidiaries and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other Matters' paragraph:

i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture– Refer Note 39 to the consolidated Ind AS financial statements;

Independent Auditors' Report
To the Members of Prozone Intu Properties Limited

ii. the Group and its joint venture did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2018 by the Holding Company, its subsidiaries and joint venture incorporated in India; and

iv. the disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated Ind AS financial statements for the period ended 31 March 2017 have been disclosed. Refer Note 47 of the consolidated Ind AS financial statements.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Bhatt
Partner
Membership No: 036647

Place : Mumbai
Date : 29 May 2018

Annexure A to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Prozone Intu Properties Limited (hereinafter referred to as "the Holding Company") and its subsidiaries and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its joint venture company, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical

Annexure A to the Independent Auditor's Report

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its joint venture company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanation given to us and based on consideration of reporting of the other auditors as mentioned in the 'Other matters' paragraph of the Audit opinion, the Holding Company, its subsidiaries and joint venture, which are incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other matter

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiaries and one joint venture which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Bhatt
Partner
Membership No: 036647

Place : Mumbai
Date : 29 May 2018

(Currency : Indian Rupees in Lakhs)

Consolidated balance sheet
as at 31 March 2018

Particulars	Note	31 March 2018	31 March 2017	1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	3	1,564.59	1,711.62	2,106.01
Investment property	4	61,125.31	34,452.88	34,927.55
Capital Work in Progress		10,998.22	25,284.38	19,262.30
Intangible assets	5	-	-	-
Goodwill on consolidation		9,144.91	9,144.91	9,144.01
Financial assets				
Investments	6	4,728.60	4,912.43	4,795.86
Loans	7	827.13	230.42	217.14
Other financial assets	8	8,884.53	7,561.78	2,547.09
Deferred tax assets (net)	9	7,678.52	7,656.19	6,726.31
Income tax assets (net)	10	595.02	745.01	948.54
Other non-current assets	11	1,799.81	1,210.99	1,236.10
Total non-current assets		**1,07,346.64**	**92,910.61**	**81,910.91**
Current assets				
Inventories	12	14,649.16	18,978.81	17,665.60
Financial assets				
Investments	13	1,647.68	2,360.61	5,891.27
Trade receivables	14	6,510.44	8,385.85	8,526.22
Cash and cash equivalents	15	380.56	1,932.85	1,573.18
Bank balances other than cash and cash equivalents	16	167.03	252.33	507.26
Loans	17	246.60	588.82	1,635.64
Other financial assets	18	632.32	204.02	293.03
Other current assets	19	143.72	51.97	125.01
Total current assets		**24,377.51**	**32,755.26**	**36,217.21**
Total assets		**1,31,724.15**	**1,25,665.87**	**1,18,128.12**
Equity and liabilities				
Equity				
Equity share capital	20	3,052.06	3,052.06	3,052.06
Other equity	20.1	49,266.79	50,296.66	51,022.70
Equity attributable to owners		**52,318.85**	**53,348.72**	**54,074.76**
Non controlling interest		34,280.88	34,029.89	31,737.86
Total equity		**86,599.73**	**87,378.61**	**85,812.62**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	21	33,193.99	27,442.54	22,608.64
Other financial liabilities	22	2,719.50	1,648.74	1,078.80
Provisions	23	30.14	55.71	40.16
Other non-current liabilities	24	446.36	338.91	362.44
Total non-current liabilities		**36,389.99**	**29,485.90**	**24,090.04**
Current liabilities				
Financial liabilities				
Trade payables	25			
Total outstanding dues to micro enterprise and small enterprise (refer note 25)		44.57	78.90	82.45
Total outstanding dues to creditors other than micro enterprise and small enterprise		2,260.30	1,666.72	1,238.27
Other financial liabilities	26	3,579.73	5,118.56	5,850.28
Other current liabilities	27	2,738.43	1,799.45	768.99
Provisions	23	50.07	16.09	13.76
Current tax liabilities (net)	28	61.33	121.64	271.71
Total current liabilities		**8,734.43**	**8,801.36**	**8,225.46**
Total equity and liabilities		**1,31,724.15**	**1,25,665.87**	**1,18,128.12**
Significant accounting policies	2.2			
Notes to the consolidated Ind AS financial statements	2.3 - 49			

The notes referred above forms an integral part of these consolidated Ind AS financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of the Board of Directors of
Prozone Intu Properties Limited
CIN : L45200MH2007PLC174147

Vijay Bhatt
Partner
Membership No. 036647

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary &
Chief Compliance Officer
Membership No. A20718

Place : Mumbai
Date : 29 May, 2018

Place : Mumbai
Date : 29 May, 2018

(Currency : Indian Rupees in Lakhs)

Consolidated statement of profit & loss

for the year ended 31 March 2018

Particulars	Note	31 March 2018	31 March 2017
Income			
Revenue from operations	29	9,614.64	6,317.04
Other income	30	1,156.81	1,075.20
Total income		**10,771.45**	**7,392.24**
Expenses			
Cost of construction	31	3,513.31	3,462.23
Increase / (decrease) in inventories	31	(362.30)	(1,313.21)
Employee benefits expense	32	376.55	296.42
Finance costs	33	2,746.68	978.02
Depreciation and amortisation expense	3 , 4	2,656.73	1,170.64
Other expenses	34	2,324.81	3,380.95
Total expenses		**11,255.78**	**7,975.05**
(Loss) from ordinary activities before tax		**(484.33)**	**(582.81)**
Less: Tax expense/ (credit)			
Current tax		208.66	221.55
Tax of earlier years		0.25	(33.18)
Deferred tax liability / (assets)		23.78	(894.62)
Total tax expense/ (credit)		**232.69**	**(706.25)**
Net profit / (loss) for the period before share of loss of joint venture		**(717.02)**	**123.44**
Share of profit of joint ventures		16.50	37.46
(Loss) / profit for the year (A)		**(700.52)**	**160.90**
Other comprehensive income/(loss) (OCI)			
Items that will not be reclassified subsequently to the consolidated statement of profit and loss			
- Remeasurement of post employment benefit obligation		(7.05)	(9.39)
- Gain / (Loss) on remeasuring FVTOCI financial assets		(200.40)	(145.89)
- Income Tax on Above		46.11	35.26
Items that will be reclassified subsequently to the consolidated statement of profit or loss		-	-
Total other comprehensive (loss) for the year, net of tax (B)		**(161.34)**	**(120.02)**
Total comprehensive income/ (loss) for the year, net of tax (A+B)		**(861.86)**	**40.88**
Net profit/(loss) attributable to :			
- Owners		(421.51)	(532.23)
- Non-controlling interest		(279.01)	693.13
Total comprehensive income/ (loss) attributable to :			
- Owners		(584.94)	(618.82)
- Non-controlling interest		(276.91)	659.70
Earnings per share (EPS)	35		
(per equity share of nominal value ₹ 2 each)			
Basic and diluted (in ₹)		**(0.28)**	**(0.35)**
Significant accounting policies	2.2		
Notes to the consolidated Ind AS financial statements	2.3 - 49		

The notes referred above forms an integral part of these consolidated Ind AS financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Place : Mumbai
Date : 29 May, 2018

For and on behalf of the Board of Directors of
Prozone Intu Properties Limited
CIN : L45200MH2007PLC174147

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary &
Chief Compliance Officer
Membership No. A20718

Place : Mumbai
Date : 29 May, 2018

(Currency : Indian Rupees in Lakhs)

Consolidated statement of changes in equity
for the year ended 31 March 2018

A) Equity share capital

Particulars	Note	Number	Total
Equity shares of ₹ 2 each issued, subscribed and paid			
Balance as at 1 April 2016	20	1,526.03	3,052.06
Changes in equity share capital for the year ended 31 March 2017		-	-
Balance as at the 31 March 2017		**1,526.03**	**3,052.06**
Changes in equity share capital for the year ended 31 March 2018		-	-
Balance as at the 31 March 2018		**1,526.03**	**3,052.06**

B) Other equity

	Note	Reserves and surplus				Other comprehensive income			Total equity attributable to equity holders
		Amalgamation Reserve	Securities premium reserve	Capital Reserve on consolidation	Retained earnings	Foreign Currency Translation Reserve	Gains/(loss) on fair value of investments	Gain / (loss) on fair value of defined benefit plans	
As at 1 April 2016	**20.1**	**688.75**	**49,734.88**	**7.20**	**12.69**	**947.60**	**(368.41)**	**-**	**51,022.71**
Issue of Compulsorily Convertible Debentures by subsidiary		-	1,914.11	-	-	-	-	-	**1,914.11**
Stamp duty on Amalgamation*		(309.89)	-	-	-	-	-	-	**(309.89)**
Share of Minority interest on issue of Compulsorily Convertible Debentures by subsidiary		-	(1,590.20)	-	-	-	-	-	**(1,590.20)**
Prior period items (Difference in audited and unaudited financials of Subsidiary for previous year)		-	-	-	(84.87)	-	-	-	**(84.87)**
Total comprehensive income/(loss) for the year		-	-	-	(532.23)	-	-	-	**(532.23)**
Share of Minority interest in Other component of equity of subsidiaries					(39.61)	-	-	-	**(39.61)**
Fair value gain/(loss) on investment in equity instruments through OCI		-	-	-	-	-	(77.20)	-	**(77.20)**
Remeasurement of post employment benefit obligation (net of tax)		-	-	-	-	-	-	(9.39)	**(9.39)**
Share of joint venture in OCI		-	-	-	-	-	-	-	**-**
Exchange difference arising on translation of foreign operations		-	-	-	-	3.24	-	-	**3.24**
As at 31 March 2017		**378.86**	**50,058.79**	**7.20**	**(644.02)**	**950.84**	**(445.61)**	**(9.39)**	**50,296.67**
Share of Minority interest on issue of Compulsorily Convertible Debentures by subsidiary		-	(312.13)	-	-	-	-	-	**(312.13)**
Total comprehensive income/(loss) for the year		-	-	-	(421.55)	-	(156.39)	-	**(577.93)**
Share of Minority interest in Other component of equity of subsidiaries		-	-	-	(215.58)	-	-	-	**(215.58)**
Prior period items (Difference in audited and unaudited financials of Subsidiary for previous year)		-	-	-	83.10	-	-	-	**83.10**

Consolidated statement of changes in equity
for the year ended 31 March 2018

	Note	Reserves and surplus				Other comprehensive income			Total equity attributable to equity holders
		Amalgamation Reserve	Securities premium reserve	Capital Reserve on consolidation	Retained earnings	Foreign Currency Translation Reserve	Gains/(loss) on fair value of investments	Gain / (loss) on fair value of defined benefit plans	
Remeasurement of post employment benefit obligation (net of tax)		-	-	-	-	-	-	(7.05)	**(7.05)**
Exchange difference arising on translation of foreign operations		-	-	-	-	(0.31)	-	-	**(0.31)**
As at 31 March 2018		**378.86**	**49,746.66**	**7.20**	**(1,198.01)**	**950.53**	**(602.00)**	**(16.44)**	**49,266.80**

* As per the order dated 15th October 2016, issued by Maharashtra Stamp Office, during the year the Company has paid ₹ 281 Lakhs towards stamp duty payable under Maharashtra Stamp Act on the Composite Scheme of Arrangement and Amalgamation as approved by the Honourable High Court, Mumbai vide order dated 10th February, 2012. The Company has also paid a stamp duty amounting to ₹ 28.89 lakhs under Singapore laws, in respect of transfer of shares of Prozone Liberty International Limited, Singapore (Subsidiary of Amalgamating Company) in the name of Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Place : Mumbai
Date : 29 May, 2018

For and on behalf of the Board of Directors of
Prozone Intu Properties Limited
CIN : L45200MH2007PLC174147

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary &
Chief Compliance Officer
Membership No. A20718

Place : Mumbai
Date : 29 May, 2018

(Currency : Indian Rupees in Lakhs)

Consolidated statement of cash flows
for the year ended 31 March 2018

	31 March 2018	31 March 2017
A. Cash flows from operating activities:		
(loss) before tax	**(484.33)**	**(582.781)**
Adjustments for:		
Depreciation and amortisation expense	2,656.73	1,170.64
Reversal of provision for diminution in value of current investments	0.64	7.67
Interest income (including financial assets carried at amortised cost)	(1,083.87)	(985.42)
Dividend income	(64.80)	(80.86)
Finance Costs (including financial liabilities carried at amortised cost)	2,625.78	942.09
Profit on sale of current investments	-	(1.25)
Prior period items (Difference in audited and unaudited financials of Subsidiary for previous year)	83.10	(84.87)
Remeasurement of post employment benefit obligation	(7.05)	(9.39)
Provision for expected credit loss	43.03	1,501.10
Operating profit before working capital changes	**3,769.23**	**1,876.90**
Adjustments for changes in working capital:		
(Increase) in inventories	(4,796.29)	(1,313.21)
Decrease in trade receivables	1,875.41	84.09
(Increase) in loans	(225.18)	(348.47)
(Increase) in other financial assets	(1,751.09)	(4,925.65)
(Increase) / decrease in other assets	(680.57)	98.15
(Decrease) in trade payables	(2,396.43)	(1,961.23)
Increase in other financial liabilities	2,286.24	382.15
Increase in other liabilities	1,046.63	1,009.44
Decrease in provisions	8.41	17.88
Cash generated from / (used in) operations	(863.64)	(5,079.95)
Direct taxes paid (net of refunds received)	(119.23)	(134.91)
Net cash (used in) / generated from operating activities (A)	**(982.87)**	**(5,214.86)**
B. Cash flows from investing activities:		
Purchase of property, plant and equipment	(321.07)	(145.40)
Purchase of investment property including expenditure on Investment property under development	(2,562.78)	(2546.84)
Stamp duty on amalgamation	-	(309.89)
Purchase from non-current investments (Net)	(0.07)	(225.90)
Proceeds from current investments (Net)	712.30	3,524.23
Interest income	1,011.54	922.62
Dividend income	64.80	80.86
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	85.30	254.93
Net cash (used in) / generated from investing activities (B)	**(1,009.98)**	**1,554.61**
C. Cash flows from financing activities:		
Proceeds from issue of debentures	-	1,914.11
Proceeds from long - term borrowings (Net)	3,886.88	5,424.53
Finance cost	(3,446.02)	(3,321.96)
Net cash (used in) / generated from financing activities (C)	**440.86**	**4016.68**

(Currency : Indian Rupees in Lakhs)

Consolidated statement of cash flows
for the year ended 31 March 2018

	31 March 2018	31 March 2017
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(1,551.98)**	**356.43**
Foreign Currency Translation Reserve	**(0.31)**	**3.24**
Cash and cash equivalents at the beginning of the year	1,932.85	1,573.18
Cash and Cash Equivalents at the end of the year	**380.56**	**1,932.85**

The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Cash Flow Statement prescribed in Companies (Indian Accounting Standard) Rules, 2015, notified under section 133 of the Companies Act, 2013.

Components of cash and cash equivalents considered only for the purpose of cash flow statement

	31 March 2018	31 March 2017
In bank current accounts	344.90	1,491.38
Cash on hand	5.68	10.24
Cheque on Hand	29.98	431.23
	380.56	**1,932.85**

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:
The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April ,2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendments.

Particulars	31-Mar-17	Cash flows	Fair value changes (Non-cash changes)	Current / Non Current Classification	31-Mar-18
Non-current borrowings	27,442.54	3,886.88	46.41	1,818	33,193.99
Other financial liabilities	2,679.99	-	-	(1,818)	861.82
Total liabilities from financing activities	**30,122.53**	**3,886.88**	**46.41**	**-**	**34,055.81**

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

For and on behalf of the Board of Directors of
Prozone Intu Properties Limited
CIN : L45200MH2007PLC174147

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary &
Chief Compliance Officer
Membership No. A20718

Place : Mumbai
Date : 29 May, 2018

Place : Mumbai
Date : 29 May, 2018

Notes to the consolidated Ind AS financial statements
for the year ended 31 March, 2018

1 Corporate information

Prozone Intu Properties Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act,1956. Prozone Intu Properties Limited, its Subsidiaries and Joint Venture ("the Group") is engaged in the business of developing, owning and operating of Shopping Malls, Commercial and Residential Premises. The Company is also providing and related management consultancy services. The equity shares of the Company are listed on both the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

2.1 Basis of preparation

(a) Statement of compliance

These consolidated Ind AS financial statements (hereinafter "Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The Group's consolidated financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act. As these are the Group's first Ind AS financial statements prepared in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported consolidated financial position, consolidated financial performance and consolidated cash flows of the Group is provided in note 2.3 to these Ind AS financial statements.

These Ind AS financial statements for the year ended 31 March 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 29 May 2018.

Details of accounting policies are included in Note 2.2 to the Ind AS financial statements.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value (refer note 2.2 (B))
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined obligations

(c) Functional and presentation currency

These Ind AS financial statements are presented in Indian Rupees (INR), which is the Group's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 9- recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 37 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 23 and 39 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 44 - impairment of financial assets and
- Note 2.2 (C), 2.2 (D) and 2.2 (E) - estimation of useful life of property, plant and equipment, investment properties and intangible assets.

(e) Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 44 – financial instruments and
- Note 4 – investment property

(f) Current vs non-current classification

All assets and liabilities are classified into current and non-current.

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within twelve months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the balance sheet date; or

(d) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS balance sheet at 1 April 2016 for the purposes of the transition to Ind AS, unless otherwise indicated.

A. Principles of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances / transactions and elimination of resulting unrealized profits / losses in accordance with Indian Accounting Standard ('Ind AS') - 110 'Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013.

Goodwill on consolidation represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary Group's share in the net worth of a subsidiary, as per Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements". For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents negative goodwill arising on consolidation. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

The names of the subsidiary companies, country of incorporation and proportion of ownership interest considered in the financial statements are:

Prozone Intu Properties Limited - Annual Report - 2018 (Currency : Indian Rupees in Lakhs)

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

Name of company	Held through*	Date of becoming subsidiary	Country of incorporation	% Voting power held as on 31.03.2018	% Voting power held as on 31.03.2017
Alliance Mall Developers Co Private Limited (AMDPL)	1	31-Aug-07	India	61.50	61.50
Omni Infrastructure Private Limited (OIPL)	2	4-May-07	India	60.00	60.00
Hagwood Commercial Developers Private Limited (HCDPL)	2	7-May-07	India	61.50	61.50
Empire Mall Private Limited (EMPL)	2	11-Mar-08	India	34.71	34.71
Prozone Developers and Realtors Private Limited (Formerly known as Classique Creators Private Limited) (PDRPL)	1	25-Apr-16	India	100.00	100.00
Royal Mall Private Limited (RMPL)	1	14-Sep-07	India	100.00	100.00
Prozone Intu Developers Private Limited (PIDPL) (Formerly known as Jaipur Festival City Private Limited (JFCPL)	3	14-Sep-07	India	100.00	100.00
Kruti Multitrade Private Limited (KMPL)	1	15-Nov-11	India	100.00	100.00
Prozone Liberty International Limited (PLIL)	1	17-Oct-07	Singapore	100.00	100.00
Prozone Overseas Pte Limited (POPL)	2	23-Jan-08	Singapore	100.00	100.00
Prozone International Coimbatore Limited (PICL)	2	2-Oct-09	Singapore	100.00	100.00

*** Held Through:**
Prozone Intu Properties Limited
Prozone Liberty International Limited, Singapore
Royal Mall Private Limited

(ii) Non - Controlling interests (NCI)

Non-controlling interests in net profits or losses of consolidated subsidiaries for the year is identified and adjusted against the income or loss in order to arrive at the net income or loss attributable to the shareholders of the Company. Non-controlling interests in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of initial investments as stated above. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the NCI are in excess of their equity, in the absence of the contractual / legal obligation on the minorities, the same is accounted for by the Holding Company.

(iii) Joint Arrangements

A joint venture is a joint agreement whereby the parties have the rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are accounted using equity method of accounting. Where the Group's activity are conducted through joint operations (i.e parties have rights to the assets and obligation for liabilities relating to the arrangement), the Group recognises its share of assets, liabilities, income and expenses of such joint operations incurred jointly along with its share of income from the sale of output and any liability and expenses incurred in relation to the joint operations.

The names of the Joint Venture companies, country of incorporation and proportion of ownership interest considered in the financial statements are:

Name of company	Held through*	Country of Incorporation	% Voting Power held As on 31.03.2018	% Voting Power held As on 31.03.2017
Emerald Buildhome Private Limited (EBPL)	2	India	50	50
Moontown Trading Company Private Limited (MTCPL)	1	India	25	25

*** Held Through :**

1. Prozone Intu Properties Limited
2. Prozone Liberty International Limited, Singapore

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

B. Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- -the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designates as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces on accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profit, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost- These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI- These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(Currency : Indian Rupees in Lakhs)

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

C. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer note 2.3).

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iv) Depreciation

Depreciation on Property, Plant and Equipment of the Group has been provided as per written down value method as per the estimated useful lives of the respective item of Property, Plant and Equipment indicated in Part 'C' of Schedule II of the Act or based on management estimates using technical evaluation.

The details are set out as below:

Asset category	Useful life estimated by the management	Useful life as per Schedule II of the act
Residential Premises	30 years	30 years
Plant and Equipment	15 years	15 years
Furniture and Fittings	10 years	10 years
Motor Vehicles	8 years	8 years
Painting	10 years	NA
Computers	3 years	3 years

(v) Capital work-in progress and capital advances

Capital work-in progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as 'Other non-current assets'.

D. Investment Property

(i) Recognition and measurement

Investment properties are held to earn rentals or for capital appreciation, or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

(ii) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties (refer note 2.3).

Prozone Intu Properties Limited - Annual Report - 2018 (Currency : Indian Rupees in Lakhs)

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

(iii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the item is recognized in Statement of Profit and Loss.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the note no 4 of the Ind AS financial statements.

(iv) Depreciation

Depreciation on Investment Property has been provided as per written down value method as per the useful lives indicated in Part 'C' of Schedule II of the Act or based on management estimates using technical evaluation.

The details are set out as below:

Asset category	Useful life estimated by the management	Useful life as per Schedule II of the act
Furniture and fittings	10 years	10 years
Building	60 years	60 years
Plant and equipment	15 years	15 years
Guest house building and Amenities	5 / 10 years*	60 years
Leasehold Land	Amortised over the primary period of the lease	NA

* 5 years in case of Nagpur and 10 years in case of Coimbatore SPV

E. Intangible Assets

(i) Recognition and measurement

Intangible Assets are recognised only if they are separately identifiable and the Group controls the future economic benefits arising out of them. Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

(ii) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

(iii) Depreciation

The Group amortizes computer software using the straight-line method over the period of 5 years.

F. Impairment

(i) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Trade and other receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credits, security like letters of credit, security deposit collected, etc. and expectations of future cash flows.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generated sufficient cash flows to be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

G. Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts.

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Group net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognises in profit or loss in the period in which they arise.

H. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflows of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

I. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Revenue from real estate projects

Revenue is recognised in accordance with the Guidance Note on "Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" issued by the Institute of Chartered Accountants of India ("ICAI").

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method subject to transfer of significant risk and rewards to the buyer and outcome of the real estate project can be estimated reliably.

Percentage of completion is determined with reference to the entire project cost incurred versus total estimated project cost determined based upon the judgment of management. Accordingly, cost of construction / development is charged to statement of profit and loss in proportion to the revenue recognized during the year and balance costs are carried as part of project work in progress under Inventories. Amounts receivable/received are reflected as Trade receivables/Advances from customers, respectively, after considering income

Notes to the consolidated Ind AS financial statements
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recognized in the aforesaid manner. The estimates of saleable area and costs are revised periodically by the management and are considered as change in estimate accordingly, the effect of such changes to estimates is recognized in the year when such changes are determined.

Land and transferable development rights (TDR) cost is not included in computing the percentage of project completion for recognizing revenue.

Revenue from sale of completed properties is recognised upon the transfer of significant risks and rewards to the buyer i.e revenue is recognized either on execution of an agreement or a letter of allotment or a letter of intent.

(iI) Rendering of services

Revenue from management consultancy is recognized on accrual basis as per the terms and conditions of the contract.

(iIi) Dividend Income

Dividend income is recognized in the statement of profit and loss on the date the entity's right to receive the payments is established.

(iv) License fees and rental income

License fees and rental income is recognised on time proportionate basis over the period of the rent. Rental income earned from letting of space at the properties is recognised in the period in which the services are being rendered.

(v) Service charges

Service charges include common area maintenance and HVAC charges in respect of which revenue is recognised in the period in which the services are being rendered.

(vi) Other operating revenue

Other operating revenue includes space on hire, kiosk income and rental for data and voice in respect of which revenue is recognised in the period in which the services are being rendered. These services are ancillary to main income of the company.

All revenue is stated exclusive of goods and service tax.

J. Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

(ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets. Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

(iii) Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

K. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset that have become credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

L. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax assets and liabilities will be realised simultaneously.

Minimum Alternate Tax ('MAT') credit entitlement is generally recognised as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

M. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

N. Foreign exchange translation and accounting of foreign exchange transaction

(i) Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Group uses a monthly average rate if the average rate approximates the actual rate at the date of the transactions.

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

(ii) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Group are recognized as income or expense in the Statement of Profit and Loss.

O. Inventories

Direct expenses like cost of land, site labour cost, material used for project construction, project management consultancy and general expenses incurred specifically for the residential project like insurance, design and technical assistance, borrowing costs and construction overheads are taken as the cost of project work-in-progress.

These inventories are valued at lower of cost or net realisable value; cost is determined on the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

P. Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

Q. Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand and at banks including cheques on hand, which are subject to an insignificant risk of changes in value.

R. Recent accounting pronouncements

Standards issued but not yet effective

(i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, the ministry of Corporate Affairs (the MCA) notified the Companies (Indian Accounting Standards Amendment Rules 2018 containing Appendix B to Ind AS 21 Foreign currency transactions and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The amendment will come into force from April 1, 2018. The Group is evaluating the impact of this amendment on its financial statements.

(ii) Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group is evaluating the requirements of the IND AS 115 and the effect on the financial statements is being evaluated.

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

2.3 First time adoption of Ind AS

As stated in Note 2.1 of the Ind AS financial statements, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company has prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 2.1 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in preparing the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. The below note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

A) Exemptions and exceptions availed

1) Ind-AS optional exemptions :

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

a) Deemed cost

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

– fair value;

– or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. As permitted by Ind AS 101, the Company has elected to measure all of its property, plant and equipment and investment property at their previous GAAP carrying value.

b) Investments in subsidiaries, jointly controlled entities and associates

Ind AS 101 provides an exemption to the first-time adopter to measure an investment in subsidiaries, jointly controlled entities and associates at:

a) cost determined in accordance with Ind AS 27; or

b) deemed cost, which shall be its:

i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

ii) previous GAAP carrying amount at that date.

The Group has elected fair value at the date of transition as deemed cost for its investment in each subsidiary, joint venture or associate.

c) For financial instruments, wherein fair market values are not available (viz. interest free and below market rate security deposits or loans) the Group has elected to adopt fair value recognition prospectively to transactions entered after the date of transition.

2) Ind AS mandatory exceptions:

a) Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP apart from the following items where application of Indian GAAP did not require estimation:

Notes to the consolidated Ind AS financial statements
for the year ended 31 March 2018

- FVTOCI – unquoted equity shares, compulsorily convertible preference shares and debt securities.
- FVTPL – investment in mutual funds
- Determination of the discounted value for financial instruments carried at amortised cost.
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

b) Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Group has applied this exception prospectively.

B) Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Balance sheet as at 1 April 2016 and 31 March 2017

II. Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

III. Reconciliation of Equity as at 1 April 2016 and 31 March 2017 between previous GAAP and IND AS

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

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Notes to the consolidated Ind AS financial statements
as at 31 March 2018

I. Reconciliation of Balance sheet as at 1 April 2016 and 31 March 2017

Particulars	Notes	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP	Adjustment on transition to Ind AS	Ind AS	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Assets							
Non-current assets							
Property, plant and equipment	1, 2	37,336.42	(35,624.80)	1,711.62	38,203.92	(36,097.91)	2,106.01
Investment property	1	-	34,452.88	34,452.88	-	34,927.55	34,927.55
Capital Work in Progress	2	25,324.93	(40.55)	25,284.38	19,301.93	(39.63)	19,262.30
Intangible assets	2	200.00	(200.00)	-	200.00	(200.00)	-
Goodwill on consolidation	2	10,977.05	(1,832.14)	9,144.91	10,976.15	(1,832.14)	9,144.01
Financial assets							
Investments	2, 3	1,515.03	3,397.40	4,912.43	1,290.03	3,505.83	4,795.86
Loans	4	393.96	(163.54)	230.42	394.82	(177.68)	217.14
Other financial assets	5	10,018.46	(2,456.68)	7,561.78	4,643.46	(2,096.37)	2,547.09
Deferred tax assets (net)	6	244.09	7,412.10	7,656.19	243.62	6,482.69	6,726.31
Income tax assets (net)		745.01	-	745.01	948.54	-	948.54
Other non-current assets	4	1,178.36	32.63	1,210.99	1,192.61	43.49	1,236.10
Total non-current assets		**87,933.31**	**4,977.29**	**92,910.61**	**77,395.07**	**4,515.83**	**81,910.91**
Current assets							
Inventories		18,978.81	-	18,978.81	17,665.60	-	17,665.60
Financial assets							
Investments		2,360.61	-	2,360.61	5,891.27	-	5,891.27
Trade receivables	4	8,828.22	(442.37)	8,385.85	8,912.31	(386.09)	8,526.22
Cash and cash equivalents	2	1,933.01	(0.16)	1,932.85	1,576.15	(2.97)	1,573.18
Bank balances other than cash and cash equivalents		252.33	-	252.33	507.26	-	507.26
Loans	4	4,325.34	(3,736.52)	588.82	4,287.65	(2,652.01)	1,635.64
Other financial assets	4	559.02	(355.00)	204.02	648.03	(355.00)	293.03
Other current assets		51.97	-	51.97	125.01	-	125.01
Total current assets		**37,289.31**	**(4,534.05)**	**32,755.26**	**39,613.28**	**(3,396.07)**	**36,217.21**
Total assets		**1,25,222.62**	**443.24**	**1,25,665.87**	**1,17,008.35**	**1,119.77**	**1,18,128.12**
Equity and liabilities							
Equity							
Equity share capital		3,052.06	-	3,052.06	3,052.06	-	3,052.06
Other equity		52,536.69	(2,240.03)	50,296.66	52,024.74	(1,002.04)	51,022.70
Equity attributable to owners		**55,588.75**	**(2,240.03)**	**53,348.72**	**55,076.80**	**(1,002.04)**	**54,074.76**
Non controlling interest		32,083.00	1,946.89	34,029.89	30,341.61	1,396.25	31,737.86
Total equity		**87,671.75**	**(293.15)**	**87,378.61**	**85,418.41**	**394.22**	**85,812.62**
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	7	26,945.38	497.16	27,442.54	22,166.88	441.76	22,608.64
Other financial liabilities	8	1,842.48	(193.74)	1,648.74	1,200.16	(121.36)	1,078.80
Provisions		55.71	-	55.71	40.16	-	40.16
Other non-current liabilities	8	-	338.91	338.91	-	362.44	362.44
Total non-current liabilities		**28,843.57**	**642.32**	**29,485.90**	**23,407.20**	**682.84**	**24,090.04**
Current liabilities							
Financial liabilities							
Trade payables		1,745.62	-	1,745.62	1,320.72	-	1,320.72
Total outstanding dues to micro enterprise and small enterprise		78.90	-	78.90	82.45	-	82.45
Total outstanding dues to creditors other than micro enterprise and small enterprise		1,666.72	-	1,666.72	1,238.27	-	1,238.27
Other financial liabilities		5,118.56	-	5,118.56	5,850.28	-	5,850.28
Other current liabilities	8	1,705.39	94.06	1,799.45	726.27	42.72	768.99
Provisions		16.09	-	16.09	13.76	-	13.76
Current tax liabilities (net)		121.64	-	121.64	271.71	-	271.71
Total current liabilities		**8,707.30**	**94.06**	**8,801.36**	**8,182.74**	**42.72**	**8,225.46**
Total equity and liabilities		**1,25,222.62**	**443.24**	**1,25,665.87**	**1,17,008.35**	**1,119.77**	**1,18,128.12**

(Currency : Indian Rupees in Lakhs)

Notes to the consolidated Ind AS financial statements
as at 31 March 2018

II. Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

Particulars	Notes	As at 31 March 2017		
		Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Income				
Revenue from operations	8	6,279.08	37.96	6,317.04
Other income	4	1,012.40	62.80	1,075.20
Total Income		**7,291.48**	**100.77**	**7,392.25**
Expenses				
Cost of construction	8	3,455.22	7.01	3,462.23
Employee benefits expense	9	305.81	(9.39)	296.42
Finance costs	7	857.34	120.67	978.02
Depreciation and amortisation expense		1,170.64		1,170.64
Other expenses	5	1,878.53	1,502.42	3,380.95
Total expenses		**7,667.55**	**1,620.71**	**9,288.26**
(Loss) from ordinary activities before tax		**(376.07)**	**(1,519.94)**	**(1,896.01)**
Less: Tax expense/ (credit)				
Current tax		221.55	-	221.55
Deferred tax liability / (asset)	6	(0.47)	(894.15)	(894.62)
Tax of earlier years		(33.18)	-	(33.18)
Total tax expense/ (credit)		**187.90**	**(894.15)**	**(706.25)**
Net profit / (loss) for the period before share of loss of joint venture		**(563.97)**	**(625.80)**	**(1,189.76)**
Share of profit of joint ventures	2	-	37.46	37.46
(Loss) / profit for the year (A)		**(563.97)**	**(588.34)**	**(1,152.30)**
Other comprehensive income/(loss) (OCI)				
Items that will not be reclassified subsequently to the consolidated statement of profit and loss				
- Remeasurement of post employment benefit obligation	9	-	(9.39)	(9.39)
- Gain / (Loss) on remeasuring FVTOCI financial assets	3	-	(145.89)	(145.89)
- Income tax on above	6, 10	-	35.26	35.26
Total other comprehensive (loss) for the year, net of tax (B)		**-**	**(120.02)**	**(120.02)**
Total comprehensive income/ (loss) for the year, net of tax (A+B)		**(563.97)**	**(708.35)**	**(1,272.32)**

III. Reconciliation of Equity as at 1 April 2016 and 31 March 2017 between previous GAAP and IND AS

	Footnotes	As at 31-Mar-17	As at 1-Apr-16
Equity as per Previous GAAP		**87,671.79**	**85,418.41**
Add/(Less) :			
a) Interest income recognised on loans given carried at amortised cost	4	(14.87)	(17.29)
b) Interest expense recognised on loans taken carried at amortised cost	7	100.51	101.68
c) Rental income recognised on security deposits carried at amortised cost	8	85.69	47.73
d) Discounting of security deposits received to present value and corresponding impact on finance cost	8	(77.44)	(41.53)
e) Actuarial gain or loss on defined benefit plan transferred to Other Comprehensive Income	9 ,10	1.10	-
f) Provision for expected credit loss	5	(6,990.57)	(5,489.47)
g) Gains on remeasuring FVOCI financial assets	2 ,3	(1,109.08)	(963.19)
h) Depreciation on property, plant and equipment		-	(16.66)
i) Reversal of Borrowing Cost and Impact of adjustment on ancillary cost on borrowing amortised	11	-	31.31
J) Deferred tax impact on above adjustments	6	2,526.05	1,986.79
K) Deferred tax impact on indexation benefit on land	6	5,185.45	4,754.85
Equity as per IND AS		**87,378.64**	**85,812.63**

(Currency : Indian Rupees in Lakhs)

Notes to the consolidated Ind AS financial statements
as at 31 March 2018

Footnotes to the reconciliation of Balance sheet and Equity as at 1 April 2016 and 31 March 2017 and Total Comprehensive Income for the year ended 31 March 2017.

1) Recognition of Investment Property

Investment Properties under previous GAAP, investment properties were presented as a part of non-current Investments or Plant, Property and Equipment. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

2) Investment accounted in Equity method

As required under IND AS 28 Investments in Associates and Joint Ventures, the Group has accounted for Interest in Joint venture as at transition date by equity method. Accordingly all assets and liabilities pertaining to Joint ventures which were consolidated line by line in previous accounting standards were excluded and balance difference between assets and liabilities pertains to Investment in Joint ventures accounted under previous GAAP. Further, adjustment to the effect of IND AS in Joint ventures accounts have been given in Consolidated accounts as at transition date.

3) Financial Asset

Investments other than Investment in subsidiaries and joint ventures

Under Indian GAAP, the Group accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments at fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes.

Under Indian GAAP, the Group accounted for mutual funds as investment measured at lower of cost or NRV.Ind AS requires such investments to be measured at fair value.

4) Interest free loan to Joint venture

Under Ind AS, loans are valued at present value as compared to being carried at cost in the previous GAAP. This adjustment includes the difference between the book value and the present value of an interest free loan to a joint venture company, which is treated as Deferred Asset. The interest income on the present value of this loan is recognised over the tenure of the loan using the EIR method.

5) Expected Credit Loss (ECL) Provision

The Group has provided ECL as per Ind AS. Impact of ECL as on date of transition is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss .

6) Deferred Tax (Including MAT Credit)

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. This has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in other equity or a separate component of equity.

Under Previous GAAP, MAT credit was disclosed under non-current assets. In accordance with Ind AS 12, deferred tax asset shall include any carry forward unused tax credits. Hence, MAT credit entitlement has been included in deferred tax asset.

7) Interest free loan taken from Joint venture

Under Ind AS, loans are valued at present value as compared to being carried at cost in the previous GAAP. This adjustment includes the difference between the book value and the present value of an interest free loan taken from joint venture company, which is treated as Deferred Liability. The interest expense on the present value of this loan is recognised over the tenure of the loan using the EIR method.

8) Security Deposit and Retention Money Payable

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) and retention money payable are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be initially recognised at fair value. Accordingly, the Company has fair valued these security deposits and retention money payable under Ind AS.

9) Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through OCI.

10) Other Comprehensive Income

The concept of other comprehensive income did not exist under previous GAAP.Under Ind AS, all items of income and expense recognised in a period should be included in profit

(Currency : Indian Rupees in Lakhs)

Notes to the consolidated Ind AS financial statements
as at 31 March 2018

or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans and gains on remeasurement of financial assets.

11) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are charged upfront to profit or loss for the year. Ind AS 109 requires transaction cost incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the EIR method.

12) Statement of Cash Flows

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flow from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

Note 3 : Property, plant and equipment

Particulars	Residential Premises	Plant and Equipments	Furniture and fittings	Motor vehicles	Painting	Computers	Total
Cost or deemed cost (gross carrying amount):							
Deemed cost as at 1 April 2016*	20.89	1,908.76	**80.58**	**81.21**	**2.44**	**12.13**	**2,106.01**
Additions	-	13.55	0.60	118.23	-	13.02	145.40
Disposals	-	-	-	-	-	-	-
Consolidation Adjustments	-	-	-	-	-	-	-
Balance as at 31 March 2017	**20.89**	**1,922.31**	**81.18**	**199.44**	**2.44**	**25.15**	**2,251.41**
Additions	-	228.84	9.15	70.74	-	12.34	321.07
Disposals	-	-	-	-	-	-	-
Consolidation Adjustments	-	-	-	-	-	-	-
Balance as at 31 March 2018	**20.89**	**2,151.15**	**90.33**	**270.18**	**2.44**	**37.49**	**2,572.48**
Accumulated depreciation							
Depreciation for the year	1.01	462.55	32.52	61.49	0.59	6.97	565.13
Disposals	-	-	-	-	-	-	-
Consolidation Adjustments	-	(25.34)	-	-	-	-	(25.34)
Balance as at 31 March 2017	**1.01**	**437.21**	**32.52**	**61.49**	**0.59**	**6.97**	**539.79**
Depreciation for the year	0.97	414.58	11.89	44.78	0.29	16.60	489.12
Disposals	-	-	-	-	-	-	-
Consolidation Adjustments	-	(21.02)	-	-	-	-	(21.02)
Balance as at 31 March 2018	**1.98**	**830.78**	**44.41**	**106.27**	**0.88**	**23.57**	**1,007.89**
Net carrying value							
At 1 April 2016	**20.89**	**1,908.76**	**80.58**	**81.21**	**2.44**	**12.13**	**2,106.01**
At 31 March 2017	**19.88**	**1,485.10**	**48.66**	**137.95**	**1.85**	**18.18**	**1,711.62**
At 31 March 2018	**18.91**	**1,320.37**	**45.92**	**163.91**	**1.56**	**13.92**	**1,564.59**

*The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP.

Particulars	Residential Premises	Plant and Equipments	Furniture and fittings	Motor vehicles	Painting	Computers	Total
Gross Block as at 1 April 2016	31.74	5,594.17	614.15	411.49	8.82	146.35	6,806.72
Accumulated depreciation as at 1 April 2016	10.85	3,685.41	533.57	330.28	6.38	134.22	4,700.71
Net Block as at 1 April 2016	**20.89**	**1,908.76**	**80.58**	**81.21**	**2.44**	**12.13**	**2,106.01**

Notes to the consolidated Ind AS financial statements
as at 31 March 2018

Note 4 : Investment property

A. Reconciliation of carrying amount

Particulars	Leasehold Land	Free hold Land	Building	Plant and Equipments	Furniture and Fittings	Total
Cost or deemed cost (gross carrying amount):						
Deemed cost as at 1 April 2016**	**3,205.66**	**20,628.90**	**11,091.69**	**0.46**	**0.84**	**34,927.55**
Additions	-	-	164.55	5.38	1.98	171.91
Disposals	-	-	-	-	-	-
Consolidation Adjustments	-		(15.73)	-	-	(15.73)
Balance as at 31 March 2017	**3,205.66**	**20,628.90**	**11,240.51**	**5.84**	**2.82**	**35,083.73**
Additions*	-	-	24,860.80	4,271.02	231.61	29,363.43
Disposals	-	-	-	-	-	-
Consolidation Adjustments	-	-	(502.37)	-	-	(502.37)
Balance as at 31 March 2018	**3,205.66**	**20,628.90**	**35,598.94**	**4,276.86**	**234.43**	**63,944.79**
Accumulated depreciation						
Depreciation charge	63.79	-	601.65	1.59	0.40	667.43
Disposals	-	-	-	-	-	-
Consolidation Adjustments	-	-	(36.58)	-	-	(36.58)
Balance as at 31 March 2017	**63.79**	**-**	**565.07**	**1.59**	**0.40**	**630.85**
Depreciation charge	64.08		1,586.17	546.84	40.31	2,237.40
Disposals	-	-	-	-	-	-
Consolidation Adjustments	-	-	(48.77)	-	-	(48.77)
Balance as at 31 March 2018	**127.87**	**-**	**2,102.47**	**548.43**	**40.71**	**2,819.48**
Net carrying value						
At 1 April 2016	**3,205.66**	**20,628.90**	**11,091.69**	**0.46**	**0.84**	**34,927.55**
At 31 March 2017	**3,141.87**	**20,628.90**	**10,675.44**	**4.25**	**2.42**	**34,452.88**
At 31 March 2018	**3,077.79**	**20,628.90**	**33,496.47**	**3,728.43**	**193.72**	**61,125.31**
Fair Value						
At 1 April 2016						**1,93,514.74**
At 31 March 2017						**1,97,556.80**
At 31 March 2018						**1,75,565.26**

*The additions include adjustment of ₹ 20,330.59 lakhs on account of re-classification from investment property under development to investment property and ₹ 6,862.84 lakhs on account of re-classification from inventory to investment property (refer note no 31).

**The Company has availed the deemed cost exemption in relation to the investment property on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP.

Particulars	Leasehold Land	Free hold Land	Building	Plant and Equipments	Furniture and Fittings	Total
Gross Block as at 1 April 2016	3,795.75	20,628.90	17,714.85	4.38	2.45	42,146.33
Accumulated depreciation as at 1 April 2016	590.09	-	6,623.16	3.92	1.61	7,218.78
Net Block as at 1 April 2016	**3,205.66**	**20,628.90**	**11,091.69**	**0.46**	**0.84**	**34,927.55**

(Currency : Indian Rupees in Lakhs)

Notes to the consolidated Ind AS financial statements
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B. Measurement of fair values

i. Fair value hierarchy

The fair value of investment property has been determined by Ready reckoner rates or external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued, as applicable to the respective SPV's.

The fair value measurement for the investment property has been categorised as a Level 2 or Level 3 fair value based on the inputs to the valuation technique used.

ii. Valuation technique

a) The companies investment properties consist of Retail Mall and Land at Aurangabad and Coimbatore, Land at Nagpur, Jaipur and Indore. Description of valuation techniques used and key inputs to valuation on investment properties are as follows:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment property	DCF method (refer below)	Discount Rate; Market capitalisation rate	15.50% to 23.00%; 9.25% to 10.00%

The Company follows discounted cash flow (DCF) method. The DCF method is a financial modelling technique based on explicit assumptions regarding the prospective income arising out of the development to be carried out on the subject land parcel. In case of a valuation of a large land parcel like the subject property, where the development potential is realised over a period of time (i.e. time value of money comes into the picture) and also where there are no or few immediate similar properties (i.e. comparable) available for comparison, the DCF method considering relevant potential developments of the project is used.

b) In case of property at Andheri and Surat, the Company follows valuation in accordance with the Ready Reckoner rates prescribed by the Government of Maharashtra and Gujarat respectively for the purpose of levying stamp duty.

C) Amount recognised in profit and loss for investment properties

Particulars	31 March 2018	31 March 2017
Rental income	**5,163.36**	**3,324.83**
Direct operating expenses from property that generated rental income	1,567.49	1,243.96
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	**6,730.85**	**4,568.79**
Depreciation	2,188.63	630.85
Profit from investment properties	**4,542.22**	**3,937.94**

(Currency : Indian Rupees in Lakhs)

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as at 31 March 2018

Note 5 : Intangible assets

Particulars	Computer Software	Total
Cost or deemed cost (gross carrying amount):		
Deemed cost as at 1 April 2016*	-	-
Additions	-	-
Disposals	-	-
Consolidation Adjustments	-	-
Balance as at 31 March 2017	**-**	**-**
Additions	-	-
Disposals	-	-
Consolidation Adjustments	-	-
Balance as at 31 March 2018	**-**	**-**
Accumulated depreciation		
Depreciation charge	-	-
Disposals	-	-
Consolidation Adjustments	-	-
Balance as at 31 March 2017	**-**	**-**
Depreciation charge	-	-
Disposals	-	-
Consolidation Adjustments	-	-
Balance as at 31 March 2018	**-**	**-**
Net carrying value		
At 1 April 2016	-	-
At 31 March 2017	-	-
At 31 March 2018	-	-

*The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under the previous GAAP.

Particulars	Computer Software	Total
Gross Block as at 1 April 2016	26.27	26.27
Accumulated depreciation as at 1 April 2016	26.27	26.27
Net Block as at 1 April 2016	**-**	**-**

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Note 6 : Investments

Particulars	31 March 2018	31 March 2017	1 April 2016
I. Investments valued at fair value through OCI			
Investment in equity shares			
i) In Joint Venture company	4,528.19	4,511.63	4,474.17
ii) In Other Companies	200.41	400.81	321.69
Total non-current investments	**4,728.60**	**4,912.43**	**4,795.86**

Note 6.1: Detailed list of non-current investments

	31 March 2018		31 March 2017		1 April 2016	
	Nos	Total	Nos	Total	Nos	Total
i) In Joint Venture Company						
Moontown Trading Company Private Limited	20,25,000	200.25	20,25,000	200.25	20,25,000	200.25
Add : Share of post acquisition profit / (loss)		(58.36)		(58.19)		(58.15)
		141.89		**142.06**		**142.10**
Emerald Build Home Private Limited (including goodwill on consolidation of ₹ 1832.14 Lakhs)	50,00,000	4,077.97	50,00,000	4,077.97	50,00,000	4,077.97
Add : Share of post acquisition profit		308.33		291.59		254.09
		4,386.30		**4,369.56**		**4,332.07**
		4528.19		**4511.63**		**4474.17**
ii) In Other companies						
a) Unquoted, Investments in equity shares of ₹ 10 each, fully paid up						
Choice Realty Private Limited	8,000	50.00	8,000	50.00	8,000	50.00
Anant Trexim Private Limited	40,000	40.00	40,000	40.00	40,000	40.00
Shine Enterprises Private Limited	23,000	598.00	23,000	598.00	23,000	598.00
Sai Golden Ingots Private Limited	20,000	100.00	20,000	100.00	20,000	100.00
Jorko Commodities Private Limited	50,000	25.00	50,000	25.00	50,000	25.00
Madhujas Promotions Private Limited	12,500	10.00	12,500	10.00	12,500	10.00
Sojatia Auto Private Limited	16,500	160.88	16,500	160.88	16,500	160.88
Trade Winds Impex Private Limited	20,000	25.00	20,000	25.00	20,000	25.00
Samriddhi Finvest Advisory Services Private Limited	5,000	1.00	5,000	1.00	5,000	1.00
b) Unquoted, Investments in 9% Non-cumulative, Non-convertible Redeemable Preference Shares of ₹ 10 each, fully paid up						
Samriddhi Finvest Advisory Services Private Limited	50,00,000	500	50,00,000	500	27,50,000	275
Less : Fair value changes on investments carried at fair value		(1309.48)		(1,109.08)		(963.19)
	51,95,000	**200.41**	**51,95,000**	**400.81**	**29,45,000**	**321.69**
	51,95,000	**4,728.60**	**51,95,000**	**4,912.43**	**29,45,000**	**4,795.86**

Particulars	31 March 2018	31 March 2017	1 April 2016
Details:			
Aggregate of non-current investments:			
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	4,728.60	4,912.43	4,795.86
Aggregate amount of impairment in value of investments	-	-	-

(Currency : Indian Rupees in Lakhs)

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Note 7 : Loans

Particulars	31 March 2018	31 March 2017	1 April 2016
(Secured, Considered good)			
Loans to other than related party*	581.00	-	-
(Unsecured, Considered good)			
Loans to Moontown Trading Company Private Limited, joint venture company (Refer note 36)	246.13	230.42	217.14
Total Loans	**827.13**	**230.42**	**217.13**

* Secured against residential apartment in Mumbai.

Note 8 : Other financial assets

Particulars	31 March 2018	31 March 2017	1 April 2016
(Secured, Considered Good)			
Advance for projects*	5,076.87	4,440.36	-
(Unsecured, Considered Good)			
Mobilisation advances / advance recoverable in cash or in kind	4,375.17	5,041.07	4,402.81
Less: Provision for expected credit loss	(2,217.84)	(2,456.68)	(2,096.37)
	2,157.33	**2,584.39**	**2,306.44**
Security deposits	1,038.57	537.03	240.65
Bank deposits (due to mature after 12 months of the reporting date) (refer note below)**	611.72	-	-
Interest accrued on fixed deposits held with bank	0.04	-	-
Total other non-current financial assets	**8,884.53**	**7,561.78**	**2,547.09**

* The Company has provided the facility amount for various real estate projects with fixed and variable returns. The said projects has commenced and final agreement is pending. Though the said amount is secured against cheques, allotment of flats in under construction residential building and guarantee of investee, the management has recognized interest (fixed return) up to December 31, 2017 on a conservative basis.

** Restrictions on fixed deposits
Fixed deposit has been offered as a security against lease rental discounting loan, security towards locker facility, security against bank guarantee to vendors.

Note 9 : Deferred tax assets (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred tax assets (gross)			
Unabsorbed depreciation	-	383.17	298.23
Property plant and equipment / Investment property	5,301.35	4,887.75	4,495.71
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	2,214.96	2,542.92	1,998.92
	7,516.31	**7,813.84**	**6,792.86**
Less: Deferred tax liabilities (gross)			
Property plant and equipment / Investment property	2.98	298.01	183.06
Impact of income charged to the statement of profit and loss in the current year but allowed for tax purposes on receipt basis	-	-	34.84
	2.98	**298.01**	**217.90**
Deferred Tax Assets (Net)	**7,513.33**	**7,515.83**	**6,574.96**
MAT Credit Entitlement	165.19	140.36	151.35
Total deferred tax assets (net)	**7,678.52**	**7,656.19**	**6,726.31**

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Note 10 : Income tax assets (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance tax including tax deducted at source (net of provision for tax ₹ 588.95 lakhs (31 March 2017: ₹ 455.28 lakhs, 1 April 2016: ₹ 429.54 lakhs)	595.02	745.01	948.54
	595.02	745.01	948.54

(a) Amount recognised in the statement of profit and loss

Particulars	31 March 2018	31 March 2017
Current tax expense (A)		
Current year	208.66	221.55
Short/(Excess) provision of earlier years	0.25	(33.18)
Deferred tax expense (B)		
Origination and reversal of temporary differences	23.78	(894.62)
Tax expense (A+B)	**232.69**	**(706.25)**

(b) Amounts recognised in other comprehensive income

Particulars	31 March 2018			31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(7.05)	1.94	(5.11)	(9.39)	3.10	(6.29)
Gains on remeasuring FVTOCI financial assets	(200.40)	44.17	(156.23)	(145.89)	32.16	(113.73)
	(207.45)	**46.11**	**(161.34)**	**(155.28)**	**35.26**	**(120.02)**

(c) Reconciliation of effective tax rate

Particulars	31 March 2018	31 March 2017
Profit before tax	**(717.02)**	**123.44**
Tax using the Company's domestic tax rate (Current year 27.55% and Previous Year 33.063%)	(197.56)	40.81
Tax effect of :		
Effect of income that is exempt from taxation	17.85	26.73
Effect of expenses that is non-deductible in determining taxable profit	681.96	(138.46)
Effect of indexation benefit on land	(313.63)	(392.04)
MAT Credit Entitlement	(24.83)	10.99
Adjustments recognised in current year in relation to the current tax of prior years	0.25	(33.18)
Tax expense as per Statement of Profit and Loss	**164.05**	**(485.14)**
Effective tax rate	-22.879%	-393.020%

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(d) Movement in deferred tax balances

Particulars	Net balances at 1 April 2017	Recognised in the statement of profit and loss	Recognised in OCI	Balance at 31 March 2018		
				Net	Deferred tax asset	Deferred tax liabilities
Property, plant and equipments	229.77	32.47		262.24	262.24	-
Investment property	4,743.14	292.99		5,036.12	5,036.12	-
Investments	244.46	-	44.17	288.63	288.63	-
Loans	4.92	-1.81		3.10	3.10	-
Trade receivables	146.26	-24.38		121.88	121.88	-
Other financial assets	2,165.03	-348.98		1,816.05	1,816.05	-
Other current assets	-	-		-	-	-
Borrowings	-33.23	6.92		-26.32	-	-26.32
Other financial liabilities	-3.09	-3.64		-6.73	-	-6.73
Provisions	17.87	-2.21	1.94	17.60	17.60	-
Other current liabilities	0.69	0.04		0.73	0.73	-
MAT Credit Entitlement	140.36	24.83		165.19	165.19	-
Tax assets (liabilities) before set-off	**7,656.18**	**-23.78**	**46.11**	**7,678.52**	**7,711.56**	**-33.05**
Set-off of deferred tax liabilities					33.05	
Net deferred tax assets/ (liabilities)					**7,678.52**	

Particulars	Net balances at 1 April 2016	Recognised in the statement of profit and loss	Recognised in OCI	Balance at 31 March 2017		
				Net	Deferred tax asset	Deferred tax liabilities
Property, plant and equipments	192.76	37.01		229.77	229.77	-
Investment property	4,418.12	325.02		4,743.14	4,743.14	-
Investments	212.31	-	32.16	244.46	244.46	-
Loans	5.72	-0.80		4.92	4.92	-
Trade receivables	127.65	18.61		146.26	146.26	-
Other financial assets	1,687.33	477.70		2,165.03	2,165.03	-
Other current assets	-34.84	34.84		-	-	-
Borrowings	-43.97	10.74		-33.23	-	-33.23
Other financial liabilities	-2.05	-1.04		-3.09	-	-3.09
Provisions	10.96	3.82	3.1	17.87	17.87	-
Other current liabilities	0.97	-0.28		0.69	0.69	-
MAT Credit Entitlement	151.35	-10.99		140.36	140.36	-
Tax assets (liabilities) before set-off	**6,726.31**	**894.62**	**35.26**	**7,656.18**	**7,692.51**	**-36.32**
Set-off of deferred tax liabilities					**36.32**	
Net deferred tax assets/ (liabilities)					**7,656.18**	

(e) Unrecognised deferred tax assets

Deferred tax have not been recognised in respect of the following items :

Particulars	31 March 2018	31 March 2017	1 April 2016
Unrecognised tax losses carried forward	3,172.11	3,967.05	3,595.28
	3,172.11	**3,967.05**	**3,595.28**

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Note 11 : Other non-current assets
(Unsecured, considered good)

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred asset on interest free loans given to Moontown Trading Company Private Limited, Joint venture company	21.76	32.63	43.49
Prepaid Expenses	753.52	96.77	-
Capital Advances	-	211.44	318.63
Balances with government authorities	1,024.53	870.15	873.98
Total other non-current assets	**1,799.81**	**1,210.99**	**1,236.10**

Note 12 : Inventories
(Valued at lower of cost and NRV)

Particulars	31 March 2018	31 March 2017	1 April 2016
Work in progress - construction project	14,649.16	18,978.81	17,665.60
Total inventories	**14,649.16**	**18,978.81**	**17,665.60**

Note 13 : Investments

Particulars	31 March 2018	31 March 2017	1 April 2016
Investments valued at fair value			
Investment in mutual funds	1,647.68	2,360.61	5,891.27
Total Current investments	**1,647.68**	**2,360.61**	**5,891.27**

Note 13.1 Detailed list of Current investments

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Nos	Total	Nos	Total	Nos	Total
I. Investments valued at fair value, fully paid up, unquoted, unless otherwise stated						
a) Investments in mutual fund						
Birla Sun Life Enhanced Arbitrage fund - Dividend Regular Plan Payout	8,32,814	835.08	-	-	51,28,000	558.19
Kotak Treasury Advantage Fund - Daily Dividend Regular Plan	79,92,519	805.63	-	-	41,03,000	2,831.77
Kotak Equity Arbitrage Fund - Monthly Dividend Regular Plan	-	-	-	-	2,39,27,000	155.53
Kotak Treasury Advantage Fund - Daily Dividend - Regular Plan	-	-	30,07,000	303.07	93,37,000	1,011.11
Birla Sun Life Plus Daily Dividend - Regular	-	-	12,02,000	1,204.39	-	-
Reliance Arbitrage Advantage Fund - Monthly Dividend Plan	-	-	-	-	95,61,000	1,004.77
Reliance Money Manager Fund - Daily Dividend Plan	691	6.97	85,000	853.15	34,000	337.57
		1,647.68		**2,360.61**		**5,898.94**
Add/(Less) : Fair value gain/(loss)		-		-		(7.67)
Total Current investments		**1,647.68**		**2,360.61**		**5,891.27**

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Particulars	31 March 2018	31 March 2017	1 April 2016
Details:			
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	1,647.68	2,360.61	5,898.94
Aggregate amount of impairment in value of investments	-	-	(7.67)

Note 14 : Trade receivables
(Unsecured, considered good)

Particulars	31 March 2018	31 March 2017	1 April 2016
Considered good	6,510.44	8,385.85	8,526.22
Considered doubtful	442.37	442.37	386.09
Less : Provision for expected credit loss	(442.37)	(442.37)	(386.09)
Total Trade receivables	**6,510.44**	**8,385.85**	**8,526.22**

Note 15 : Cash and cash equivalents

Particulars	31 March 2018	31 March 2017	1 April 2016
Balances with Banks			
- On Current Accounts	344.90	1,491.38	1,483.45
Cheques on hand	29.98	431.23	67.10
Cash on hand	5.68	10.24	22.63
Total cash and cash equivalents	**380.56**	**1,932.85**	**1,573.18**

Note 16 : Bank balances other than cash and cash equivalents

Particulars	31 March 2018	31 March 2017	1 April 2016
Deposits with original maturity for more than 3 months but less than 12 months*	167.03	252.33	507.26
Total other bank balances	**167.03**	**252.33**	**507.26**

* Bank deposits are kept against bank guarantee given by the company to Maharashtra electricity board, Municipal corporation etc.

Note 17 : Loans
(Unsecured, Considered Good)

Particulars	31 March 2018	31 March 2017	1 April 2016
To parties other than related parties			
Loan to other parties			
Considered good	218.21	584.11	1,627.90
Considered doubtful	4,018.38	3,736.52	2,652.01
Less : Provision for expected credit loss	(4,018.38)	(3,736.52)	(2,652.01)
	218.21	**584.11**	**1,627.90**
Loan to employees	28.39	4.71	7.74
Total loans	**246.60**	**588.82**	**1,635.64**

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Note 18 : Other financial assets
(Unsecured, Considered Good)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance recoverable in cash or in kind			
Considered good	632.32	204.02	293.03
Considered doubtful	355.00	355.00	355.00
Less : Provision for expected credit loss	(355.00)	(355.00)	(355.00)
Total other current financial assets	**632.32**	**204.02**	**293.03**

Note 19 : Other current assets

Particulars	31 March 2018	31 March 2017	1 April 2016
Prepaid expenses	143.72	51.97	19.62
Lease Rental Adjustments - Unbilled Revenue	-	-	105.39
Total other current assets	**143.72**	**51.97**	**125.01**

Note 20 : Equity share capital

Particulars	31 March 2018	31 March 2017	1 April 2016
Authorised			
2,002.50 Lakhs Equity Shares of ₹ 2 each	4,005.00	4,005.00	4,005.00
	4,005.00	**4,005.00**	**4,005.00**
Issued, Subscribed and Paid Up			
1,526.03 Lakhs Equity Shares of ₹ 2 each fully paid up	3,052.06	3,052.06	3,052.06
	3,052.06	**3,052.06**	**3,052.06**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2018		31 March 2017		1 April 2016	
	No. of shares	Total	No. of shares	Total	No. of shares	Total
Equity Shares of ₹ 2/- each fully paid up						
At the beginning of the period	1,526.03	3,052.06	1,526.03	3,052.06	1,526.03	3,052.06
Issued during the period	-	-	-	-	-	-
Outstanding at the end of the period	**1,526.03**	**3,052.06**	**1,526.03**	**3,052.06**	**1,526.03**	**3,052.06**

(b) Details of shares issued for a consideration other than cash:

During the year 2011-12, the Company has allotted 1,523.53 Lakhs equity shares of ₹ 2 each fully paid up to the Shareholders of Demerged Company and Transferor Company pursuant to the Scheme of Demerger and Amalgamation.

(c) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(Currency : Indian Rupees in Lakhs)

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(d) Details of Shareholders holding more than 5% shares in the company:

Names of Shareholders	31 March 2018		31 March 2017		1 April 2016	
	No. in lakhs	% of holding	No. in lakhs	% of holding	No. in lakhs	% of holding
Nailsfield Limited, Mauritius	494.11	32.38	494.11	32.38	494.11	32.38
Nikhil Chaturvedi (In his capacity as trustee of Nikhil Chaturvedi Family Trust)	140.51	9.21	140.51	9.21	140.51	9.21
Salil Chaturvedi (In his capacity as trustee of Salil Chaturvedi Family Trust)	137.33	9.00	137.33	9.00	137.33	9.00

Note 20.1 : Other equity

Reserves and surplus

Particulars	31 March 2018	31 March 2017	1 April 2016
Securities premium account			
Opening balance	50,058.78	49734.87	49,734.87
Add: Securities premium received on issue of 0.001% compulsorily convertible debenture	-	1,914.11	-
Less: Share of minority in securities premium received on issue of 0.001% compulsorily convertible debenture	(312.13)	(1,590.20)	-
Closing balance (refer sub-note 1)	**49,746.65**	**50058.78**	**49,734.87**
Amalgamation Reserve			
Opening balance	378.86	688.75	688.75
Stamp duty on Amalgamation		(309.89)	
Closing balance (refer sub-note 2)	**378.86**	**378.86**	**688.75**
Capital Reserve on consolidation			
Opening balance	7.20	7.20	7.20
Closing balance	**7.20**	**7.20**	**7.20**
Retained Earnings			
Opening balance	(644.00)	12.68	12.68
Add: profit/ (loss) for the year	(421.55)	(532.20)	-
Less: Prior period items (Difference in audited and unaudited financials of Subsidiary for previous year)	83.10	(84.87)	-
Less: Share of Minority interest in Other component of equity of subsidiaries	(215.58)	(39.61)	-
Closing balance (refer sub-note 3)	**(1,198.03)**	**(644.00)**	**12.68**
Foreign Currency Translation Reserve			
Opening balance	950.84	947.60	947.60
Add / (Less) : Exchange difference arising on translation of foreign operations	(0.31)	3.24	-
Closing balance	**950.53**	**950.84**	**947.60**

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Particulars	31 March 2018	31 March 2017	1 April 2016
Gains/(loss) on fair value of investments			
Opening balance	(445.61)	(368.41)	(368.41)
Add / (Less) : Fair value gain/(loss) on investment in equity instruments through OCI	(156.39)	(77.20)	-
Closing balance	**(602.00)**	**(445.61)**	**(368.41)**
Gain / (loss) on fair value of defined benefit plans			
Opening balance	(9.39)	-	-
Add / (Less) : Gain / (loss) on fair value of defined benefit plans	(7.05)	(9.39)	-
Closing balance	**(16.44)**	**(9.39)**	**-**
Total	**49,266.77**	**50,296.68**	**51,022.69**

Sub-note:

1. Securities premium is received pursuant to the further issue of shares/ debentures at a premium net of the share / debenture issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;
   i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
   ii) for the purchase of its own shares or other securities;
   iii) in writing off the preliminary expenses of the Company;
   iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
   v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

2. Amalgamation Reserve represents the capital reserve pursuant to the Composite Scheme of Arrangement and Amalgamation dated 10th February, 2012

   As per the order dated 15th October 2016, issued by Maharashtra Stamp Office, during the year FY 16-17 the Company had paid ₹ 281 Lakhs towards stamp duty payable under Maharashtra Stamp Act on the Composite Scheme of Arrangement and Amalgamation as approved by the Honourable High Court, Mumbai vide order dated 10th February, 2012. The Company had also paid a stamp duty amounting to ₹ 28.89 lakhs under Singapore laws, in respect of transfer of shares of Prozone Liberty International Limited, Singapore (Subsidiary of Amalgamating Company) in the name of Company.

3. Retained earnings represents the accumulated profits of the Company.

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Note 21 : Borrowings

Particulars	31 March 2018	31 March 2017	1 April 2016
(Secured)			
Term loans from banks	19,944.00	17,699.25	23,222.89
Less: Current maturities of long term debt (disclosed under other current liabilities)	520.00	2,339.74	1,972.38
	19,424.00	**15,359.51**	**21,250.51**
Term loans from others	9,175.87	7,508.56	-
Less: Current maturities of long term debt (disclosed under other current liabilities)	294.28	263.76	-
	8,881.59	**7,244.80**	**-**
Hire purchase loans	109.10	97.79	43.34
Less: Current maturities of long term debt (disclosed under other current liabilities)	47.54	40.00	23.07
	61.56	**57.79**	**20.27**
Total secured borrowings	**28,367.15**	**22,662.10**	**21,270.78**
(Unsecured)			
15%, 340 non-convertible, redeemable debentures (NCRD) of ₹ 10,00,000 each	3,400.00	3,400.00	-
Loans and advances from Emerald Buildhomes Private Limited, Joint venture (refer note 36)	1,426.84	1,380.44	1,337.86
Total unsecured borrowings	**4,826.84**	**4,780.44**	**1,337.86**
Total borrowings	**33,193.99**	**27,442.54**	**22,608.64**

Other disclosures pursuant to secured loans

a) Term loan from bank (secured) includes:

i) ₹ Nil (31 March 2017: ₹ 6881.72 lakhs; 1 April 2016: 7074.41 lakhs) term loan from Central Bank of India carrying interest @ Base rate + 3.50% p.a. The loan was repayable in 78 monthly instalments starting from October 2016.

ii) ₹ Nil (31 March 2017: ₹ 4425.07 lakhs; 1 April 2016: ₹ 4548.19 lakhs) term loan from State Bank of Hyderabad carrying interest @ Base rate + 3.50% p.a. The loan was repayable in 78 monthly instalments along with interest starting from October 2016.

iii) ₹ Nil (31 March 2017: ₹ 4424.79 lakhs; 1 April 2016: ₹ 4544.67 lakhs) term loan from Union Bank of India carrying interest @ Base rate + 3.50% p.a. The loan was repayable in 78 monthly instalments along with interest starting from October 2016.

iv) ₹ Nil (31 March 2017: ₹ 1967.67 lakhs; 1 April 2016: 2021.33 lakhs) term loan from State Bank of Patiala India carrying interest @ Base rate + 3.50% p.a. The loan was repayable in 78 monthly instalments starting from October, 2016.

The above loans were secured by first pari-passu charge on entire land, structure to be constructed thereon, movable plant and machinery, stock of raw material, finished and semi finished items relation to the project, over all receivables relating to project, all bank accounts including, without limitation, the Escrow account.

v) ₹ 19,944 lakhs (31 March 2017: ₹ Nil; 1 April 2016: ₹ Nil) loan from Bank of Baroda carrying interest @ one year MCLR + 0.45%. The loan is repayable in 144 monthly instalment starting from January 2018. The loan is secured by first exclusive charge on undivided share of land measuring 12.48 acres and building thereon. The above loans are further secured by corporate guarantee of the Holding Company Prozone Intu Properties Limited.

vi) ₹ Nil (31 March 2017 : Nil, 1 April 2016 : ₹ 5033.99 Lakhs)Term Loan from IDBI carries interest @ Base rate + 1.75% p.a. The loan is repayable in 102 Monthly instalments along with interest starting from July, 2011. The loan is secured by primarily pari-passu charge by way of hypothecation of the rent receivables pertaining to rent from the Prozone Mall at Aurangabad and collaterally, first pari-passu charge by way of equitable mortgage of land and building at Aurangabad, hypothecation of the company's fixed assets and personal guarantees of directors. The said loan is paid during the year.

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b) Term loan from others (secured) includes:

Term Loan From Others (Secured) includes:

₹ 9,175.87 Lakhs (31 March 2017 : ₹ 7,508.56 Lakhs, 1 April 2016 : Nil) term loan from LIC Housing Finance Limited carries interest 11% P.A. The loan is repayable in 180 Monthly instalments of ₹ 10,797,671 /- inclusive of interest starting from May, 2017. The loan is secured by way of equitable mortgage of land and buildings, rent receivables both present and future from Prozone Mall, against unsold units of Inventories. The above loans are further secured by corporate guarantee of the Ultimate Holding Company Prozone Intu Properties Limited.

c) Hire purchase loans

i) Hire Purchase Loan amounting to ₹ 51.14 lakhs (31 March 2017 : NIL, 1 April 2016 : NIL) in respect of vehicle which is secured by hypothecation of vehicle financed. The loan carry interest @ 7.75% p.a. The loan is repayable in 37 equal instalments starting from 5th November, 2017.

ii) Hire Purchase Loan amounting to ₹ 0.33 lakhs (31 March 2017 : ₹ 4.99 Lakhs, 1 April 2016 : ₹ 9.26 lakhs) in respect of vehicle which is secured by hypothecation of vehicle financed. The loan carry interest @ 10.40% p.a. The loan is repayable in 59 equal instalments starting from 10th June, 2013.

iii) Hire Purchase Loan amounting to ₹ 3.51 Lakhs (31 March 2017 : ₹ 8.63 Lakhs, 1 April 2016 : ₹ 13.37 Lakhs) in respect of vehicle which is secured by hypothecation of vehicle financed. The loan carry interest @ 10.24% p.a. The loan is repayable in 35 equal instalments starting from 20th January, 2016.

iv) Hire Purchase Loan amounting to ₹ Nil (31 March 2017 : ₹ 6.29 lakhs, 1 April 2016: 20.71 lakhs) in respect of one vehicle which is secured by hypothecation of vehicle financed. The loan carries interest @ 12.13% p.a. The loan is repayable in 53 equal instalments starting from 1st May, 2013.

v) Hire Purchase Loan amounting to ₹ 54.12 lakhs (31 March 2017 : ₹ 77.88 lakhs, 1 April 2016 : Nil) in respect of one vehicle which is secured by hypothecation of vehicle financed. The loan carries interest @ 9.50% p.a. The loan is repayable in 48 equal instalments starting from 15th April, 2016.

d) Unsecured loans

i) The NCRD shall be redeemable after 3 years from the date of issue of such NCRD. Interest on the same is repayable at the time of redemption/maturity.

ii) Interest free loans and advances from related parties are repayable after 31st March, 2018. The said loan is interest free.

Note 22 : Other financial liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Lease Deposits from Tenants (interest bearing)			1,801.32
Less : Lease deposit become payable within next 12 months	-	-	1,801.32
	-	-	-
Lease Deposits from Tenants (interest free)	1,943.00	1,436.71	1,000.88
Interest accrued on NCRDs	553.32	43.32	-
Retention money payable	223.18	168.71	77.92
Total other non-current financial liabilities	**2,719.50**	**1,648.74**	**1,078.79**

(Currency : Indian Rupees in Lakhs)

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Note 23 : Provisions

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for employee benefits (refer note 37)			
- provision for gratuity	30.14	24.05	12.67
- provision for compensated absences	-	31.66	27.49
Total non-current provisions	**30.14**	**55.71**	**40.16**
Provision for employee benefits (Refer note 37)			
- provision for gratuity	10.81	9.24	7.74
- provision for compensated absences	39.26	6.85	6.02
Total current provisions	**50.07**	**16.09**	**13.76**
Total provisions	**80.21**	**71.80**	**53.92**

Note 24 : Other non-current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred Liabilities on financial liabilities carried at amortised cost	446.36	338.91	362.44
Total other non-current liabilities	**446.36**	**338.91**	**362.44**

Note 25 : Trade payables

Particulars	31 March 2018	31 March 2017	1 April 2016
- Total outstanding dues of micro enterprises and small enterprises (refer note below)	44.57	78.90	82.45
- Total outstanding dues of creditors other than micro enterprises and small enterprises.	2,260.30	1,666.72	1,238.27
Total Trade payables	**2,304.87**	**1,745.62**	**1,320.72**

Note:

The Company had sought confirmation from the vendors whether they fall in the category of Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006. On the basis of the information and records available with the management, the required disclosure for Micro, Small and Medium Enterprises under the above Act is given below:

Particulars	31 March 2018	31 March 2017	1 April 2016
The principal amount remaining unpaid to any supplier as at the end of accounting year ;	44.57	78.90	82.45
interest due thereon remaining unpaid at the end of accounting year*;	-	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and			
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-

*Interest paid/payable by the Company on the aforesaid principle amount has been waived by the concerned suppliers.

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Note 26 : Other financial liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Current maturities of long term debt	861.82	2,679.99	2,046.78
Lease deposit become payable within next 12 months	70.28	-	1,801.32
Retention money payable	131.94	401.12	358.91
Payables in respect of capital assets	2,515.69	2,037.45	1,643.27
Total Other current liabilities	**3,579.73**	**5,118.56**	**5,850.28**

Note 27 : Other current liabilities

Particulars	31 March 2018	31 March 2017	1 April 2016
Employee Benefits Payable	70.73	60.54	67.20
Deferred Liabilities on financial liabilities carried at amortised cost	123.81	94.06	42.72
Advance from customers	1,491.91	1,234.10	283.41
Duties and taxes payable	256.36	377.62	142.53
Provision for expenses	566.54	-	-
Capital expenditure deposit with tenants	220.23	-	-
Other Liabilities	8.85	33.13	233.13
Total Other current liabilities	**2,738.43**	**1,799.45**	**768.99**

Note 28 : Current tax liabilities (net)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for Tax (Net of Advance Tax and TDS ₹ 4.56 lakhs (31 March 2017: ₹ 4.56 lakhs, 1 April 2016: ₹ 4.23 lakhs)	61.33	121.64	271.71
Total current tax liabilities (net)	**61.33**	**121.64**	**271.71**

Note 29 : Revenue from operations

Particulars	31 March 2018	31 March 2017
Sale of property		
Revenue from real estate projects	4,451.28	2,992.21
Sale of services		
License fees	3,137.73	1,877.68
Service charges	1,761.60	1,287.33
Others	264.03	159.82
Total revenue from operations	**9,614.64**	**6,317.04**

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Note 30 : Other income

Particulars	31 March 2018	31 March 2017
Interest income on :		
- Long term loans and advances	930.06	798.88
- Fixed deposits	38.19	38.45
- Income tax refund	43.29	85.29
- Notional interest on loan given to joint venture	14.48	13.28
Rent income (refer note 46)	7.50	-
Dividend income on current investments	64.80	80.86
Amortisation of deferred liability on loan taken from joint venture	57.85	49.52
Profit on sale of current investments	-	1.25
Reversal of provision for diminution in value of current investments	0.64	7.67
Total other income	**1,156.81**	**1,075.20**

Note 31 : Cost of construction

Particulars	31 March 2018	31 March 2017
Opening balance	18,978.81	17,665.60
Add:		
Construction and development costs	2,793.78	2,727.43
Cost reversal due to revisit of project cost	4,433.99	-
Borrowing costs	15.18	8.93
Administrative and other expenses	704.35	725.87
	26,926.11	21,127.83
Less:		
Closing balance of inventory	14,649.16	18,978.81
Transferred to investment property *	6,862.84	-
Transferred to investment property under construction **	2,263.10	-
Total cost of construction project	**3,151.01**	**2,149.02**

* The expenses incurred towards mall building are now reclassified under investment properties
** Reduction of ₹ 2263.10 lakhs on account of re-classification of cost from Inventory to investment property under development.

Note 32 : Employee benefits expense

Particulars	31 March 2018	31 March 2017
Salaries and wages	467.78	407.37
Directors' remuneration	190.16	180.00
Contribution to provident fund and other funds	12.33	9.73
Staff welfare expenses	8.74	11.39
Expenses related to post-employment defined benefit plans (refer note 37)	20.19	10.11
Expenses related to compensated absences (refer note 37)	12.03	6.01
Less: Elimination of the cost of services rendered to subsidiaries	334.68	328.19
Total Employee benefits expense	**376.55**	**296.42**

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Note 33 : Finance costs

Particulars	31 March 2018	31 March 2017
Interest on :		
- Bank loans	1,779.14	543.77
- Other loans	-	217.20
- Non convertible debentures	551.35	54.55
Notional interest on financial liabilities carried at amortised cost	120.89	35.92
Notional interest on loans taken from joint venture	46.41	42.58
Amortisation of deferred asset on loans given to joint venture	10.87	10.87
Other borrowing costs	238.02	73.13
Total Finance costs	**2,746.67**	**978.01**

Note 34 : Other expenses

Particulars	31 March 2018	31 March 2017
Rent (refer note 46)	37.57	37.89
Rates and taxes	209.29	179.84
Insurance	30.13	29.73
Repairs and maintenance		
- building	36.83	52.58
- plant & machinery	62.40	55.75
- others	46.69	42.30
Electricity charges	517.33	497.43
Security charges	123.80	113.73
Housekeeping charges	157.37	93.52
Printing & stationery	9.25	6.67
Communication costs	13.98	18.04
Office Expenses	20.80	10.98
Legal and professional fees	518.09	465.37
Director Sitting Fees	13.75	12.75
Travelling and conveyance	174.25	158.79
Brokerage & commission	26.19	59.64
Advertisement & business promotion expenses	364.65	314.78
Payment to Auditors' (refer note below)	72.07	65.23
Provision for expected credit loss	43.03	1,501.10
Subvention expenses	29.69	-
Membership and Subscription expenses	59.97	18.98
Corporate Social Responsibility Expenses	10.67	-
Miscellaneous expenses	90.62	41.45
	2,668.42	**3,776.55**
Less: Elimination of the cost of services rendered to subsidiaries	343.56	395.60
Total Other expenses	**2,324.86**	**3,380.94**

Note 34.1 : Payment to Auditors

Particulars	31 March 2018	31 March 2017
Statutory	67.07	41.43
Tax audit fees	5.00	10.15
Taxation matters	-	13.65
	72.07	**65.23**

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Note 35 : Earnings per equity share

A reconciliation of profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Basic: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares purchased by the Company and held as treasury shares.

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company.

Basic and diluted EPS

Particulars	31 March 2018	31 March 2017
Weighted average number of equity shares of ₹ 2 each (No. in Lakhs)		
Number of shares at the beginning and end of the year	1,526.03	1,526.03
Weighted average number of shares outstanding during the year	1,526.03	1,526.03
Weighted average number of potential equity shares outstanding during the year	-	-
Total number of potential equity share for calculating diluted earning per share	1,526.03	1,526.03
Net profit after tax available for equity shareholders (₹ In lakhs)	(421.55)	(532.20)
Basic Earning per share (in ₹)	**(0.28)**	**(0.35)**
Diluted Earning per share (in ₹)	**(0.28)**	**(0.35)**

Note 36 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

a) Names of related parties and nature of relationship

A) Key Management Personnel (KMP) and their relatives

Mr. Nikhil Chaturvedi	Managing Director
Mr. Salil Chaturvedi	Dy. Managing Director
Mr. Punit Goenka	Independent Director
Mr. Rajiv Singh *(upto 24 April 2017)*	Independent Director
Ms. Deepa Misra Harris	Independent Director
Mr. David Fischel	Non Executive Director
Mr. Dushyant Sangar	Non Executive Director
Mr. Anurag Garg	Chief Financial Officer
Mr. Ajayendra Jain	Company Secretary & Chief Compliance Officer
Mr. Akhil Chaturvedi	Relative of KMP

B) Enterprises having common KMP with whom the Company has entered into transactions during the year :-

Provogue (India) Limited

C) Joint Ventures

Emerald Buildhome Private Limited
Moontown Trading Company Private Limited

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

Summary of related party transactions

Transactions	Key Management Personnel (KMP) and their relatives		Enterprises having common KMP		Joint Ventures		Total	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Remuneration to Key Management Personnel	248.55	239.74	-	-	-	-	248.55	239.74
Sale of services	-	-	103.54	24.87	-	-	103.54	24.87
Purchase of services	-	-	36.00	36.00	-	-	36.00	36.00
Notional Interest Expenses	-	-	-	-	46.41	42.58	46.41	42.58
Notional Interest Income	-	-	-	-	14.48	13.28	14.48	13.28
Loans given	-	-	-	-	1.05	-	1.05	-

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Balances payable/outstanding at the year end

Transactions	Key Management Personnel (KMP) and their relatives			Enterprises having common Key Management Personnel with whom the company has entered into transaction			Joint Ventures		
	31.03.18	31.03.17	1.04.16	31.03.18	31.03.17	1.04.16	31.03.18	31.03.17	1.04.16
Trade Payable	-	-	-	81.47	61.08	30.43	-	-	-
Trade receivable	-	-	-	6.18	(2.23)	8.49	-	-	-
Loans given	-	-	-	-	-	-	246.13	230.42	217.14
Loans taken	-	-	-	-	-	-	1,426.84	1,380.44	1,337.86
Lease Rental Deposits taken	-	-	-	7.27	7.27	7.27	-	-	-
Remuneration Payable	15.06	2.45	8.36	-	-	-	-	-	-

Note 37 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A Defined benefit obligations and short-term compensated absences

i) Defined benefit plan

The gratuity plan is governed by the Payment of Gratuity Act,1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

ii) Short-term compensated absences

26 days of privilege leave for staff is allowed each year. Unutilised leave can be carried forward to the extend of 42 days of leave, If the same not availed in calendar year then the same will be lapsed.

	Particulars	Gratuity		Leave Encashment	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
a)	**Changes in defined benefit obligations**				
	Present value of obligation as at the beginning of the year				
	Defined Benefit Obligation ("PBO") at the beginning of the year	56.90	40.60	38.51	33.51
	Transfer in/(out) obligation	(0.46)	-	(0.03)	0
	Service cost	10.79	9.10	12.06	10.18
	Past Service Cost	7.47	-	0	0
	Interest cost	3.74	3.00	0.37	2.31
	Actuarial loss / (gain)	(12.13)	9.15	(8.69)	(6.47)
	Benefits Paid	(1.09)	(4.94)	(2.97)	(1.01)
	Present value of obligation as at the end of the year	**65.23**	**56.90**	**39.26**	**38.51**
b)	**Expenses recognised in the Statement of Profit and Loss**				
	Current Service Cost	10.79	9.10	12.06	2.31
	Past Service Cost	7.47	-	-	-
	Interest Cost	1.92	1.02	(0.03)	10.18
	Actuarial (Gain) / loss on Obligation	-	-	(3.05)	(2.01)
	Net value of remeasurements on the obligation and plan assets	-	-	(5.64)	(4.46)
	Components of defined benefit costs recognized in profit or loss	**20.19**	**10.11**	**12.03**	**6.01**

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	Particulars	Gratuity		Leave Encashment	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
c)	**Included in other Comprehensive Income**				
	Actuarial changes arising from changes in financial assumptions	(2.00)	2.50	(0.71)	1.32
	Actuarial changes arising from changes in demographic assumptions	-	-	-	-
	Experience adjustments	8.75	6.61	(7.98)	(7.79)
	Return on plan assets excluding amounts included in Interest Income	0.30	0.28	-	-
	Total	**7.05**	**9.39**	**(8.69)**	**(6.47)**
d)	**Recognised in Balance Sheet**				
	Present value of obligation as at the end of the year	65.23	56.90	39.26	38.51
	Fair value of plan assets as at the end of the year	(24.28)	(23.85)	-	-
		40.95	**33.05**	**39.26**	**38.51**
e)	**Change in fair value of assets**				
	Fair value of plan assets at the beginning of the year	23.85	23.53	-	-
	Interest Income	1.82	2.02	-	-
	Return on plan assets excluding amounts included in interest income	(0.30)	(0.28)	-	-
	Benefits paid	(1.09)	(1.43)	-	-
	Fair value of plan assets at the end of the year	**24.28**	**23.85**	**-**	**-**
f)	**Reconciliation of net defined benefit liability**				
	Net opening provision in books of accounts	32.82	16.93	-	-
	Transfer in/(out) obligation	(0.46)	-	-	-
	Employee Benefit Expense	20.19	10.01	-	-
	Amounts recognized in Other Comprehensive Income	(11.83)	9.39	-	-
	Benefits paid	-	(3.51)	-	-
	Closing provision in books of accounts	**40.72**	**32.82**	**-**	**-**

		Gratuity		Leave Encashment	
g)	**Actuarial assumptions**	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Discount rate	7.55%	7.00%	7.55%	7.80%
	Normal retirement age (in years)	58 Years	58 Years	58 Years	58 Years
	Salary escalation rate (% p.a.) *	5.10%	5.10%	5.10%	5.10%
	Attrition rate	1% at each stage + 30% Service related			
	Mortality rate	Indian assured lives mortality (2006-08) ultimate			

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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iii) Quantitative sensitivity analysis for significant assumption is as below:

Particulars	Gratuity		Compensated absences	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	0.5% increase		0.5% increase	
i. Discount rate	63.28	55.08	38.28	37.68
ii. Salary escalation rate - over a long-term	66.23	57.87	39.89	39.39
	0.1% increase		0.1% increase	
iii. Withdrawal rate (W.R.)	65.45	64.49	38.69	38.07
	0.5% decrease		0.5% decrease	
i. Discount rate	66.81	58.34	39.89	39.38
ii. Salary escalation rate - over a long-term	62.89	55.72	38.25	37.65
	0.1% decrease		0.1% decrease	
iii. Withdrawal rate (W.R.)	64.49	56.10	39.47	39.00

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

iv) Maturity analysis of defined benefit obligation

Particulars	Gratuity		Leave Encashment	
	Cashflow	Distribution (%)	Cashflow	Distribution (%)
1st Following Year	7.86	7.52%	7.16	12.97%
2nd Following Year	7.20	6.88%	6.12	11.08%
3rd Following Year	7.45	7.11%	5.58	10.11%
4th Following Year	9.37	8.95%	5.43	9.84%
5th Following Year	9.05	8.64%	4.79	8.68%
Sum of Year 6 to 10 Year	37.94	36.26%	17.49	31.69%
Total expected payments	78.87	75.36%	46.56	84.37%

B Defined contribution plans

TThe Company makes contribution towards provident fund to a defined contribution retirement plan for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement contribution schemes to fund benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

Particulars	31 March 2018	31 March 2017
Contribution to provident funds	12.33	9.73
	12.33	**9.73**

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Note 38 : Segment Reporting as required under Indian Accounting Standard 108, "Operating Segments" :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company.

The Company is engaged in the business of developing, owning and operating of Shopping Malls, Commercial and Residential Premises. Based on the business activities during the financial year, the Company has identified the following business segments as its primary segment:-

a) Leasing

b) Outright Sales

The primary segment reporting format is determined to be business segment as the company's risks and rates of returns are affected predominantly by the nature of activities

a) Information about Primary Segments - Business Segments

Particulars	Leasing		Outright sales		Total	
	31 Mar 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
1. Segment Revenue	**5,163.36**	**3,324.83**	**4,451.28**	**2,992.21**	**9,614.64**	**6,317.04**
2. Results						
Segment Results	2,624.91	855.21	1,035.25	601.72	3,660.16	1,456.93
Unallocated Expenses					2,916.97	3,450.12
Operation Profit					**743.19**	**(1,993.19)**
Finance Cost					2,746.67	978.01
Other Income					(1,156.81)	(1,075.20)
Profit / (Loss) Before Tax					**(846.67)**	**(1,895.99)**
Tax expense					232.69	(706.25)
Net Profit / (Loss) for the year					**(1,079.36)**	**(1,189.74)**

Particulars	Leasing		Outright sales		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Segment Assets	60,957.50	40,830.18	20,363.94	27,722.13	81,321.44	68,552.31
Unallocated Assets	-	-	-	-	50,402.70	57,113.56
Total Assets (A)	**60,957.50**	**40,830.18**	**20,363.94**	**27,722.13**	**1,31,724.14**	**1,25,665.87**
Segment Liabilities	35,608.53	26,155.63	3,181.83	4,461.13	38,790.35	30,616.76
Unallocated Liabilities	-	-	-	-	6,334.07	7,670.48
Total Liabilities (B)	**35,608.53**	**26,155.63**	**3,181.83**	**4,461.13**	**45,124.42**	**38,287.24**
Capital Employed (A) - (B)					**86,599.72**	**87,378.63**

Other information

Particulars	Leasing		Outright sales		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Depreciation and Amortisation expense	2,188.63	630.85	-	-	2,188.63	630.85
Unallocated Depreciation & Amortisation expense					468.10	539.79
Total Depreciation and Amortisation	**2,188.63**	**630.85**	**-**	**-**	**2,656.73**	**1,170.64**
Capital Expenditure	14,574.90	6,178.26	-	142.80	14,574.90	6,321.05
Unallocated Capital Expenditure					321.07	2.60
Total Capital Expenditure	**14,574.90**	**6,178.26**	**-**	**142.80**	**14,895.97**	**6,323.66**

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Note 39 : Contingent liabilities and commitments are given below:

A) Contingent liabilities/ assets

Particulars	31 March 2018	31 March 2017	1 April 2016
I) Claims not acknowledged as Debts :			
i) Disputed liability in respect of Income tax	157.05	167.78	281.31
ii) Disputed liability in respect of Property Tax (refer sub note 1)	72.62	72.62	72.62
iii) Disputed Liability in respect of Electricity Charges (refer sub note 2)	644.66	644.66	-
iv) Other Claims	10.31	10.13	177.17
II) Guarantees on behalf of Group			
Bank Guarantee	135.60	135.60	125.60

Note 1: The Company has paid under protest ₹ 36.31 Lakhs (31 March 2017: ₹ 36.31 Lakhs; 1 April 2016: ₹ 36.31 Lakhs.)
Note 2: The Company has filed appeal against the same ₹ 322.33 Lakhs (31 March 2017: ₹ 322.33 Lakhs; 1 April 2016 : ₹ Nil)

B) Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 4783.22 lakhs (31 March 2017: ₹ 8,614.43 lakhs; 1 April 2016: ₹ 12,550.27 lakhs).

Note 40 : Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint Ventures :

Transactions	Net Assets (Total Assets) - (Total Liabilities)		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit / (Loss)	As % of Consolidated Profit or Loss	Profit / (Loss)	As % of Consolidated Profit or Loss	Profit / (Loss)
Parent								
Prozone Intu Properties Limited	4.55	3,939.65	42.03	(294.45)	102.99	(166.16)	53.44	(460.61)
Indian Subsidiaries								
Direct Subsidiaries								
Alliance Mall Developers Co Private Limited	15.33	13,275.44	131.22	(919.27)	(0.67)	1.08	106.53	(918.19)
Royal Mall Private Limited	(0.00)	(0.19)	0.06	(0.39)	-	-	0.05	(0.39)
Kruti Multitrade Private Limited	0.04	36.57	0.02	(0.12)	-	-	0.01	(0.12)
Prozone Developers and Realtors Private Limited	2.07	1,796.86	(32.57)	228.21	-	-	(26.48)	228.21
Indirect Subsidiaries								
Hagwood Commercial Developers Private Limited	11.07	9,586.58	(43.79)	306.79	(0.82)	1.32	(35.75)	308.11
Empire Mall Private Limited	8.13	7,039.70	(9.01)	63.14	(0.20)	0.32	(7.36)	63.46
Omni Infrastructure Private Limited	9.99	8,652.83	(4.66)	32.68	-	-	(3.79)	32.68
Prozone Intu Developers Private Limited	0.02	15.32	7.28	(51.01)	-	-	5.92	(51.01)
Foreign Subsidiaries								
Direct Subsidiaries								
Prozone Liberty International Limited	4.90	4,245.61	2.74	(19.21)	-	-	2.23	(19.21)
Minority Interest in all subsidiaries	39.58	34,278.17	9.06	(63.44)	(1.30)	2.10	7.12	(61.34)
Joint Venture (Indian)								
Direct								
Moontown Trading Co. Private Limited	0.24	211.63	0.03	(0.23)	-	-	0.03	(0.23)
Indirect								
Emerald Build Home Private limited	4.07	3,521.55	(2.39)	16.73	-	-	(1.94)	16.73
Total	**100.00**	**86,599.72**	**100.00**	**(700.57)**	**100.00**	**(161.34)**	**100.00**	**(861.91)**

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Note 41 : Disclosure with regards to section 186 (4) of the Companies Act, 2013

i) For investment refer note no. 6 and 13
iii) For loans given :

Particulars	Rate of Interest	31 March 2018	31 March 2017	01 April 2016
Inter Corporate Deposits	9% - 17%	3,113.94	2,613.49	2,669.31
Total		**3,113.94**	**2,613.49**	**2,669.31**

Notes:

1) Out of the above the Company has not provided interest on ₹ 1632 Lakhs in FY 18 as company has made provision for expected credit loss due to uncertainty regarding recoverability of said loans and advance.

2) Above disclosures do not include unsecured loans (including interest) granted before enforcement of Companies Act, 2013 amounting to ₹ 1,703.64 lakhs (31 March 2017 : ₹ 1,707.14 lakhs 1 April 2016 : ₹ 1,610.63 lakhs).

Note 42 : Expenditure on Corporate Social Responsibility (CSR) activities

A Gross amount required to be spent by the Company during the year 2017-18 - ₹ 34.99 Lakhs (31 March 2017- INR 21.19 Lakhs)

B Amount spent during the year on:

Sr. No	Particulars	In Cash/ Cheque	Yet to be paid in cash	Total
i	Construction/acquisition of any assets	-	-	-
ii	On purposes other than (i) above	10.67	-	10.67

C	**Related party transactions in relation to Corporate Social Responsibility:**	-	-	-

D Provision movement during the year

Sr. No	Particulars	2017-18	2016-17
i	Opening provision	21.19	-
ii	Addition during the year	24.47	24.47
iii	Utilised during the year	10.67	-
iv	**Closing provision**	**34.99**	**24.47**

Note 43 : Expenditure in foreign Currency

Particulars	31 March 2018	31 March 2017	1 April 2016
Capital Work in progress	-	100.77	266.89
Travelling Expenses	14.59	-	-
Business Promotion	12.76	29.20	5.80
	27.35	**129.97**	**272.69**

Note 44 : Financial instruments – Fair values and risk management :

A) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

(Currency : Indian Rupees in Lakhs)

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31 March 2018	Note	Carrying amount			Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets								
Investments	6 & 13	1,647.68	4,728.60	-	-	1,647.68	4,728.60	6,376.28
Loans	7 & 17	-	-	1,073.73	-	-	-	-
Other financial assets	8 & 18	-	-	9,516.85	-	-	-	-
Trade receivables	14	-	-	6,510.44	-	-	-	-
Cash and cash equivalents	15	-	-	380.56	-	-	-	-
Bank balances other than Cash and cash equivalents	16	-	-	167.03	-	-	-	-
		1,647.68	4,728.60	17,648.60	-	1,647.68	4,728.60	6,376.28
Financial liabilities								
Borrowings	21			33,193.99	-	33,193.99	-	33,193.99
Other financial liabilities	22 & 26	-	-	6,299.23	-	1,415.14	-	1,415.14
Trade payables	25	-	-	2,304.87	-	-	-	-
		-	-	41,798.09	-	34,609.13	-	34,609.13

31 March 2017	Note	Carrying amount			Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets								
Investments	6 & 13	2,360.61	4,912.43	-	-	2,360.61	4,912.43	7,273.05
Loans	7 & 17	-	-	819.24	-	-	-	-
Other financial assets	8 & 18	-	-	7,765.80	-	-	-	-
Trade receivables	14	-	-	8,385.85	-	-	-	-
Cash and cash equivalents	15	-	-	1,932.85	-	-	-	-
Bank balances other than Cash and cash equivalents	16	-	-	252.33	-	-	-	-
		2,360.61	4,912.43	19,156.07	-	2,360.61	4,912.43	7,273.05
Financial liabilities								
Borrowings	21	-	-	27,442.54	-	27,442.54	-	27,442.54
Other financial liabilities	22 & 26	-	-	6,767.30	-	2,723.31	-	2,723.31
Trade payables	25	-	-	1,745.62	-	-	-	-
		-	-	35,955.45	-	30,165.85	-	30,165.85

1 April 2016	Note	Carrying amount			Fair value			Total
		FVTPL	FVTOCI	Amortised Cost	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets								
Investments	6 & 13	5,891.27	4,795.86	-	-	5,891.27	4,795.86	10,687.13
Loans	7 & 17	-	-	1,852.77	-	-	-	-
Other financial assets	8 & 18	-	-	2,840.12	-	-	-	-
Trade receivables	14	-	-	8,526.22	-	-	-	-
Cash and cash equivalents	15	-	-	1,573.18	-	-	-	-
Bank balances other than Cash and cash equivalents	16	-	-	507.26	-	-	-	-
		5,891.27	4,795.86	15,299.55	-	5,891.27	4,795.86	10,687.13
Financial liabilities								
Borrowings	21	-	-	22,608.64	-	22,608.64	-	22,608.64
Other financial liabilities	22 & 26	-	-	6,929.07	-	2,046.78	-	2,046.78
Trade payables	25	-	-	1,320.72	-	-	-	-
		-	-	30,858.44	-	24,655.42	-	24,655.42

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B) Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

i) Financial instruments measured at amortised cost

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Borrowings	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable
Other financial liabilities-(current maturities of long-term debt)	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable

ii) Financial instruments measured at fair value through profit or loss

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuer of these mutual fund units in the published statements as at Balance Sheet date.NAV represents the price at which the issuer will issue further units of mutual fund and the price at which the issuers will redeem such units from the investor.	Not applicable	Not applicable

iii Financial instruments measured at fair value through Other Comprehensive Income

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in equity, preference shares and debentures	The fair value of investment has been determined by external, independent valuer, having appropriate recognised professional qualifications and relevant experience the field.	Discount Rate Market Capitalisation Rate	15.50% to 23.00%; 9.25% to 10.00%

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Note 44 : Financial instruments – Fair values and risk management :

B) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

a. Credit risk ;

b Liquidity risk ; and

c. Market risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

Trade and other receivables

The Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Group periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Group continues regular follow up,engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings.The Group is not exposed to concentration of credit risk to any one single customer since services are provided to vast spectrum. The Group also takes security deposits, advances , post dated cheques etc from its customers, which mitigate the credit risk to an extent.

Cash and cash equivalents

The Group held cash and cash equivalents with credit worthy banks of INR 380.56 lakhs; INR 1932.85 lakhs and INR 1573.18 lakhs as at 31 March 2018 ; 31 March 2017 and 1 April 2016 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an on going basis and is considered to be good.

Exposure to credit risk

The allowance for impairment in respect of trade receivables during the year was ₹ 442.37 lakhs (31 March 2017: ₹ 442.37 lakhs; 01.04.2016: ₹ 386.09 lakhs)

The allowance for impairment in respect of loans and other financial assets during the year was ₹ 6591.23 lakhs (31 March 2017: ₹ 6548.20 lakhs; 01.04.2016: ₹ 5103.38 lakhs)

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2018 , March 31, 2017 and April 1, 2016 is as follows:

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Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial assets for which loss allowances are measured using 12 months Expected Credit Losses (ECL) :			
Trade Receivables	442.37	442.37	386.09
Loans and Other financial assets	6,591.23	6,548.20	5,103.38

A summary of the Company's exposure to credit risk by age of the outstanding balance from various customers is as follows:

	31 March 2018		
Particulars	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Neither past due nor impaired	-	0.00%	-
Past due but not impaired *	5,280.44	0.00%	-
Upto 90 days	437.00	0.50%	2.18
90-180 days	138.00	1.00%	1.38
180-360 days	116.00	1.99%	2.31
360-450 days	74.00	4.99%	3.69
450-540 days	37.00	13.81%	5.11
540-720 days	36.00	101.11%	36.40
720-810 days	9.00	104.89%	9.44
810-900 days	6.00	94.50%	5.67
900-1080 days	41.00	98.90%	40.55
More than 3 yrs	336.00	99.89%	335.62
	6,510.44		**442.35**

	31 March 2017		
Particulars	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Neither past due nor impaired	-	0.00%	-
Past due but not impaired *	7,042.02	0.00%	-
Upto 90 days	528.64	0.50%	2.64
90-180 days	120.54	1.00%	1.21
180-360 days	68.89	2.00%	1.38
360-450 days	31.02	5.00%	1.55
450-540 days	17.12	9.99%	1.71
540-720 days	49.12	19.99%	9.82
720-810 days	141.37	40.00%	56.55
810-900 days	10.75	60.00%	6.45
900-1080 days	76.6	80.00%	61.28
More than 3 yrs	299.78	100.00%	299.78
	8,385.85		**442.37**

(Currency : Indian Rupees in Lakhs)

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	1 April 2016		
Particulars	**Carrying Amount**	**Weighted Average Loss Rate**	**Loss Allowance**
Neither past due nor impaired	-	0.00%	-
Past due but not impaired *	7,247.44	0.00%	-
Upto 90 days	371	0.50%	1.85
90-180 days	112	1.00%	1.12
180-360 days	124	2.00%	2.47
360-450 days	140	5.00%	7.01
450-540 days	28	10.01%	2.81
540-720 days	88	20.00%	17.64
720-810 days	65	40.00%	25.81
810-900 days	16	60.02%	9.88
900-1080 days	86	80.00%	68.62
More than 3 yrs	249	100.00%	248.88
	8,526.22		**386.09**

* The management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade receivables and other financial assets during the year was as follows :

Particulars	**Amount**
Balance as at 1 April 2016	**5,489.47**
Impairment loss recognised	1,501.10
Balance as at 31 March 2017	**6,990.57**
Impairment loss recognised	43.03
Balance as at 31 March 2018	**7,033.60**

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b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Particulars	Note	Contractual cash flows			
		One year or less	1 - 5 years	More than 5 years	Total
As at 31 March 2018					
Non - derivative financial liabilities					
Borrowings	21	-	10,518.78	22,675.21	33,193.99
Trade payables	25	2,304.87	-		2,304.87
Other financial liabilities	22 & 26	3,579.73	2,719.50		6,299.23
		5,884.60	**13,238.28**	**22,675.21**	**41,798.09**
As at 31 March 2017					
Non - derivative financial liabilities					
Borrowings	21	-	18,289.88	9,152.66	27,442.54
Trade payables	25	1,745.62	-		1,745.62
Other financial liabilities	22 & 26	5,118.56	1,648.74		6,767.30
		6,864.18	**19,938.61**	**9,152.66**	**35,955.45**
As at 1 April 2016					
Non - derivative financial liabilities					
Borrowings	21	-	16,344.64	6,264.00	22,608.64
Trade payables	25	1,320.72	-		1,320.72
Other financial liabilities	22 & 26	5,850.28	1,078.79		6,929.07
		7,171.00	**17,423.44**	**6,264.00**	**30,858.44**

c. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and bank deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Group is exposed to insignificant foreign exchange risk as at the respective reporting dates.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk:

The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from banks.

(Currency : Indian Rupees in Lakhs)

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The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	31 March 2018	31 March 2017	April 2016
Fixed-rate instruments:			
Financial asset (Bank deposits)	1,159.35	2,185.18	2,080.44
Financial liabilities (Borrowings)	(5,489.26)	(4,921.55)	(1,381.20)
	-4,329.91	**-2,736.37**	**699.24**
Variable-rate instruments:			
Financial liabilities (Borrowings)	**(29,119.87)**	**(25,207.81)**	**(23,222.89)**

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
Increase in basis points	50 basis points	50 basis points
Effect on loss before tax, increase by	145.60	126.04
Decrease in basis points	50 basis points	50 basis points
Effect on loss before tax, decrease by	145.60	126.04

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

The Company has negligible exposure to currency risk since almost all the transactions of the Company are denominated in Indian Rupees.

Equity price risk

The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

Commodity Risk

The Group is not exposed to any commodity risk.

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Note 45 : Capital Management

The Company manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors vis-a-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. Higher leverage is used for funding more liquid working capital needs and conservative leverage is used for long-term capital investments. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2017. The Company calculates the level of debt capital required to finance the working capital requirements using traditional and modified financial metrics including leverage/gearing ratios and asset turnover ratios.

As of balance sheet date, leverage ratios is as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Total financial liabilities (Refer note 21, 22 and 26)	34,609.13	30,165.85	24,655.42
Less: cash and bank balances (Refer note 8, 15 and 16)	1,159.35	2,185.18	2,080.44
Adjusted net debt	**35,768.48**	**32,351.03**	**26,735.86**
Total equity (Refer note 20 and 20.1)	86599.72	87378.63	85,812.61
Total debts to equity ratio (Gearing ratio)	**0.41**	**0.37**	**0.31**

Note 46 : Operating leases

Leases as lessee

i) The Company has taken office premises situated at Andheri, Mumbai on operating lease. The Company has entered into a leave and license agreement for using of its office premises for 5 year, with an option to renew the lease after this period. The lease payments recognised in the statement of profit and loss is ₹ 37.57 lakhs (P.Y ₹ 37.89 lakhs).

ii) The future minimum lease payments for cancellable operating lease are as follows:

Particulars	31 March 2018	31 March 2017
Not later than one year	36.00	36.00
Later than one year and not later than five years	93.00	129.00
Later than five years	-	-
Amounts recognised in profit or loss		
Lease expense	36.00	36.00
Contingent rent expense	-	-
Total	**36.00**	**36.00**

Initial direct costs incurred on these leasing transactions have been recognised in the Profit and Loss Account.

Leases as lessor

i) The Company has given its retail Mall situated at Aurangabad and Coimbatore on lease/ Leave and licence. The cancellable leases are renewable by mutual consent on mutually agreeable terms. The lease income recognised in the statement of profit and loss is ₹ 3137.73 lakhs (P.Y 1877.68 lakhs)

ii) The future minimum lease payments for non-cancellable operating lease are as follows:

Particulars	31 March 2018	31 March 2017
Within less than 1 year	3,168.29	-
Between one and five years	4,519.01	-
Later than five years	506.85	-

(Currency : Indian Rupees in Lakhs)

Notes to the consolidated Ind AS financial statements
as at 31 March 2018

Note 47 : Disclosure of Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBNs) Disclosure related to Specified Bank Notes (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs (₹ 1,000 and ₹ 500)*	Other denomination notes	Total
Closing cash in hand as on 8th November 2016	5.46	3.92	9.38
(+) Permitted receipts	-	15.17	15.17
(-) Permitted payments	-	7.52	7.52
(-) Amount deposited in Banks	5.46	0.74	6.20
Closing cash in hand as on 30th December 2016	-	10.83	10.83

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

Note 48 : Prior year comparatives

Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

Note 49:

Prior period figures have been audited by a firm of Chartered Accountants other than B S R & Co. LLP

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Place : Mumbai
Date : 29 May, 2018

For and on behalf of the Board of Directors of
Prozone Intu Properties Limited
CIN : L45200MH2007PLC174147

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary &
Chief Compliance Officer
Membership No. A20718

Place : Mumbai
Date : 29 May, 2018

(Currency : Indian Rupees in Lakhs)

FORM AOC-1

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES AND JOINT VENTURES

PART- A - Subsidiaries

(Rs. In Lakhs)

Sr. No.	Subsidiary Company	Note	Reporting Currency	Exchange Rate	Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover (Including other income)	Profit / (Loss) before taxation	Current Tax	Deferred Tax	Provision for taxation	Profit / (Loss) after taxation	% of sharehol-ding	Country
1	Alliance Mall Developers Co Private Limited		INR	1.00	395.73	19,211.22	46,141.45	26,534.50	-	1,797.88	(1,673.34)	-	123.40	123.40	(1,796.74)	61.50	India
2	Royal Mall Private Limited		INR	1.00	1.00	(2.50)	0.21	1.71	-	-	(0.39)	-	0.25	0.25	(0.64)	100.00	India
3	Kruti Multitrade Private Limited		INR	1.00	1.00	(36.56)	5.88	41.45	-	-	(2.97)	-	(1.08)	(1.08)	(1.89)	100.00	India
4	Prozone Liberty International Limited		USD	65.04	26,140.48	1,100.75	27,511.07	269.84	27,498.57	-	(28.45)	-	-	-	(28.45)	100.00	Singapore
5	Omni Infrastructure Private Limited	1	INR	1.00	4.00	7,208.60	11,148.04	3,935.44	-	5.80	4.43	-	(50.04)	(50.04)	54.47	60.00	India
6	Hagwood Commercial Developers Private Limited	1	INR	1.00	1,541.50	25,799.01	29,910.78	2,570.27	7,686.74	2,920.47	279.49	74.98	(65.95)	9.03	270.46	61.50	India
7	Prozone Developers and Realtors Private Limited (Formerly known as Classique Creators Private Limited) (PDRPL)		INR	1.00	5.00	62.70	5,813.33	5,745.64	-	848.41	85.00	23.53	-	23.53	61.47	100.00	India
8	Prozone Intu Developers Private Limited (PIDPL) (Formerly known as Jaipur Festival City Private Limited (JFCPL))	3	INR	1.00	1.00	(105.42)	16.23	120.65	-	-	(57.96)	-	-	-	(57.96)	100.00	India
9	Empire Mall Private Limited	1	INR	1.00	13,602.25	6,912.14	31,464.90	10,950.51	-	5,131.88	561.32	-	12.96	12.96	548.35	34.71	India

Notes:

1 Held through Prozone Liberty International Limited (Singapore)

2 Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as in 31.03.2018

3 Held through Royal Mall Private Limited

FORM AOC-1

PART- B - Joint Venture

(Rs. In Lakhs)

S. No.	Name of the Joint Ventures	Latest audited Balance Sheet Date	Share of the Associate/Joint Ventures held by the company on the year end			Networth attributable to Shareholding as per Latest audited balance sheet	Profit / (Loss) for the year		Description of how there is significant influence
			No. of Shares	Amount Invested in Joint Ventures	Extent of Holding %		Considered in consolidation	Not considered in consolidation	
1	Moontown Trading Company Private Limited	31-Mar-18	20,02,500	200.25	25.00	144.62	(0.87)	(2.61)	Note 1
2	Emerald Build Home Private Limited	31-Mar-17	50,00,000	4,077.97	50.00	2,239.65	4.96	4.96	Note 1

Notes

1 There is significant influence due to percentage (%) of share capital.

For and on behalf of the Board

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary & Chief
Compliance Officer
Membership No : A20718

PROZONE INTU PROPERTIES LIMITED

Regd. Office: 105/106, Ground floor, Dream Square, Dalia Industrial Estate, off. New Link Road, Andheri (West), Mumbai: 400053
Ph: +91-22-30680560 Fax: +91-22-30680570 Email: investorservice@prozoneintu.com
Corporate Identification Number: L45200MH2007PLC174147, Website: www.prozoneintu.com

Notice

Notice is hereby given that the 11th Annual General Meeting of the members of Prozone Intu Properties Limited will be held on Wednesday, 26th September 2018 at 11.00 a.m. at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West), Mumbai - 400053 to transact the following business:

As ordinary business:

1. To receive, consider and adopt the audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended 31st March 2018 including audited Balance Sheet as at 31st March, 2018 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.

2. To appoint a Director in place of **Mr. Salil Chaturvedi (DIN: 00004768)**, who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

3. To reappoint **Mr Punit Goenka (DIN: 00031263)** as an Independent Director and in this regard, to pass the following resolution as a **Special Resolution:**

   "**Resolved that** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Punit Goenka (DIN: 00031263), who had been appointed as Independent Director and who holds office as an Independent Director up to March 31, 2019 and being eligible, be reappointed as an Independent Director of the Company w.e.f. April 1, 2019, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 31, 2024."

By **Order of the Board of Directors**
Prozone Intu Properties Limited

Sd/-
Ajayendra P. Jain
CS & Chief Compliance Officer

Date: 29th May 2018
Place: Mumbai

NOTES:

1. The explanatory statement pursuant to section 102 of the Companies Act 2013 which sets out details relating to special business at the meeting is annexed hereto.

2. **The requirement to place the matter relating to appointment of Statutory Auditors for ratification by members at every Annual General Meeting has been done away with vide notification No. S.O. 1833 (E) dated May 7, 2018 issued by the Ministry of Corporate Affairs, Government of India. Accordingly, no resolution is proposed for ratification of appointment of M/s B S R & Co LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/100022), Statutory Auditors who had been appointed at the 10th Annual General Meeting held on 28th September 2017 to hold office from the conclusion of 10th AGM to the conclusion of 15th AGM of the Company to be held in the year 2022.**

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

   Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 members provided shareholding of those members in aggregate should not be more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during business hours on any working day except Saturdays up to the date of the this Annual General Meeting of the Company

5. Corporate Members intending to send their authorized representative to attend the meeting pursuant to section 113 of the Companies Act 2013 are requested to send to

the Company a certified true copy of Board resolution together with their specimen signature authorizing their representative to attend and vote on their behalf at the meeting

6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

8. Details pursuant to Regulations 36 (3) of the SEBI (LODR) Regulations, 2015 read with Secretarial Standard -2 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

9. The notice of AGM along with Annual Report for 2017-18 is being sent by electronic mode to all the members whose email IDs are registered with the Company/Depository Participants(s) unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.

10. Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately the change in the residential status on return to India for permanent settlement.

11. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DPID number, as the case may be.

12. This notice is being sent to all members of the Company whose names appear in the Register of Members/ list of beneficiaries received from the depositories on the end of Friday, 24th August 2018.

13. The entry to the meeting venue will be regulated by means of attendance slips. For attending the meeting, members, proxies and authorised representatives of the members, as the case may be, are requested to bring the enclosed attendance slip completed in all respects, including client ID and DP ID, and signed. Duplicate attendance slips will not be issued/accepted.

14. All members are requested to support Green Initiative of the Ministry of Corporate Affairs, Government of India and register their email addresses to receive all these documents electronically from the Company in accordance with Rule 18 of the Companies (Management & Administration) Rules 2014 and Rule 11 of the Companies (Accounts) Rules 2014. All the aforesaid documents have been uploaded on and are available for download from the Company's website, being www.prozoneintu.com. Kindly bring your copy of Annual Report to the meeting.

15. Rule 3 of the Companies (Management and Administration) Rules 2014 mandates that the register of members of all companies should include details pertaining to email address, permanent account number (PAN) or CIN, unique identification number, if any; father's/ mother's/ spouse's name, occupation, status, nationality; in case member is a minor, name of guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository.

16. No gifts shall be provided to members before, during or after the AGM.

17. Members may pursuant to section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules 2014 file nomination in prescribed form SH-13 with the respective depository participant.

18. Members are requested to notify change of address and update bank accounts details to their respective depository participants directly.

19. A route map showing direction to reach the venue of the 11th AGM is given at the end of this notice as per the requirement of Secretarial Standards -2 on General Meeting.

20. **Voting through electronic means ("Remote E-voting"):**

    a. Pursuant to the provisions of section 108 of the Companies Act, 2013, rules 20 and 21 of the Companies (Management & Administration) Rules 2014 and sub Reg. (1) & (2) of Reg. 44 of SEBI (LODR) Regulations, 2015, the Company provides its members the electronic facility to its members enabling them to exercise their right to vote on agendas of AGM through e-voting services provided by the Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/ her/ its discretion, subject to compliance with the instructions prescribed below.

    b. The facility for voting through polling paper shall be made available at the meeting and the members

Notice *(Contd.)*

attending the Meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the Meeting through polling paper.

The instructions for members voting by remote e-voting are as under:

A. In case of members receiving the Notice of AGM via-email

i. The remote e-voting period begins on Sunday, 23rd September 2018 from 10.00 a.m. and ends on Tuesday, 25th September 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, 19th September 2018 may cast their vote by Remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

Cut-off date means the date on which the right of voting of the members shall be reckoned and a person who is not a member as on the cut-off date should treat this notice for information purposes only.

Persons who have acquired shares and become members of the Company after the dispatch of the Notice of the AGM but on or before the cut-off date i.e. Wednesday, 19th September 2018, may obtain their user ID and password for e-voting from Company's registrar and transfer Agent, Link Intime India Private Limited or from CDSL. However, if the person is already registered with CDSL for remote e-voting then the existing User ID and Password can be used for remote e-voting.

ii. The shareholders should log on to the e-voting website www.evotingindia.com.

iii. Click on Shareholders.

iv. Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in physical form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address sticker pasted on your envelope of this report.
Dividend Bank Details OR DOB	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the PROZONE INTU PROPERTIES LIMITED.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Notice *(Contd.)*

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the same password then, enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Voting using Mobile application:
Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy of the Notice of AGM:

Members holding shares in either Demat or physical mode who are in receipt of Notice of AGM in physical form may opt for e-voting. Please follow steps from sr. no. (i) to (xx) under the heading "A" above to vote through e-voting platform.

In the event a member casts his votes through both processes i.e. e-voting and Polling Paper, the votes casted through the e-voting system would be considered, and the Polling Paper would be disregarded.

The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.prozoneintu.com and on the website of CDSL, i.e. www.evotingindia.com within two days of the passing of the resolutions at the 11th AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

Notice *(Contd.)*

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN ENSUING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2]

Name of the Director	**Mr. Salil Chaturvedi, Dy Managing Director**
Date of Birth	22nd April 1971
Date of first appointment	27th February 2012
Qualification	B. Sc
Shareholding of directors	Nil
Directors Inter-se relationship	Brother of Mr. Nikhil Chaturvedi, Managing Director
Years of experience	18+
No. of Board Meeting attended in FY	5
Area of expertise	Mr. Salil Chaturvedi is a Deputy Managing Director of the Company. He leads corporate strategy of the Company from a track record of spearheading successful business development across sectors. He is also responsible for the new asset class initiatives in the residential and commercial sectors
Other public limited companies* in which directorship held	a. Prozone Intu Properties Limited b. Provogue (India) Limited c. Brightland Developers Private Limited d. Provogue Personal Care Private Limited
Chairman/ member of Committees of Board of other Companies	**Prozone Intu Properties Limited** • Audit Committee – Member • Stakeholders Relationship Committee – Member **Provogue (India) Limited** • Stakeholders Relationship Committee – Member

Name of the Director	**Mr Punit Goenka, Independent Director**
Date of Birth	20th June 1975
Date of first appointment	20th April 2012
Date of appointment on Board as Independent Director	1st April 2014
Qualification	B.Com., Post Graduate in Management
Shareholding of directors	Nil
Directors Inter-se relationship	Nil
Years of experience	19
No. of Board Meeting attended in FY	5
Area of expertise	Mr. Goenka is the CEO & Managing Director of Zee Entertainment Enterprises Limited and manages one of India's most successful TV and Media businesses. He has an extensive and diversified background in the areas of media, entertainment and telecommunications across global markets. He brings a fresh and valuable contribution to the Board.

Notice *(Contd.)*

Public limited companies* in which directorship held	Zee Entertainment Enterprises Limited Zee Digital Convergence Limited Zee Turner Limited Prozone Intu Properties Limited
Chairman/ member of Committees of Board of Companies *	**Zee Entertainment Enterprises Limited** Stakeholders Relationship Committee – Member **Prozone Intu Properties Limited** Audit Committee – Member Stakeholders Relationship Committee – Member

* The details of Directorships as on 31st March 2018, in public Companies including private companies which are subsidiaries of public companies (excluding foreign and private companies) and details of memberships and chairmanships in Committees (includes only Audit Committee and Stakeholders' Relationship Committee)

By **Order of the Board of Directors**
Prozone Intu Properties Limited

Sd/-
Ajayendra P. Jain
CS & Chief Compliance Officer

Date: 29th May 2018
Place: Mumbai

Notice *(Contd.)*

Explanatory statement pursuant to section 102 of the Companies Act 2013

Mr Punit Goenka (DIN: 00031263) is an independent director of the Company and holds his office as an independent director up to 31st March 2019 (first term).

Pursuant to provisions of Section 149(10) of the Companies Act 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but he shall be eligible for re-appointment by passing a special resolution in General Meeting of members of the Company.

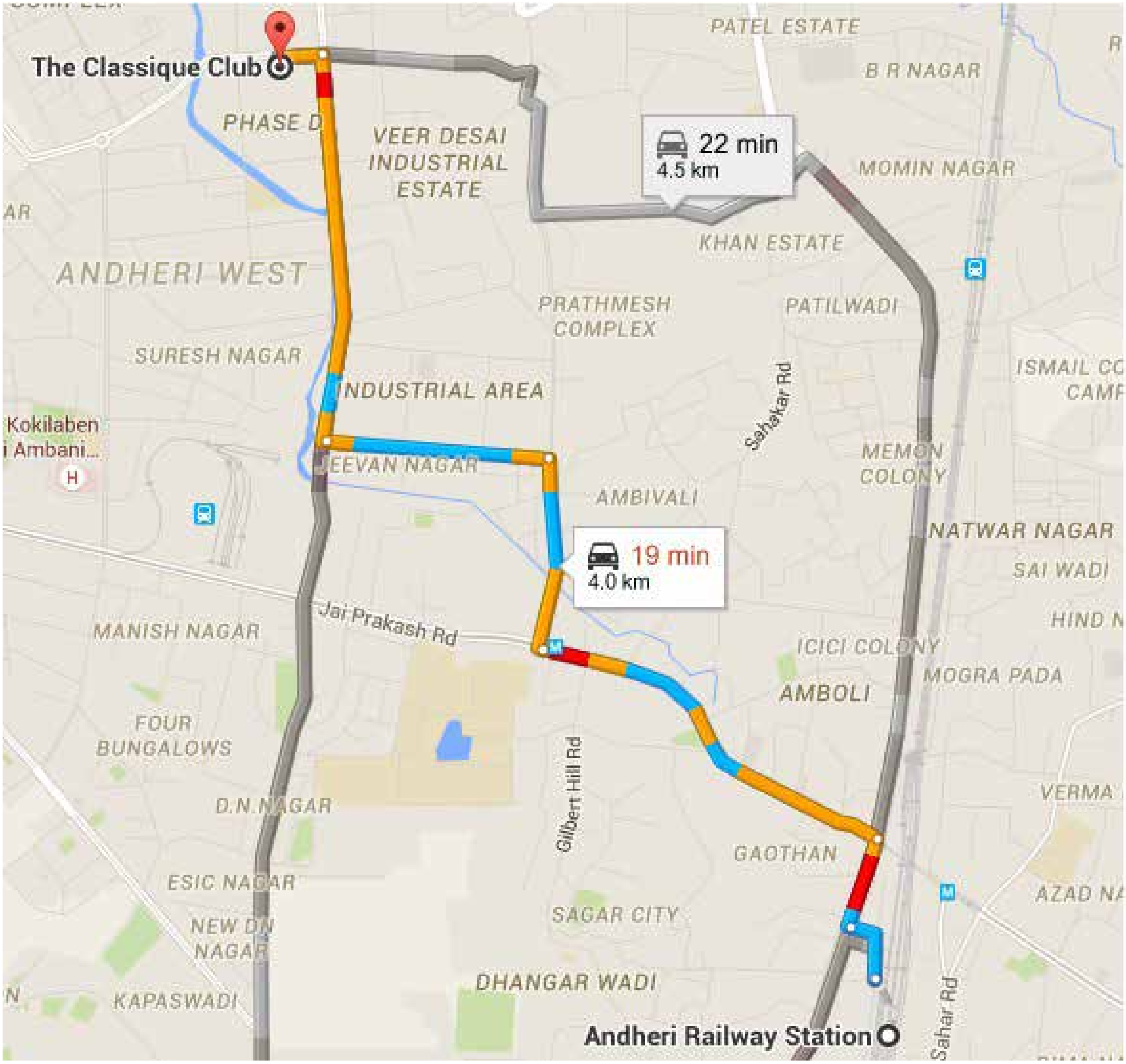
The Board based on the performance evaluation, is of view that given his background and experience and the valuable contribution made by him during his tenure, the continued association of Mr. Punit Goenka would be beneficial to the Company. Accordingly, the Board recommends to reappoint Mr Punit Goenka as an independent director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company with effect from 1st April 2019 to 31st March 2024 by passing a SPECIAL RESOLUTION.

By **Order of the Board of Directors**
Prozone Intu Properties Limited

Sd/-
Ajayendra P. Jain
CS & Chief Compliance Officer

Date: 29th May 2018
Place: Mumbai

ROUTE MAP TO THE VENUE OF THE AGM



FORM NO. MGT – 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PROZONE INTU PROPERTIES LIMITED
CIN: L45200MH2007PLC174147
Reg. Office: 105/106, Ground Floor, Dream Square, Dalia Industrial Estate, Off New Link Road, Andheri West, Mumbai – 400053.
Ph: +91-22-30653111 Fax: +91-22-30680570 Email: investorservice@prozoneintu.com
Website: www.prozoneintu.com

Name of the Member(s)	
Registered Address	
Folio No/Client id	
DP ID	
Email ID	

I/ We being the member(s) of ____________________shares of the above named Company, hereby appoint

1. Name : ____
   Address : ____
   E-mail Id : ____
   Signature : ____

or failing him/her

2. Name : ____
   Address : ____
   E-mail Id : ____
   Signature : ____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of members of the Company, to be held on Wednesday, 26th September 2018 at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West), Mumbai - 400053 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Description
1	To receive, consider and adopt the audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended 31st March 2018 including audited Balance Sheet as at 31st March, 2018 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.
2	To appoint a Director in place of **Mr. Salil Chaturvedi (DIN: 00004768)**, who retires by rotation and being eligible, offers himself for re-appointment.
3	To reappoint **Mr. Punit Goenka (DIN: 00031263)** as an Independent Director and in this regard, to pass the resolution as a Special Resolution:

Signed this ______________ day of ____________________ 2018.

____
Signature of Shareholder

Affix
Revenue
Stamp

____
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

PROZONE INTU PROPERTIES LIMITED
CIN: L45200MH2007PLC174147
Reg. Office: 105/106, Ground Floor, Dream Square, Dalia Industrial Estate, Off New Link Road, Andheri West, Mumbai – 400053.
Ph: +91-22-30653111 Fax: +91-22-30680570 Email: investorservice@prozoneintu.com
Website: www.prozoneintu.com

11th Annual General Meeting

ATTENDANCE SLIP

Folio/ DP & Client ID No. .... No. of shares held ....

Mr. / Ms./Mrs. ____

Address: ____

I hereby record my presence at the 11th Annual General Meeting of the Company held at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (W) Mumbai - 400 053 at 11.00 a.m. on Wednesday, 26th September 2018

(Proxy's Name in Block letters) ______________________________

____

(Member's /Proxy's Signature)

1. Strike out whichever is not applicable
2. Please fill in this Attendance Slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional Attendance Slip on request.

To,
Link Intime India Private Limited
Unit: Prozone Intu Properties Limited
C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083

Date : ....

Sub: Service of Documents through Electronic Mode (Registration Form Electronic Communication)

I, ... (name of first/individual shareholder) holding .... (no. of shares) equity shares vide folio no./DP & Client ID No. .... in the Company, would like to register below mentioned e-mail ID for receiving all the communications/ documents/notices/correspondences from the Company in electronic mode instead of getting physical copies of the same. Kindly register the same.

Thanking you,

Yours truly,
Name of Sole / First Holder ______________________________

Signature: ______________________________

Instruction for updating the KYC details of the shareholders holding shares in physical form

SEBI, vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018 & BSE, vide its Circular No. LIST/COMP/15/2018-19 dated 5th July 2018 have directed all the listed companies to record the PAN and Bank account details of all their shareholders and ***advise them to dematerialise their physical securities.***

Accordingly, your Company has initiated steps for registering the **PAN details** (including joint holders, if any) and the **BANK ACCOUNT** details of all the registered shareholders.

We would also like to register other KYC details such as specimen signature, email id, mobile number, and nomination. We request you to kindly fill in the details in the KYC form and forward the same along with all the supporting documents based on requirements considering the below mentioned points. Single copy of supporting document is sufficient for updating multiple subjects.

A. For updating PAN of the registered and/or joint shareholders :

- Self- attested legible copy of PAN card

B. For updating Bank Account details of the registered shareholder:

1. In cases wherein the original cancelled cheque leaf has the shareholder's name printed

- For address proof : Self- attested legible copy of Aadhaar/passport/utility bill (not older than 3 months)
- Original cancelled cheque leaf containing the Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code and the name of the shareholder printed on the cheque leaf.

OR

2. In cases wherein the cancelled cheque leaf does NOT contain the shareholder's name printed on it

- For address proof : Self- attested legible copy of Aadhaar/passport/utility bill (not older than 3 months).
- Original cancelled cheque leaf containing the details, Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code.
- Legible copy of the bank passbook / bank statement specifying the KYC details of the registered shareholder such as the name, address, bank account number etc. duly attested by the officer of the same bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.

C. For updating the Specimen signatures of the registered and/or joint shareholders:

- Affidavit duly notarised on non-judicial stamp paper of Rs. 100/- (format available on RTA's website www.linkintime.co.in under Resources-Download-General-Change of Signature- Affidavit for change of signature).
- Banker's verification (format available on RTA's website www.linkintime.co.in under Resources-Download-General-Change of Signature format for signature verification)
- Original cancelled cheque containing the details, Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code and the name of the shareholder printed on the cheque leaf.
- If the cancelled cheque leaf does not contain shareholder's name - legible copy of the bank passbook / bank statement specifying the KYC details of the registered shareholder such as the name, address, bank account number etc. duly attested by the officer of the same Bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.

D. For registering Email id of registered shareholder:

Email-id of the registered shareholder to be mentioned in the KYC form attached for all future communication in electronic mode (Go Green Initiative).

E. For registering Mobile No. of registered shareholder:

Mobile no. of registered shareholder for future direct communication.

F. For registering Nominee by the registered shareholder (if any):

Nomination (Form SH-13) is available on the website of the RTA's website www.linkintime.co.in under Resources-Downloads-General- Nomination.

You are requested to kindly forward the KYC form duly filled in, along with copies of supporting documents for all the "Required" remarks to the Registrar and Transfer Agents of the Company, 'Link Intime India Pvt. Ltd' at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Tel. +91 22 49186270; Fax: +91 22 49186000. As per SEBI directive, enhanced due diligence procedure will be applicable if KYC requirements mentioned above are not fulfilled.

KYC FORM

To
Link Intime India Pvt. Ltd
Unit: Prozone Intu Properties Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083

Date: __//__//______

Folio No: _____________
No. of Shares:_____________

Dear Sir Madam,
We refer to the KYC documents status requirement as mentioned in the below table:

Name of the shareholder(s)	**PAN (A)**	**Bank details (B)**	**Specimen Signature (C)**	**Email ID (D)**	**Mobile No. (E)**	**Nominee Details (F)**	
Registered Holder		Required	Required	Required	Required	Required	Required
1st Joint Holder		Required	N.A.	Required	N.A.	Not Applicable	Not Applicable
2nd Joint Holder		Required	Not Applicable	Required	Not Applicable	Not Applicable	Not Applicable
3rd Joint Holder		Required	Not Applicable	Required	Not Applicable	Not Applicable	Not Applicable

We are forwarding herewith the required supporting documents by ticking in the appropriate checkbox below for all the fields where the status is shown as 'Required' in the above table.

A. For registering PAN of the registered and/or joint shareholders (as applicable)

☐ Registered shareholder ☐ Joint holder 1 ☐ Joint holder 2 ☐ Joint holder 3

(self-attested copy for all Shareholders attached)

B. For registering Bank details of the registered shareholder

☐ Aadhar/Passport/utility bill ☐ Original cancelled cheque leaf ☐ Bank Passbook/Bank Statement

C. For registering the Specimen Signature of registered and/or joint shareholders (as applicable

☐ Affidavit ☐ Bank Verification ☐ Original cancelled cheque leaf ☐ Bank Passbook/Bank Statement

(for all Shareholders attached)

D. For Updating the email id : ____

E. Mobile No. ☐☐☐☐☐☐☐☐☐☐

F. For registering the nominee details by the registered shareholder

☐ Form SH-13 (Nomination registration form attached)

Note:- For residents of Sikkim instead of PAN provide Aadhar Card/Voter ID /Driving License/Passport or any other identity proof issued by Govt.

I/We hereby state that the above-mentioned details are true and correct and we consent towards updating the particulars based on the self-attested copies of the documents enclosed with this letter by affixing my/our signature(s) to it.

Sign: _______________	Sign: _______________	Sign: _______________	Sign: _____________
Registered holder	Joint holder 1	Joint holder 2	Joint holder 3

Name & Address of the Registered Shareholder

Name : Mr/Ms/Mrs____
Address : ____
____
____
City ______________________ PIN ______________________

prozone intu

Registered Office

Prozone Intu Properties Limited
105/106, Ground Floor, Dream Square,
Dalia Industrial Estate, Off New Link
Road, Andheri West, Mumbai – 400053.

CIN: L45200MH2007PLC174147

www.prozoneintu.com

investorservice@prozoneintu.com

dickenson www.dickensonworld.com