

## Places that bring joy.



Places that  
**bring joy.**



Prozone Intu Properties Limited

Annual Report 2018-19



View Online:

<http://www.prozoneintu.com>



Over the years, we harboured a vision to provide vast shopping malls in emerging cities that lacked large common spaces for recreation. We decided to create iconic destinations with world-class ambiances that are friendly, relaxing and inviting - and that could serve much more than the basic needs for shopping, entertainment and dining.

We developed a vision to create places that people would love to come to, spend their day, and would want to come back again, very soon. We began the journey of building places that bring joy.

Today, our Prozone Intu malls are the incarnation of our vision, and are designed to cater to the diverse needs of a visitor. They are not just about being a place where trade takes place between a brand and a consumer. In fact, they are also designed around the things that we as human beings like to do to 'enjoy' life. At a Prozone Intu mall, we offer a bouquet of value propositions to our customers - value for time, quality, experience, money and enjoyment.

By design, our malls provide a wholesome experience. To achieve this, we have been judicious in selecting a diverse, yet trending mix of brands to populate our galleries. Most importantly, we engaged with our brands and occupiers as our partners, to help them be successful. To make our malls flourish, we have been very sensitive to our tenants' needs and have regularly worked with them to ensure optimal footfall flow into their stores.

Going forward, at Prozone Intu, we have a long-term vision to become one of India's major multi-city, retail-lead real estate company. With a healthy pipeline of mall projects coming up, we are looking forward to expanding our operations in other territories of India. As we move ahead, we plan to leverage on our mixed-use strategy and create additional value around all our land parcels to deliver affordable luxury living and high-quality experience in and around our malls. In doing so, we intend to be an endearing long-term value creator for our stakeholders.



# Contents

## About Us

Corporate Information	03
At a Glance	04
Message from the Managing Director	06
Message from Deputy Managing Director	08
Key Performance Highlights	10
Our Asset Summary	11

## Features

Configuring residential formats to make luxury more affordable	12
Making shopping at our malls fun and exciting	14
Fostering strong relationships with leading brands and retailers	16

## Reports

Management Discussion & Analysis	18
Directors' Report	28
Corporate Governance Report	54

## Financials

Financials - Standalone	70
Financials - Consolidated	126
Notice	184
Proxy Form	197
Attendance Slip	199
KYC For Physical Shareholders	201

04

At a Glance



11

Our Asset Summary



14

Making shopping at our malls fun and exciting



# 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. Umesh Kumar**

*Independent 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*

*PNB Housing Finance Limited*

## Registered Office

**Prozone Intu Properties Limited**

*105/106, Ground Floor, Dream Square,  
Dalia Industrial Estate, Off New Link Road,*

*Andheri (West), Mumbai 400 053 India*

*Phone: +91-22-68239000/9001,*

*Email ID: investorservice@prozoneintu.com*

*Website: www.prozoneintu.com*

*CIN: L45200MH2007PLC174147*

*ISIN: INE195N01013*

*GSTIN: 27AADCC2086L1ZG*

## Registrar and Share Transfer Agent

**Link Intime India Private Limited**

*C-101, 247 Park, L.B.S. Marg*

*Vikhroli (W), Mumbai – 400 078*

*Phone: +91-22- 49186000,*

*Fax: +91-22- 49186060*

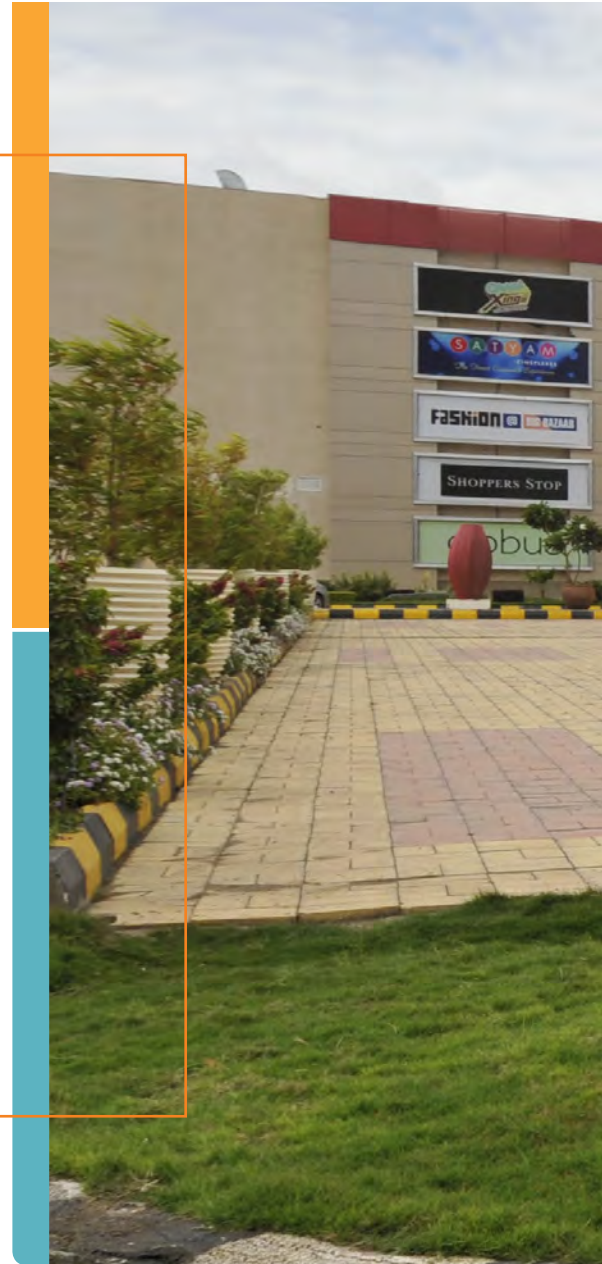
*Email id : rnt.helpdesk@linkintime.co.in*

*Website : www.linkintime.co.in*

## At a Glance

At Prozone Intu, we create, develop and manage world-class regional shopping centres and associated mixed-use developments across India. We harness the domain expertise and ingrained experience of Intu Properties Plc, UK's largest retail real estate developer, combined with an in-depth knowledge of the Indian markets.

Our business strategy is to acquire and develop land parcels in both high-growth emerging city corridors and mature Tier I cities, with a focus on mixed-use development. Our goal is to capitalise on the rising consumption of India by building and operating iconic multi-purpose leisure destinations.



# 90+

Team Size

# 2.2 Mn Sq.ft.

Projects Developed

# 2.0 Mn Sq.ft.

Projects Under Development





### Pedigree

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 9 billion pounds. It enjoys more than 22 mn sq.ft. of retail space and 400 million customer visits a year.



### Presence

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 and manager of high quality shopping centers in emerging urban cities pan-India, incorporating mixed-use developments to facilitate the business model.

# 100+

Leading Brands in Our Malls

# Message from the Managing Director

“

As we progress into the phase of consistent profitable growth and sustained value creation, we stand at the tipping point of becoming a significant and enduring player in the retail, commercial and residential realty space.



35%

3 years' CAGR growth in Total Revenue

120%

3 years' CAGR growth in EBITDA

46%

Growth in the footfalls of our Aurangabad mall

## Dear Shareholders,

It is my pleasure to share with you our annual review and highlight the key fundamentals of our current business plan that I believe will bolster your Company's fortunes.

FY2019 was an exciting year for Prozone Intu. In terms of our retail portfolio, both the malls have become intrinsic features of their respective markets, and have shown steady improvements across operational parameters. The growing acceptance of our malls as leading destinations on consumers' calendars underscores our confidence in the rising consumption levels across emerging Tier 1 cities. Our

confidence is further supported by the fact that there has been a substantial uptick in the footfalls at each of our malls. The footfalls in our Aurangabad mall grew by 46% YoY, while footfalls in our Coimbatore Mall, which is still relatively young, more than doubled on a YoY basis, crossing 68 Lakh in by FYE2019.

## Macro Scenario

In the real estate sector, RERA has moved through the legislative contours and has become an entrenched and widely conformed to regulation. The effects of RERA can be seen not only on the developer's community but also on all the stakeholders in the sector. While the advent of the Act created a furore with some developers, by and large the developer fraternity has embraced the change. Organisations such as CREDAI, NAREDCO, FICCI, among others, have



constantly worked with the developers and have created awareness about the long-term benefits of RERA.

As the organised retail industry is witnessing steady and continuous growth, India has emerged to become one of the most desirable retail destinations for many leading brands across the world. Over the past ten years or so, retail in India has seen many domestic and global companies have been building a presence strategy into possibly the most promising consumer opportunity around the world. As the Industry today stands on the cusp of a new future, driven by growing consumption; improving infrastructure and supportive regulation; retailers are still very bullish about growth prospects in India and several of them are indeed delivering double-digit growth.

## Our Financial Scorecard

For FY2019, we are pleased to inform you that we reported annual revenue growth of 23% at ₹ 1,182 million as against ₹ 961 million in the previous financial year. We also produced a remarkable EBITDA of ₹ 761 million with an EBITDA margin of 57%. The Company maintained a healthy balance sheet, with low leverage at a Debt/Equity ratio of 0.67x on a consolidated basis by FYE2019. Our numbers reflect our prudent control on costs and improved operational efficiencies achieved during the year.

## Our Strategic Initiatives in FY2019

Our focus remains clearly on the execution of the existing asset pipeline. We look forward to an eventful year ahead, defined by the monetisation of some of our remaining projects and additions to our asset base that will build an even stronger business portfolio.

At our Aurangabad mall, we churned some of the slow-performing brands and introduced newer ones that brought freshness to the centre. While we are focusing on the rejuvenation

of the Aurangabad mall and further enhancing its operational efficiencies, at Coimbatore, the key focus has been to grow footfalls to a relatively young mall. I am glad to see that the footfalls at our Coimbatore centre has grown notably since we opened our mall in FY2018. In addition to this, the reviews from customers and tenants have also been positive and highly encouraging.

With regards to our residential portfolio, we are at the final stages of the project completion in Nagpur. We expect to start issuing residential possession to buyers in the next four to six months. Moreover, we have also applied for Phase 2 and are in the process of getting the required approvals. Phase 2 will have around 350 apartments and the sale of these apartments will be executed depending on the demand for the property.

In phase 2, we have implemented necessary changes in the size of our apartments to attract consumers. The two factors driving sales of small-sized residences are the current level of interest that people have in smaller houses and the overall costing. For our Coimbatore residential project, the construction has already started. On a positive note, having received the confirmation from RERA, we are now in a position to take this forward.

Our commercial office space in Aurangabad has become operational and multiple buyers have already taken possession for fit-outs. We also have some enterprises already operating their offices from the building. We expect the occupancy in this space to improve as we plan to relaunch the balance units with improved pricing.

While these actions are in play, we continue to keep a close watch on managing 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. As we look to new opportunities in the future, our balance sheet strength

provides us a good headroom to raise capital as and when we need it.

## Going Forward

As we move ahead, we are planning to initiate Nagpur retail project in the financial year 2020. We are adopting latest construction technology so that we can build at a faster rate and operationalise it more rapidly than before. We have launched our scheme for large anchor tenants and have already started leasing to them.

Going forward, I see our mall assets and residential projects stabilising in terms of operations, construction and sales. India's strong consumption story and an insatiable demand for value homes will keep our story exciting and full of promise. With a strong balance sheet, prime operating assets and an excellent portfolio on valuable land banks, we are confident of being a sustainable and rewarding company.

My sincere thanks go to our Board and our strategic investors who share a common vision for the business and whose continued support is greatly appreciated. I'm also proud of our employees throughout the company for their consistent teamwork to achieve our goals.

Sincerely,

**Nikhil Chaturvedi**  
Managing Director

# Message from the Deputy Managing Director

## 37%

3 years' CAGR growth in Revenue from Operations

## 55%

3 years' CAGR growth in Income from Mall Projects

## 187%

Increase in the footfalls in our Coimbatore mall in FY2019

### *Dear Shareholders,*

I am pleased to report the performance for Prozone Intu for the financial year 2019. Our goal has always been to create a high-quality real estate business that can consistently deliver healthy returns. To this end, we have successfully grown our presence in our chosen emerging Tier I catchment areas, which have helped us to mark our goal posts for planning our future developments. While we have done especially well on our annuity earning assets, such as our malls and commercial properties, we are in the residential space in terms of our stated plans due to a slowdown in the real estate sector on the back of market conditions. We understand that it is the combination of timely project completion and sustained launches that translate into sustainable revenue growth. With this at the top of our minds, we have been focusing on developing our current and new projects with better predictability.

### **Our Retail Assets**

Our malls have been witnessing steadily improving operating performance. Our new Coimbatore mall has now been 89% leased, while our larger and more mature mall at Aurangabad was 81% occupied by the end of FY2019. In addition to that, we have also inducted new major brands across both our malls. The footfalls in our Coimbatore mall and Aurangabad mall has increased by 187% and 46% respectively on a year-on-year basis. Both

malls are showing their iconic traits within the cities they are home to.

In Aurangabad, we have strategically churned out many of the weak performing brands, which will give us the free space to bring in superior brands within the next 18 months. With ample interest in our malls by leading brands, we feel confident to improve our occupancy levels significantly. With respect to assets, we continue to pursue exciting projects in our pipeline and expect them to progress forward through FY2020.

### **Achievement in FY2019**

FY2019 was a remarkable year in terms of recognition. I am pleased to inform you that our Coimbatore mall was awarded the Pride of Coimbatore Awards 2019 for – the “Shopping Centre of the Year” and the “Best Round the Year Marketing”. Both of our malls have also bagged the ET Global Award for Retail Excellence. The Coimbatore mall has also been awarded the “IMAGES Most Admired Shopping Centre Launch of the Year”. These awards and accolades are a testimony to our strong foundation that we have built over the years.

### **Going Forward**

For the times ahead, we are increasingly better prepared to enable us to produce sustainable growth. We possess strong intellectual and execution capabilities and an under-leveraged balance sheet to capitalise on the evolving opportunities in attractive destinations.

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 a benchmark for the industry.

### **In Appreciation**

I'm proud of our experienced and well-qualified professional teams in architecture, engineering, construction, project supervision, finance and

accounting, marketing and sales. This strong in-house management backbone works with renowned consultants and contractors with proven track records to deliver and manage the quality, scheduling, and cost of materials suited to our business.

Finally, I want to thank you, our shareholders, for your continued support. FY2020 will be the year we begin to see our investments bear fruit. After the hard work of over a decade, together we are ready to see the benefits of the sound business model and well-planned strategies that we've put in place.

Sincerely,

**Salil Chaturvedi**  
*Dy. Managing Director*



“

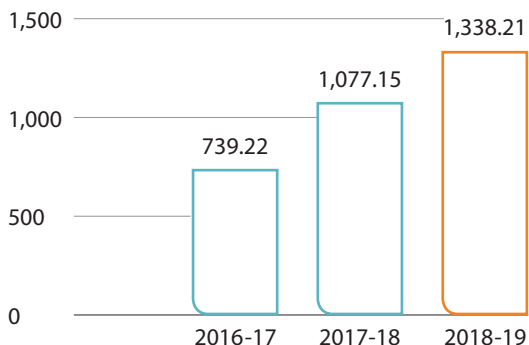
We are among the select group of focused retail realty players with robust financial position having low leverage. With all land parcels being fully paid up and debt-free, we have the freedom to focus on project execution and capitalising on future growth opportunities.



# Key Performance Highlights

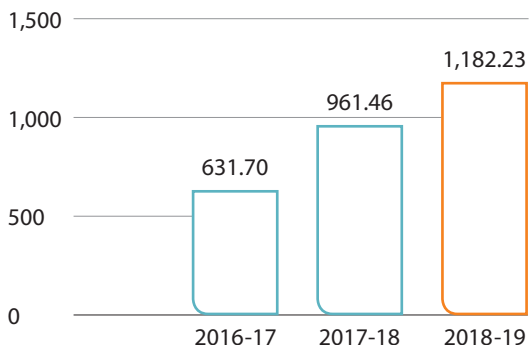
**Total Revenue** (₹million)

**CAGR : 35%**



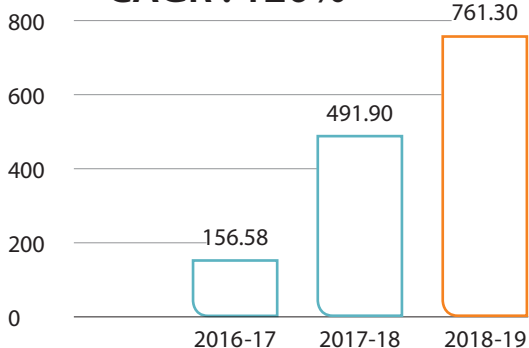
**Revenue from Operations** (₹million)

**CAGR : 37%**



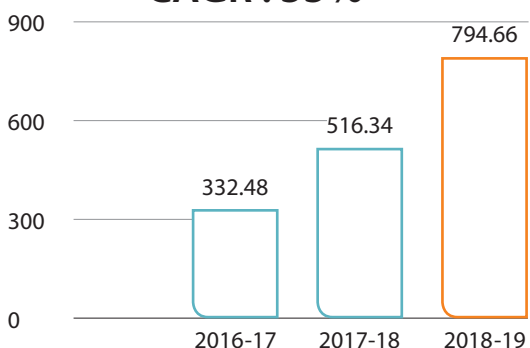
**EBITDA** (₹million)

**CAGR : 120%**

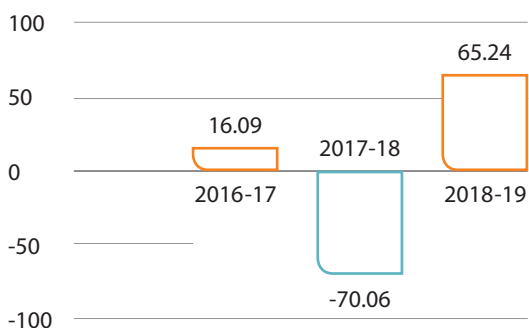


**Income from Mall Project** (₹million)

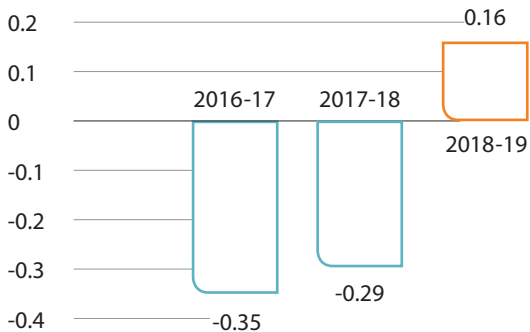
**CAGR : 55%**



**Profit After Tax** (₹million)



**Earnings per Share** (₹ per share)



# Our Asset Summary



**Aurangabad**

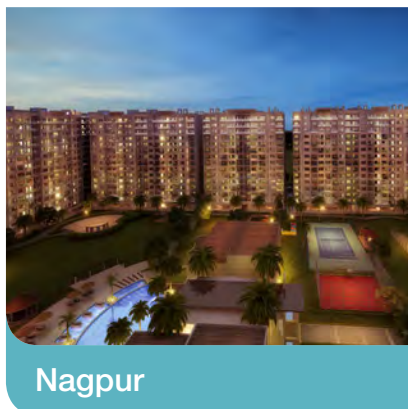
## Retail

### Aurangabad Mall

- ❖ Gross leased area of 0.7 mn sq ft with 80% leased out space
- ❖ House of 110+ brands, including F&B segment

## Commercial

- ❖ Overall 190,528 sq.ft. of Commercial Area launched in Phase 1 and 76% has been sold out
- ❖ OC obtained in Q2 FY2019



**Nagpur**

## Residential

- ❖ Project complied with RERA requirement
- ❖ 336 units will be delivered under the project with revenue recognition in a phased manner
- ❖ Phasewise completion of towers starting from Q3 FY2020

## Retail

- ❖ Finalised the retail design and approvals have been applied



**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 is already started



**Indore**

## Residential

- ❖ Construction of sales office and site infrastructure completed, club house work is in progress

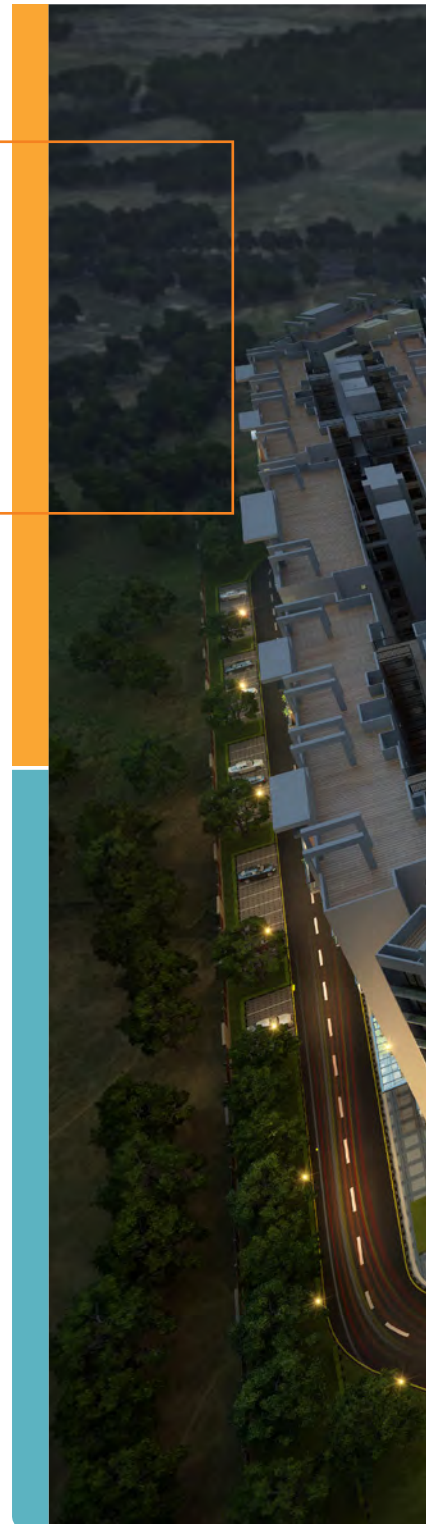
## Configuring residential formats to make luxury more affordable

In a frugal and savings driven economy, which is experiencing extensive urbanisation, the decision to buy homes, as a key to a safe and secure future, is increasingly subject to more conservative mindsets and more prudent lending norms. This necessarily means that we face the challenge of supplying luxury living that is more affordable and more financeable.

Today, at Prozone Intu, we have significant land banks across emerging Tier 1 cities of India. Sensitive to the climate of the marketplace, we have strategically configuring our residential master and floor plans to meet the needs of the dynamic economic landscape of India. With an increasing number of nuclear families flocking to urban centres, there is an urgent demand for smaller, more reasonably priced homes that still promise a luxurious lifestyle.

# 330+

Homes sold in by Prozone Intu till date







Towards this end, we are planning our projects with 'right-sized' apartments, aligning them both financially and quality-wise to the interests of an aspiring population. Driven by an increasing preference for smaller homes and cost structure, we are repositioning our residential schemes and making homes fall within the reach of most middle-class Indian families. Our new residential configuration are more suitably aligned with our mission to create aspirational living environments with affordable luxury. Our goal is to successfully deliver a gated community environment, with traffic-free landscape, uninterrupted views, privacy and a safe and secure environment for the family.

## Making shopping at our malls fun and exciting

We work with great energy to make every day at a Prozone Intu mall nothing less than a theatrical extravaganza. Our purpose is to make sure that our audience go home with unforgettable memories that make them want to keep returning.

We have consistently invested in the Prozone Intu brand to ensure that every aspect of our malls — from their locations to their ambiance — add value to the aura of any event. Our malls have unfailingly proven to be the destinations for people to congregate and engage as a community. Our idea of creating a compelling destination includes exciting events; positive interactions with our visitors; access to the best retail; and leisure – elements that together create a sense of enjoyment and belonging.

Over the years, we have been putting up numerous entertainment events to deliver a memorable time to our customers at our malls. We work towards creating remarkable retail and leisure experiences that make our malls into places that people love and would want to keep coming back to frequently. Ultimately, we operate our malls to be experiential centres that make shopping more enjoyable.

₹5 Billion

Consumption at our malls in FY2019





At a more intrinsic level, we continuously work towards making our malls more enjoyable by judiciously churning the right brand mix, offering exciting F&B options, having luxurious movie watching theatres and creating inviting and dynamic ambiances in our common areas. Going forward, we are continuously focused on widening our consumers' expectations when it comes to defining their experience at a Prozone Intu mall.





## Fostering strong relationships with leading brands and retailers





For Prozone Intu, building a long-lasting partnership with each retailer has been a key factor that drive success in our business.

The secret to successful malls is having the right mix of brands; outstanding ambiance and compelling consumer engagement activities. But the most important element that makes a mall operationally successful is the strong relationships it has with the top brand retailers.

Through our journey over the past few years, we have developed a deep understanding of Indian consumers and their evolving brand preferences. With this business intelligence in our arsenal, we work diligently to offer our consumers with the best-in-class experience. To this end, we have successfully attracted superior retailers with recognised and

globally appreciated brands. This strategy has uplifted the profile of our malls, leading to a steady growth in consumption across all categories.

Operating since October 2010, today our Aurangabad mall is home to 115 retailers of leading brands. It has become an iconic landmark within the city and has witnessed healthy rental income and improved footfalls over the years. Likewise, our Coimbatore mall, which commenced its operations in July 2017, is already home to 110 leading brands and is quickly ramping up in terms of footfalls and consumption.

As we move ahead, our vision is to stay connected with the best domestic and international brands so that we can deliver quality retail experiences to our customers. We are strategically reevaluating the types of brands and stores that our consumers will respond best to. With the right mix of brands and our growing relationship with leading retailers, we believe that Prozone Intu is well-placed to deliver exceptional customer experiences.

# 110+

Leading brands operating in our Aurangabad mall



# Management Discussion & Analysis



## Global Economic Overview

Global Economic growth is projected to remain at 3% in the coming financial year. However, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world, according to the World Economic Situation and Prospects 2019. The global economy is facing a confluence of risks, which could disturb economic activity and inflict significant damage to long-term development prospects. These risks include escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks.


## Indian Economic Overview

India has emerged as the fastest-growing major economy and is expected to be one of the top three economic powers of

the world over the next 10-15 years, led by its stable democracy and burgeoning population. India's real Gross Domestic Product (GDP) at constant (2011-12) prices in the year 2018-19 is estimated at ₹ 1,40,780 billion, showing a growth rate of 6.81%. The nominal GDP for 2018-19 is estimated at ₹ 1,90,100 billion, with a growth rate of 11.20% against ₹ 1,70,950 billion for 2017-18. With an accelerating growth rate, India has retained its position as the third largest start-up base in the world with over 4,750 technology start-ups. Its labour force is anticipated to touch 160-170 million by 2020, helped by an increase in the rate of population growth; a more substantial labour force participation; and higher education enrolment; amongst other factors, according to a study by The Associated Chambers of Commerce of India (ASSOCHAM). The interim Union Budget for 2019-20, announced on 1<sup>st</sup> February

# 6.81%

Growth in India's GDP in FY2019

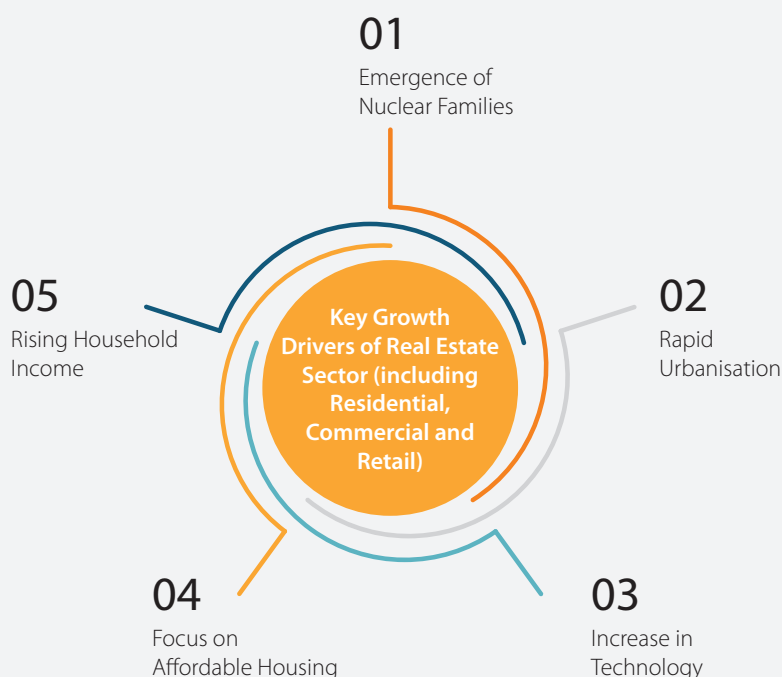


Surrounding the idea of consumption, we have built malls that provide a wholesome experience and create a multiplier effect on convenience, joy and consumption.

2019, focuses on supporting farmers, economically less privileged population, workers in the unorganised sector, and salaried employees, while continuing the Government of India's focus on better physical and social infrastructure.

### Industry Overview

The implementation of the Real Estate Regulation Act (RERA) to a mostly unregulated sector bolstered confidence assuring a promising future for the real estate sector. A rise in construction activity, especially with a push for affordable housing and infrastructure growth, hints at the revival of India's real estate sector. According to the India Brand Equity Foundation's (IBEF) June 2019 report, the real estate sector in India is expected to surpass US\$ 1 trillion by 2030, and contribute 13% to the country's GDP by 2025.





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

US\$ 1.3 Trillion

Projected growth in the retail real estate sector by 2020

With a simplified tax structure and increased compliance, RERA has injected some much-needed transparency and accountability into the sector. On the other hand, the new GST rate cut applicable from FY2019 is poised to ease the sector woes, thereby boosting housing demand. According to CBRE, the real estate sector will add nearly 200 million sq.ft. of space by 2019 across all segments, including housing, office, retail and logistics

### Retail Real Estate: A Snapshot

In 2018, the retail sector emerged as one of the most vibrant and fast-paced real estate sectors in India. According to IIFL's Retail Real Estate: Review of 2018 and Predictions for 2019, the sector is now projected to grow from US\$ 672 billion in 2017 to US\$ 1.3 trillion in 2020. One of the most evident measures of growth is the increasing focus on the retail sector by private equity (PE) players, who invested close to US\$ 300 million in Indian retail in the first half of 2018. As per industry estimates, the market size of Tier II and Tier III cities is expected to grow from the current US\$ 5.7 billion to US\$ 80 billion by 2026. India's Tier II and Tier III cities are well-set to be the growth engines of the country's retail future, and mall developers, as well as retailers, are actively looking to expand in these areas.

Over the last decade, the notion of shopping has experienced a transformation in terms of format and consumer's buying behaviour,

accompanying an era of modern retail habits across the country. Today, Indian retail is at an exciting juncture. With the evolution of newer avenues for conducting business, retailers are at the forefront of making most of the opportunities. Leveraged by the development, augmentation and modernisation of infrastructure in major Indian cities, the scope of retail has increased in the economy.

### Residential Real Estate: Snapshot

Developers have successfully sailed through the structural policies reforms of RERA and GST by focussing on executing the delivery of their existing projects. According to Jones Lang Lasalle (JLL), the new launches in the residential segment has revived and surpassed 175,000 (68% YoY) in 2018. Developers have grabbed on to the support of government incentives and have aligned themselves by seizing the opportunities available in affordable

and mid-segment housing. Additionally, developers and investors have allocated US\$ 1.6 billion to the affordable segment, which signifies the importance of the new segment to the real estate sector.

The government has also extended the credit-linked subsidy scheme till FY2020, providing interest subsidies on home loans for Economically Weaker Section (EWS), Low Income Group (LIG) and Middle-Income Group (MIG) under the Pradhan Mantri Awas Yojana. This scheme has unambiguously defined housing units within ₹ 45 lakh as affordable housing, increasing the size and scope of the segment and thereby, bolstering overall demand.

The new evolving segments like student housing and co-living too are attracting investors interest. These models hold significant potential as the developers are looking forward to tapping the millennial population of over 400 million.



The residential real estate segment seems to be in a recovery phase with the emergence of student housing and co-living, coupled with an increased number of buyers eligible to benefit from home loan subsidies and marginal GST rates.

### Commercial Real Estate: Snapshot

The Commercial Real Estate sector is witnessing developing trends, which are prospects that businesses could adopt and leveraging for their advantage. According to India Real Estate – Knight Frank Report, office space development gained momentum during 2018 as the supply increased by 13% YoY to 36.9 million sq.ft., the highest YoY increase in this decade. In addition to this, the BFSI sector observed the majority increase in their transactions' share, driven by payment gateway companies taking up spaces, especially in Bengaluru. Furthermore, the co-working spaces concept is gaining prominence in India.

The developers are propelled to build quality offices owing to structural reforms and a refined framework for establishing Real Estate Investment Trusts (REITs). The introduction of REITs is poised to shrink the financial deficit in the real estate sector. REITs have opened the market for retail and High Networth Individual (HNI) investors due to higher returns and better capital appreciation prospect. REITs have also witnessed increasing demand from manufacturing and IT-related institutions, owing to better pricing and growth opportunities. According to Colliers International, the annual average for the new demand for office space across India will surpass 46 million sq.ft. by 2021. The future of the commercial real estate sector looks promising with REITs and a renewed interest from the industrial and service sectors.

## Company Overview

### About Prozone Intu

Prozone Intu Properties Limited is a focused retail-led and residential mixed-use real estate development Company. It is harnessing the domain expertise and ingrained experience of Intu Properties Plc, UK's largest retail real estate developer, combined with promoters in-depth

Driven by an increasing preference for smaller homes and cost structure, we are repositioning our residential schemes and making homes fall within the reach of most middle-class Indian families.

knowledge of the Indian markets. The Company has a strong focus in tier II and III cities in India.

Intu Properties Plc. is a Financial Times Stock Exchange (FTSE) company listed in the UK, owning and managing assets worth more than GBP 9 billion. It is the 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 approximately 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 its vast experience in successfully operating and creating value-generating realty assets in the UK. The partnership results into sharing of valuable knowledge inputs and guidance in carrying out the business and executing the projects effectively and efficiently

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 already 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 0.5 million sq.ft. of retail assets and monetise 1.5 million sq.ft. of mixed-use assets, with a balance of 13.5 million sq.ft. for future development.

### Our Long-term Competitive Advantages

Prozone believes that its competitive advantages help it to stand out as an established real estate company in the marketplace. It also helps the Company to create long-term value for its customers and investors. Its sustainable competitive advantages are listed below:

#### Experienced Partners and Strong 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 9 billion. Remarkably, 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 members onto the Board of Prozone Intu Properties Limited. This appointment allows the Company to harness more than three decades of their invaluable experience across real estate sectors. The presence of such established

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

board members as business partners is vitally important to the Company. Their valuable strategic inputs and guidance benefits and inspires the Company to persevere steadily, 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.

### Wholly Owned 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, enabling us in creating value for all the stakeholders.

It has also received investments from major institutional investors, including the Triangle Fund anchored by Old Mutual Group, South Africa, who has 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.

### Robust Financial Position with Low Leverage

As of 31<sup>st</sup> March 2019, the Company has a healthy balance sheet with low leverage of 0.67x. With all land parcels being fully

paid up and debt-free, the Company has only LRD debt on its 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.

### Far-reaching Association with Leading National and International Retail Brands

The existing strong association with leading national and international brands helps the Company to continue to develop retail centres in the future. At the Prozone Mall in Aurangabad, there are 13 anchor tenants and approximately 113 stores currently operational. These include Shoppers Stop, Croma, Globus, Pantaloon, Big Bazaar, Reliance Trendz, Reliance Digital, Inox Multiplex, Max, Hometown, H&M and M&S amongst others. The Prozone Mall at Coimbatore has seen reliable traction with various international and national brands such as H&M, Lifestyles, Hamleys, Pantaloons, Unlimited, Westside, Fun unlimited, Max, Fashion Big Bazaar, Reliance Trendz, Inox multiplex, SPAR and Reliance Digital, who are the anchor brands at the mall. With addition of Croma and Zudio, Coimbatore mall now has an association of 14 anchor tenants and about 110 operation stores.

## Our Business Model

### Business Strategy

Our business strategy is to acquire and develop large land parcels at select locations in 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'. Our 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 are developed from a 'Build & Sell' perspective, as it enables the Company to generate steady free cash flows. This perspective further facilitates the Retail 'Build & Lease' model, which results in Debt-Free Annuity Assets and free cash flows for future developments.

### Mall Development Strategy

For our Retail Assets, our focus is to build regionally dominant shopping and leisure destinations. Our partners, Intu Properties, brings on board over 36 years of invaluable experience in design and mall management capabilities. We design our shopping centres on a Ground+1 floor horizontal model with a racetrack circulation. We build reliable supporting infrastructure, such as large and modern parking spaces to cater to future growth. Also, our focus is to place the right tenant mix with the right category mix to augment overall consumption for local consumer communities.

### Residential Projects Strategy

For the residential projects, the Company is constructing its new properties in strategic phases that are working capital efficient. It is adopting advanced construction technologies in order to speed up the turnaround time to completion. The Company has also reconfigured its new residential floor plans to make luxury housing more affordable and mortgage friendly.

We work towards creating remarkable retail and leisure experiences that make our malls into places that people love and would want to keep coming back to frequently.

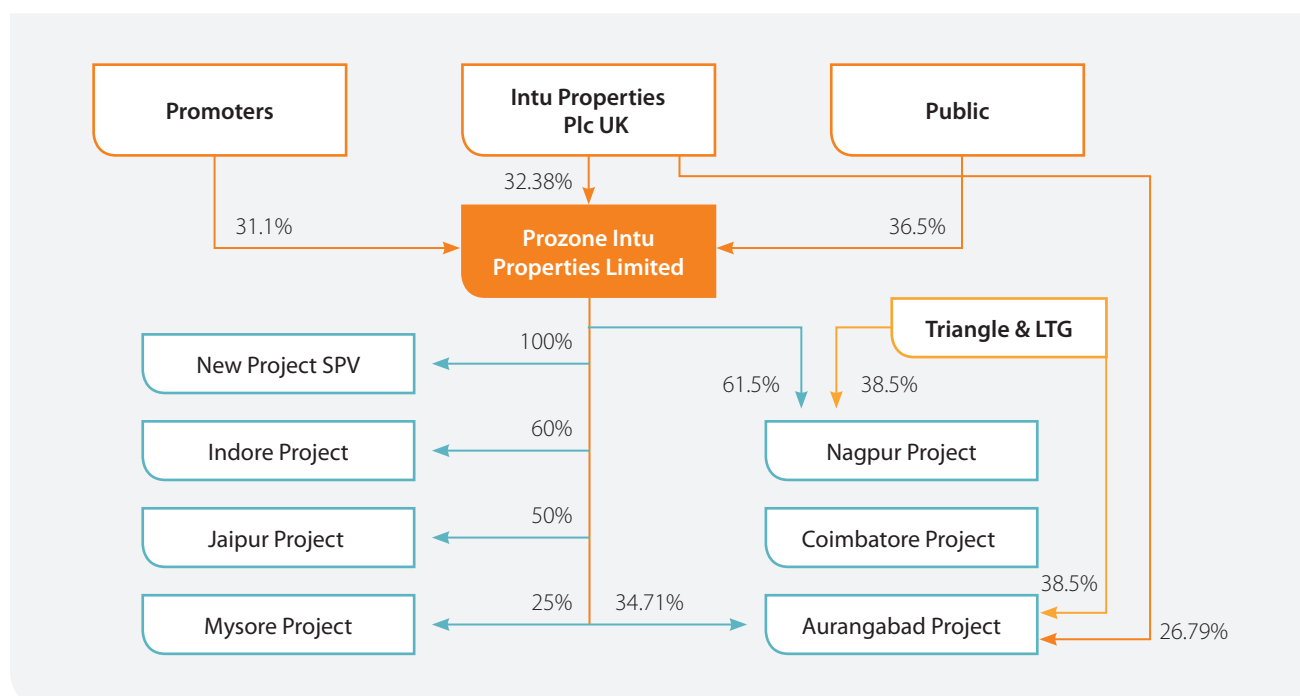
## Understanding Our Business Model



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

## 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:





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

### Segment Wise Performance – Project Portfolio Summary

SPV	Residential	Commercial	Retail
 <p><b>Aurangabad</b> Ownership - 34.71%</p>		<p><b>PTC PhaWse 1</b></p> <ul style="list-style-type: none"> <li>❖ Launched PTC Phase 1 - 117 units (190,528 sq.ft.) 76% booked at average rate of ₹ 3,424 per sq.ft.</li> <li>❖ Development Status:</li> <li>❖ OC obtained in Q2 FY2019</li> <li>❖ Sales Status: Total Sales Value - ₹ 495.1 million, Amount Collected - ₹ 317.6 million</li> </ul>	<p><b>Mall</b></p> <ul style="list-style-type: none"> <li>❖ Leasing Status: GLA - ~543,000 sq.ft. - 81% Area signed leased - 115 stores</li> <li>❖ Financial Performance (FY2019): Net Revenue - ₹ 218.8 million</li> <li>❖ Operational Performance: Footfalls - ~11.26 million</li> <li>❖ Key Tenants – H&amp;M, Inox, Marks &amp; Spencer, Globus, Home Town Pantaloon, Reliance Trends, Croma, Shopper Stop, Max, Big Bazaar, Reliance Digital</li> </ul>
 <p><b>Nagpur</b> Ownership - 61.50%</p>	<ul style="list-style-type: none"> <li>❖ Residential Project Phase 1 - Launched 336 Units - 272 sold</li> <li>❖ Development Status: Phase wise completion of towers stating from Q3 FY 2020.</li> </ul>		<p>Retail design has been finalised and project approval are in process</p>
 <p><b>Indore</b> Ownership - 60.00%</p>	<ul style="list-style-type: none"> <li>❖ Initiate the launch of plotted development and focus on faster monetisation</li> <li>❖ Construction of the same already started</li> </ul>		
 <p><b>Coimbatore</b> Ownership - 61.50%</p>	<ul style="list-style-type: none"> <li>❖ Phase 1 Soft Launch Initiated - 73 units booked at ₹ 3,540 per sq.ft.</li> <li>❖ Development Status: Construction of Initial Infrastructure completed, Residential Tower construction already started</li> </ul>		<ul style="list-style-type: none"> <li>❖ Grand opening for Coimbatore mall with glitz and glamour, one of the largest mall in Coimbatore of international standards with globally renowned brand</li> <li>❖ Leasing Status: Leasing stand at 89%, working towards further increasing occupancy</li> <li>❖ Key Brands: H&amp;M, Lifestyles, Hamleys, Pantaloons, Unlimited, Westside, Fun unlimited, Max, Inox, SPAR, Reliance trends, FBB amongst others</li> </ul>

## 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, the sale of residential property is also dependent upon the buyer's affluence. Any slowdown in the 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. This will also provide a growth impetus to the retail industry, largely driven by income growth, urbanisation and attitudinal shifts. Our commercial business is a 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 fuelled by the substantial 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 continually growing, and therefore, it should present no significant long-term risk to the business. Besides, the Company is guided by the advice and expertise of Intu

We work diligently to offer our consumers with the best-in-class experience. We have successfully attracted superior retailers with recognised and globally appreciated brands.

Properties Plc's Representative Directors on the Board. This partnership ensures that the architecture and services are designed with a long-term perspective to meet the needs of retailers and consumers alike, and therefore, do not represent a 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 no characteristics or attributes of its brand are compromised through the Company's communication to customers or trade partners. The Company also gives a comprehensive focus on customer preferences and conducts extensive in-house research to maintain top-of-the-mind recall with the customer base concerning the brand. The Company believes that it has an appropriate mitigation plan in place to handle brand risk.

### Internal Control Systems and Adequacies

The Company seeks to understand, limit and manage the adverse impacts arising from external and internal events. The risk management team safeguards and protects the Company's assets against unauthorised use or disposition, maintenance of proper accounting records and verification of authenticity of all transactions.

The Company has adequate internal control procedures commensurate with the size and nature of its businesses. Supplemented by extensive internal audits, our internal control system undergoes regular reviews by the management and well-documented policies and guidelines to ensure the 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.

₹ 761.3  
Million

EBITDA recorded for FY2019

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

### Financial Performance for FY2019

The Company recorded Revenues of ₹ 1,338 million, EBITDA of ₹ 761.3 million during the year under review. This year EBITDA has grown over 54.8% compared to FY2018. The Company, however, maintained a healthy balance sheet, with low leverage with Gross Debt/Equity ratio of 0.67x on a consolidated basis.

Particulars	FY 2019	FY 2018	Calculation	Remarks
Debtors turnover	2.37	1.29	Revenue from Operations / Average Trade Receivables	Improvement due to Higher revenue from Mall portfolio .
Inventory turnover	0.56	0.57	Revenue from Operations / Average Inventory	At same level as last year
Interest coverage ratio	2.22	1.79	EBIDTA / Finance Costs	Increase due to Higher revenue from Mall portfolio.
Current ratio	1.66	2.79	Current Assets / Current Liabilities	Decrease due to increase in advance from customer due to application of IND AS 115
Debt equity ratio	0.71	0.65	Total Debt / Equity	Increase in due to increase in debt
EBITDA Margin %	56.8%	45.6%	EBIDTA / Total Income	Increase due to Higher income from Mall portfolio.
Net profit margin %	4.9%	-6.5%	Profit after tax / Total Income	positive net profit due to Higher income from Mall portfolio.
Return on Net Worth %	1.3%	-1.3%	Profit after tax / Average Equity	Positive return on net worth due to increase in net profit for the year

### Human Resource at Prozone

Dedicated employees are crucially important in our efforts to create a dynamic corporate culture and drive innovation and results. We are a people-oriented company and we continue to strengthen the motivation of our employees and are committed to long tenure. As on 31<sup>st</sup> March 2019, the Company had a team size of 93 employees.

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. With new projects continually being taken up, our key focus areas continue to be recruitment, re-allocation and re-deployment of the existing workforce. 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.

The prime goal of Prozone has always been to ensure work satisfaction for all the employees right from the junior level to top management. They should be happy and satisfied with the quality of work and able to generate productive output.

### Employee Welfare Initiatives

Time and again, we carry out activities to develop the skills of our work force. To create an environment of fun and camaraderie among the employees, the organisation celebrates several events, festivals and get-togethers. During the year, around 25+ events, with fun and social intent, were organised. The Company continued to engage its employees with personalised and organisation-wide health initiative. We also encourage teamwork, good spirit and unity amongst our people and motivate them to work under any challenging conditions

### Cautionary Statement

This document contains statements about expected future events, financial and operating results of Prozone Intu Properties 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 a 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 several 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 entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Prozone Intu Properties Limited Annual Report, FY2019.



By leveraging our collective strengths in development, management and operation of all our assets, we aim to elevate the overall customer experience.



# Directors' Report

To,  
The Members  
Prozone Intu Properties Limited

Your Directors are delighted to present 12<sup>th</sup> Annual Report on the business and operations of your Company for the year ended March 31, 2019.

## FINANCIAL RESULTS & OPERATIONS

₹ in Lakhs

Particulars	Standalone		Consolidated	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Income from Operations	829.64	678.24	11822.35	9614.64
Add: Other Income	769.43	845.99	1559.70	1156.81
Total Income	1599.07	1524.23	13382.04	10771.45
Less: Total Expenditure	1262.73	1065.54	12598.35	11255.78
Profit/ (loss) before Tax	336.34	458.69	783.69	(484.36)
Less: Tax expenses/ (Credit)	94.16	231.89	148.79	232.69
Share of Profit of Joint Venture	-	-	17.44	16.50
Profit/ (loss) after Tax	242.18	226.80	652.35	(700.55)

## STATE OF COMPANY'S AFFAIRS / FINANCIAL PERFORMANCE

### Standalone

The Company's gross (total) income for the financial year ended 31<sup>st</sup> March 2019 has increased to ₹ 829.64 lakhs as against ₹ 678.24 lakhs during the previous year, profit before tax decreased to ₹ 336.34 lakhs against profit of ₹ 458.69 lakhs during previous year and the profit after tax was increased to ₹ 242.18 lakhs as compared to ₹ 226.80 lakhs in the previous year.

### Consolidated

The Company's gross (total) income for the financial year ended 31<sup>st</sup> March 2019 surged to ₹ 13382.05 lakhs from ₹ 10771.45 lakhs during the previous year, profit before tax increased to ₹ 783.69 lakhs from loss of ₹ 484.36 lakhs as recorded during previous year. The profit after tax of the reporting year stood at ₹ 652.35 lakhs against loss of ₹ 700.55 lakhs reported in previous year.

## DIVIDEND

Considering the current financial position, your Directors decided, not to propose dividend for the year ended March 31, 2019, 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 2019-20 had 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 31<sup>st</sup> March 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

## SUBSIDIARY AND JOINT VENTURE COMPANIES

The Company has 9 subsidiaries as on 31<sup>st</sup> March 2019 including 3 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 Intu Developers Private Limited w.e.f. 12<sup>th</sup> March 2019
6. Prozone Liberty International Limited, Singapore (Foreign subsidiary)

### Step-down subsidiaries:

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

## Directors' Report...(Continued)

### Associate Companies (Joint Venture)

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

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, will be made available on our website [www.prozoneintu.com](http://www.prozoneintu.com) in due course of time. 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 detection 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 any 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, the shareholders of the Company in their meeting held on 26<sup>th</sup> September 2018 approved the re-appointment of Mr. Punit Goenka, as Independent Director for second term of 5 years effecting from April 01, 2019.

Pursuant to the provisions of section 152 of the Companies Act, 2013, the office of Mr. Dushyant Singh Sangar, (DIN: 07347397) 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 Board of Directors of the Company on 23<sup>rd</sup> May 2019 appointed Mr. Umesh Kumar on the Board of the Company as an Independent Director of the Company.

Mr. David Fischel, Non Executive Director upon getting superannuation from Intu Properties Plc, UK, resigned from the Board of the Company w.e.f. 3<sup>rd</sup> June 2019. The Management and the Board expressed their sincere thanks and gratitude towards supports and guidance received from Mr. David Fischel during his tenure on the Board and its Committees. Considering superannuation of Mr. David Fischel, Intu Properties Plc, UK Proposed the name of Ms. Barbara Gibbes, Director of Finance Intu properties Plc to fill the place of Mr. David Fischel on the Board of the Company. The Board of Directors on 4<sup>th</sup> July 2019 appointed Ms. Barbara Replace with the following text:

A brief resume along with other details about Mr. Dushyant Sangar, Mr. Umesh Kumar and Ms. Barbara Gibbes as per the requirements of Reg. 36(3) of the SEBI (LODR) Regulations,

## Directors' Report...(Continued)

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.

- **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 2018-19. As on 31<sup>st</sup> March 2019, the following were 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:

- in the preparation of the annual accounts for the year ended March 31 2019, 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;
- 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 2019 and of the profit of the Company for the year ended on that date;
- 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;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- 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



## Directors' Report...(Continued)

- 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.

However as a practice of good corporate governance, the auditors have confirmed their eligibility and independence for the financial year 2019-20.

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 31<sup>st</sup> March 2019

Particulars	No. of Shares	% of Shares
Physical segment	64,142	0.04%
Demat segment	15,25,38,741	99.96%
NSDL	8,38,94,752	54.98%
CDSL	6,86,43,989	44.98%
Physical	64,142	0.04%
<b>Total</b>	<b>15,26,02,883</b>	<b>100.00%</b>

The Securities and Exchange board of India (SEBI) at its Board Meeting held on 28<sup>th</sup> 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 form 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 confirmed

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 HARASSMENT 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, 2019 is given below and forms part of the Directors' Report

#### A. Conservation of Energy

- The steps taken or impact on conservation of energy: Nil
- The steps taken by the Company for utilizing alternate sources of energy: Nil
- 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

- The efforts made towards technology absorption : Nil
- The benefits derived like product improvement, cost reduction, product development or import substitution: Nil

## Directors' Report...(Continued)

- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable
- Details of Technology Imported;
  - Year of Import;
  - Whether the Technology has been fully absorbed;
  - 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.

### C. Foreign Exchange Earnings and Outgo

During the year under review the details of foreign exchange earnings & outgo are as follows:

Foreign Exchange Earnings: ₹ Nil lakhs

Foreign Exchange Outgo: ₹ 28.77 lakhs

The above does 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 four 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 31<sup>st</sup> March 2019 as per the applicable provisions of the Act, Rules and SEBI (LODR) Regulations, 2015 was as under:

Committee Name	Composition of the Committee
Audit Committee	<ol style="list-style-type: none"> <li>Mrs. Deepa Misra Harris, Chairperson<sup>1</sup></li> <li>Mr. Punit Goenka, Member</li> <li>Mr. Salil Chaturvedi, Member</li> </ol>
Nomination & Remuneration Committee	<ol style="list-style-type: none"> <li>Mrs. Deepa Misra Harris, Chairperson</li> <li>Mr. Punit Goenka, Member</li> <li>Mr. David Fischel, Chairperson<sup>2</sup></li> </ol>
Stakeholders Relationship Committee	<ol style="list-style-type: none"> <li>Mrs. Deepa Misra Harris, Chairperson</li> <li>Mr. Punit Goenka, Member</li> <li>Mr. Nikhil Chaturvedi, Member</li> <li>Mr. Salil Chaturvedi, Member</li> </ol>
Corporate Social Responsibility Committee	<ol style="list-style-type: none"> <li>Mr. Nikhil Chaturvedi, Chairperson</li> <li>Mrs. Deepa Misra Harris, Member</li> <li>Mr. Salil Chaturvedi, Member</li> </ol>

#### Note:

1. Mr. Umesh Kumar, Independent Director was appointed as Chairman and Ms. Deepa Misra Harris was re-designated as member of Audit Committee w.e.f 29<sup>th</sup> May 2019.

2. Resigned from 3<sup>rd</sup> June 2019

## Directors' Report...(Continued)

- **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 31<sup>st</sup> March 2019 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.

### 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 12<sup>th</sup> 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](http://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 2019, are as under:



## Directors' Report...(Continued)

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**

Date: 12<sup>th</sup> August 2019  
Place: Mumbai

**Nikhil Chaturvedi**  
Managing Director  
DIN:00004983

**Salil Chaturvedi**  
Dy. Managing Director  
DIN:00004768

## Directors' Report...(Continued)

### 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 "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015
  - iii. Accountability under the Directors' Responsibility Statement

## Directors' Report...(Continued)

- 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 and 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...(Continued)

### ANNEXURE 2

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**  
[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**  
Mumbai

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 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March 2019, 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 31<sup>st</sup> March 2018 as given below.
- Shop & Establishment Act, 1948;
  - The Building and other construction workers (Regulation of Employment and Conditions of Services) Act, 1996.

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 1<sup>st</sup> October, 2017
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for;

## Directors' Report...(Continued)

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

- The company is yet to nominate an independent director from its Board to the Board of its three Material Unlisted Subsidiary Companies in compliance with Reg. 24(1) of SEBI (LODR) Regulations, 2015,
- Certain properties transferred to the Company pursuant to Composite Scheme of Arrangement and Amalgamation effective from 27<sup>th</sup> February 2012, are yet to be registered in the name of the Company
- DIR-3-KYC of Mr. David Fischel and Mr. Dushyant Singh Sangar, Foreign Directors of the Company was pending till the end of financial year. However the same was complied with before the date of this report except Mr. David Fischel who resigned on 3<sup>rd</sup> June 2019.

### We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year under audit, there was no change in the composition of the Board.

Adequate notice is given to all Directors to schedule the Board Meetings, 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;

1. Certain loans given by the company prior to the commencement of the Act does not carry interest..
2. Out of increased remuneration of executive directors effective from 1<sup>st</sup> October, 2018, ₹ 60 Lac was paid to executive directors pending the approval of Shareholders of the Company.

**For HS Associates**  
Company Secretaries

**Prasad R. Chavan**  
Partner  
ACS – 49921  
COP – 20415

Date :- 12<sup>th</sup> August, 2019  
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...(Continued)

### ANNEXURE A

To,  
The Members,  
**Prozone Intu Properties Limited**  
Mumbai

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

**Prasad R. Chavan**  
Partner  
ACS – 49921  
COP – 20415

Date :- 12<sup>th</sup> August, 2019  
Place:- Mumbai



## Directors' Report...(Continued)

### ANNEXURE 3

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
 as on financial year ended on 31.03.2019  
 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	14 <sup>th</sup> 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 : +91-22-6823 9000/9001
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	51.88%

#### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI 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	Prozone Intu Developers Private Limited (w.e.f. 12.03.2019)	U45201MH2007PTC174150	Subsidiary	100%	2(87)(ii)
6	Empire Mall Pvt Ltd	U52110MH2006PTC159594	Step Down Subsidiary	-	2(87)(i)
7	Hagwood Commercial Developers Pvt. Ltd.	U45201MH2006PTC164110	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	25%	2(6)
11	Emerald Buildhome Pvt. Ltd.	U45201RJ2006PTC023431	Associate Company	50%	2(6)

## Directors' Report...(Continued)

### 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	7,99,671	0	7,99,671	0.52%	8,66,971	0	8,66,971	0.57%	0.04%
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	2,50,000	0	2,50,000	0.16%	2,50,000	0	2,50,000	0.16%	0.00
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	4,63,37,546	0	4,63,37,546	30.36%	4,60,17,183	0	4,60,17,183	30.15%	-0.21%
SUB TOTAL:(A) (1)	4,73,87,217	0	4,73,87,217	31.05%	4,71,34,154	0	4,71,34,154	30.89%	-0.17%
(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)	4,73,87,217	0	4,73,87,217	31.05%	4,71,34,154	0	4,71,34,154	30.89%	-0.17%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks/FI	2,73,762	0	2,73,762	0.18%	2,98,332	0	2,98,332	0.20%	0.02%
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	1,24,41,606	0	1,24,41,606	8.15%	1,17,13,548	0	1,17,13,548	7.68%	-0.48%
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):	1,27,15,368	0	1,27,15,368	8.33%	1,20,11,880	0	1,20,11,880	7.87%	-0.46%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	85,85,033	0	85,85,033	5.63%	70,95,600	0	70,95,600	4.65%	-0.98%
ii) Overseas	0	0	0	0.00%	0	0	0	0	0.00
b) Individuals									

## Directors' Report...(Continued)

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	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	1,83,02,634	11,267	1,94,26,112	12.00%	1,93,56,243	11,267	1,93,67,510	12.69%	0.69%
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 Lakhs	1,56,12,705	52,875	1,56,65,580	10.26%	1,76,10,414	52,875	1,76,63,289	11.57%	1.30%
c) Others				0.00%					
Hindu Undivided Family	24,52,982	0	24,52,982	1.61%	24,93,260	0	24,93,260	1.63%	0.03%
Foreign Companies	4,39,95,788	0	4,39,95,788	28.83%	4,39,95,788	0	4,39,95,788	28.83%	0.00%
Foreign Nationals	0	0	0	0.00%	0	0	0	0.00%	0.00%
Non Resident Indians (Non Repat)	2,26,830	0	2,26,830	0.15%	2,46,223	0	2,46,223	0.16%	0.01%
Non Resident Indians (Repat)	19,70,505	0	19,70,505	1.29%	19,20,930	0	19,20,930	1.26%	-0.03%
Clearing Member	12,89,679	0	12,89,679	0.85%	6,63,748	0	6,63,748	0.43%	-0.41%
NBFCs registered with RBI	0	0	0	0.00%	10,501	0	10,501	0.01%	0.01%
<b>SUB TOTAL (B)(2):</b>	<b>9,24,36,156</b>	<b>64,142</b>	<b>9,25,00,298</b>	<b>60.62%</b>	<b>9,33,92,707</b>	<b>64,142</b>	<b>9,34,56,849</b>	<b>61.24%</b>	<b>0.63%</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>10,51,51,524</b>	<b>64,142</b>	<b>10,52,15,666</b>	<b>68.95%</b>	<b>10,54,04,587</b>	<b>64,142</b>	<b>10,54,68,729</b>	<b>69.11%</b>	<b>0.17%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>15,25,38,741</b>	<b>64,142</b>	<b>15,26,02,883</b>	<b>100.00%</b>	<b>15,25,38,741</b>	<b>64,142</b>	<b>15,26,02,883</b>	<b>100.00%</b>	<b>0.00%</b>

### (ii) Share Holding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2018]			Shareholding at the end of the year (31.03.2019)			% 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 Family Trust	1,40,50,955	9.21%	0.00	1,40,50,955	9.21%	0.00	0.00%
2	Salil Chaturvedi Family Trust	1,37,32,991	9.00%	0.00	1,37,32,991	9.00%	0.00	0.00%
3	Rakesh Rawat Family Trust	41,11,750	2.69%	0.00	41,11,750	2.69%	0.00	0.00%
4	Deep Gupta Family Trust	70,61,173	4.63%	0.00	70,61,143	4.63%	0.00	0.00%
5	Nigam Patel Family Trust	49,825	0.03%	0.00	2,783	0.00%	0.00	-0.03%
6	Akhil Chaturvedi Family Trust	29,70,011	1.95%	0.00	26,96,720	1.77%	0.00	-0.18%
7	Nikhil Chaturvedi And Shital Chaturvedi	5,000	0.00%	0.00	5,000	0.00%	0.00	0.00%
8	Ms. Anisha Chaturvedi	1,66,260	0.11%	0.00	5,83,560	0.38%	0.00	0.27%
9	Ms. Veena Gupta	70,005	0.05%	0.00	70,005	0.05%	0.00	0.00%

## Directors' Report...(Continued)

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% 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	
10	Ms. Vandana Vaidh	1,620	0.00%	0.00	1,620	0.00%	0.00	0.00%
11	Mr. Ghanshyam Rawat	20,000	0.01%	0.00	20,000	0.01%	0.00	0.00%
12	Ms. Pushaplata Rawat	36,501	0.02%	0.00	36,501	0.02%	0.00	0.00%
13	Ms. Bala Chhabra	25,000	0.02%	0.00	0	0.00%	0.00	-0.02%
14	Mr Sushant Chhabra	67,300	0.04%	0.00	0	0.00%	0.00	-0.04%
15	Mr. Virendra Chhabra	3,92,300	0.26%	0.00	0	0.00%	0.00	-0.26%
16	Ms. Ruchi Chhabra	0	0.00%	0.00	1,34,600	0.09%	0.00	0.09%
17	Meerut Festival City LLP	43,60,841	2.86%	0.00	43,60,841	2.86%	0.00	0.00%
18	Provogue (India) Limited	2,50,000	0.16%	0.00	2,50,000	0.16%	0.00	0.00%
19	Ms. Santosh Subhash Gupta	10,000	0.01%	0.00	10,000	0.01%	0.00	0.00%
20	Mr. Subhash Gupta	5,685	0.00%	0.00	5,685	0.00%	0.00	0.00%
<b>Total</b>		<b>4,73,87,217</b>	<b>31.05%</b>	<b>0.00</b>	<b>4,71,34,154</b>	<b>30.89%</b>	<b>0.00</b>	<b>-0.17%</b>

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	
<b>1</b>	<b>Nigam Patel Family Trust</b>					
	At the beginning of the year	49,825	0.03%	49,825	0.03%	NA
	17.08.2018	(37,042)	-0.02%	12,783	0.01%	Market sale
	27.08.2018	(10,000)	-0.01%	2,783	0.00%	
	At the end of the year	-		2,783	0.00%	NA
<b>2</b>	<b>Akhil Chaturvedi Family Trust</b>					
	At the beginning of the year	29,70,011	1.95%	29,70,011	1.95%	NA
	27.03.2018	(7,850)	-0.01%	29,62,161	1.94%	
	02.04.2018	(5,000)	0.00%	29,57,161	1.94%	
	30.04.2018	(401)	0.00%	29,56,760	1.94%	
	04.05.2018	(12,099)	-0.01%	29,44,661	1.93%	
	08.05.2018	(7,500)	0.00%	29,37,161	1.92%	
	17.05.2018	(5,641)	0.00%	29,31,520	1.92%	
	18.05.2018	(4,359)	0.00%	29,27,161	1.92%	
	11.06.2018	(10,000)	-0.01%	29,17,161	1.91%	
	21.06.2018	(4,000)	0.00%	29,13,161	1.91%	
	25.06.2018	(1,250)	0.00%	29,11,911	1.91%	
	06.07.2018	(2,500)	0.00%	29,09,411	1.91%	
	12.07.2018	(2,500)	0.00%	29,06,911	1.90%	
	13.07.2018	(2,500)	0.00%	29,04,411	1.90%	



## Directors' Report...(Continued)

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	
	18.07.2018	(3,000)	0.00%	29,01,411	1.90%	NA
	19.07.2018	(5,000)	0.00%	28,96,411	1.90%	
	23.07.2018	(5,000)	0.00%	28,91,411	1.89%	
	24.07.2018	(10,000)	-0.01%	28,81,411	1.89%	
	02.08.2018	(5,000)	0.00%	28,76,411	1.88%	
	17.08.2018	(15,000)	-0.01%	28,61,411	1.88%	
	03.09.2018	(14,787)	-0.01%	28,46,624	1.87%	
	25.09.2018	(10,000)	-0.01%	28,36,624	1.86%	
	01.11.2018	(16,000)	-0.01%	28,20,624	1.85%	
	20.11.2018	(630)	0.00%	28,19,994	1.85%	
	21.11.2018	(15,370)	-0.01%	28,04,624	1.84%	
	26.11.2018	(5,247)	0.00%	27,99,377	1.83%	
	27.11.2018	(1,886)	0.00%	27,97,491	1.83%	
	28.11.2018	(1)	0.00%	27,97,490	1.83%	
	29.11.2018	(7,870)	-0.01%	27,89,620	1.83%	
	13.12.2018	(4,500)	0.00%	27,85,120	1.83%	
	14.12.2018	(5,000)	0.00%	27,80,120	1.82%	
	18.12.2018	(7,500)	0.00%	27,72,620	1.82%	
	19.12.2018	(12,000)	-0.01%	27,60,620	1.81%	
	22.01.2019	(1,086)	0.00%	27,59,534	1.81%	
	23.01.2019	(4,314)	0.00%	27,55,220	1.81%	
	29.01.2019	(3,500)	0.00%	27,51,720	1.80%	
	04.02.2019	(4,000)	0.00%	27,47,720	1.80%	
	06.02.2019	(1,000)	0.00%	27,46,720	1.80%	
	19.02.2019	(18,000)	-0.01%	27,28,720	1.79%	
	25.02.2019	(1,011)	0.00%	27,27,709	1.79%	
	27.02.2019	(3,989)	0.00%	27,23,720	1.78%	
	01.03.2019	(2,000)	0.00%	27,21,720	1.78%	
	05.03.2019	(10,000)	-0.01%	27,11,720	1.78%	
	13.03.2019	(10,000)	-0.01%	27,01,720	1.77%	
	19.03.2019	(3,264)	0.00%	26,98,456	1.77%	
	20.03.2019	(1,736)	0.00%	26,96,720	1.77%	
	At the end of the year	-		26,96,720	1.77%	
<b>3</b>	<b>Deep Gupta Family Trust</b>					
	At the beginning of the year	70,61,173	4.63%	70,61,173	4.63%	NA
	13.04.2018 to 20.04.2018	(10)	0.00%	70,61,163	4.63%	Market Sale
	20.04.2018 to 27.04.2018	(20)	0.00%	70,61,143	4.63%	
	At the end of the year	-	-	70,61,143	4.63%	

## Directors' Report...(Continued)

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	
<b>4</b>	<b>Bala Chhabra</b>					
	At the beginning of the year	25,000	0.02%	25,000	0.02%	NA
	01.06.2018	(25,000)	-0.02%	0	0.00%	Off market transfer to Ms. Anisha Chaturvedi
	At the end of the year	-		0	0.00%	
<b>5</b>	<b>Virendra Chhabra</b>					
	At the beginning of the year	3,92,300	0.26%	3,92,300	0.26%	NA
	02.06.2018	(3,92,300)	-0.26%	0	0.00%	Off market transfer to Ms. Anisha Chaturvedi
	At the end of the year	-		0	0.00%	
<b>6</b>	<b>Anisha Chaturvedi</b>					
	At the beginning of the year	1,66,260	0.11%	1,66,260	0.11%	NA
	01.06.2018	25,000	0.02%	1,91,260	0.13%	Off market transfer from Ms. Bala Chhabra
	02.06.2018	3,92,300	0.26%	5,83,560	0.38%	Off market transfer from Mr. Virendra Chhabra
	At the end of the year	-		5,83,560	0.38%	
<b>7</b>	<b>Sushant Chhabra</b>					
	At the beginning of the year	67,300	0.04%	67,300	0.04%	NA
	02.06.2018	(67,300)	-0.04%	0	0.00%	Off market transfer to Ms. Ruchi Chhabra
	At the end of the year	-		0	0.00%	
<b>8</b>	<b>Ruchi Chhabra</b>					
	At the beginning of the year	67,300	0.04%	67,300	0.04%	NA
	09.05.2018	67,300	0.04%	1,34,600	0.09%	Off market transfer from Mr. Sushant Chhabra
	At the end of the year	-		1,34,600	0.09%	

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

## Directors' Report...(Continued)

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, 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 <sup>1</sup>				
	At the beginning of the year	4,94,10,788	32.38%	4,94,10,788	32.38%
	18.05.2018	-54,15,000	-3.55%	4,39,95,788	28.83%
	At the end of the year	-	-	4,39,95,788	28.83%
2	Intu India (Portfolio) Limited <sup>1</sup>				
	At the beginning of the year	0	0.00%	0	0.00%
	18.05.2018	54,15,000	3.55%	54,15,000	3.55%
	At the end of the year	-	-	54,15,000	3.55%
3	Rakesh Jhunjhunwala	31,50,000	2.06%	31,50,000	2.06%
4	Aditya S Chandak				
	At the beginning of the year	13,74,923	0.90%	13,74,923	0.90%
	13.04.2018	11,34,092	0.74%	25,09,015	1.64%
	12.10.2018	2,03,365	0.13%	27,12,380	1.78%
	At the end of the year	-	-	27,12,380	1.78%
5	Unique States Development Company Limited	24,89,600	1.63%	24,89,600	1.63%
6	Rajesh R Narang				
	At the beginning of the year	23,24,160	1.52%	23,24,160	1.52%
	01.06.2018	-5,000	0.00%	23,19,160	1.52%
	At the end of the year	-	-	23,19,160	1.52%
7	Acacia Partners, LP	22,43,375	1.47%	22,43,375	1.47%
8	Fairprice Traders ( India ) Pvt Ltd	15,25,195	1.00%	15,25,195	1.00%
9	Cavendish Asset Management Ltd				
	At the beginning of the year	17,97,065	1.18%	17,97,065	1.18%
	24.08.2018	-26,356	-0.02%	17,70,709	1.16%
	31.08.2018	-1,69,471	-0.11%	16,01,238	1.05%
	07.09.2018	-2,32,760	-0.15%	13,68,478	0.90%
	14.09.2018	-49,471	-0.03%	13,19,007	0.86%
	At the end of the year	-	-	13,19,007	0.86%
10	Gopikishan Shivkishan Damani	1267625	0.83%	1267625	0.83%

Note: Folios of top 10 shareholders in some cases have been clubbed on PAN basis.

1. Intu Properties Plc., UK held 4,94,10,788 shares and 54,15,000 shares through its 100% subsidiary i.e. Nailsfield Limited under FDI and FPI route respectively. On 11<sup>th</sup> May 2018, Intu Properties Plc., UK transferred its holding under FPI route to its another 100% subsidiary FPI entity i.e. Intu (India) Portfolio Limited as a part of its internal re-organisation of its investments into Indian securities.

## Directors' Report...(Continued)

### (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 Directors and KMP's hold any shares in the Company as on 31.03.2019

## V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	54.12	1,729.49		1,783.61
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>54.12</b>	<b>1,729.49</b>	<b>-</b>	<b>1,783.61</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	15.81			15.81
Reduction	26.54			26.54
<b>Net Change</b>	<b>(10.73)</b>	<b>-</b>	<b>-</b>	<b>(10.73)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	43.39	1,729.49	-	1,772.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>43.39</b>	<b>1,729.49</b>	<b>-</b>	<b>1,772.88</b>



## Directors' Report...(Continued)

### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ 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.	113.95	63.00	176.95
	(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			
	Commission			
4	as % of profit			
	others (specify)			
5	Others, please specify	36.00	27.00	63.00
	Total (A)	149.95	90.00	239.95
	Ceiling as per the Act			

#### B. Remuneration to other directors:

(₹ in Lakhs)

SN	Particulars of Remuneration	Name of the Directors		Total Amount paid/payable
		Punit Goenka	Deepa Misra Harris	
1	Independent Directors			
	(a) Fee for attending board committee meetings	0.60	0.30	0.90
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	<b>Total (1)</b>	0.60	0.30	0.90
2	Other Non Executive Directors			
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify.	-	-	-
	<b>Total (2)</b>	-	-	-
	<b>Total (B)=(1+2)</b>	0.60	0.30	0.90
	<b>Total Managerial Remuneration</b>	-	-	-
	<b>Overall Ceiling as per the Act.</b>	Within the prescribed limits		

## Directors' Report...(Continued)

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ 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.	26.78	22.29	49.07
	(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, please specify	9.08	5.09	14.17
	<b>Total</b>	<b>35.86</b>	<b>27.38</b>	<b>63.25</b>

### 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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

No penalty or punishments was imposed or levied on the Company, its directors or other officers due to any default/ non-compliance made by the Company under the provisions of the Companies Act during the current financial year.

For and on behalf of Board of Director

Date: 12<sup>th</sup> August 2019  
Place: Mumbai

**Nikhil Chaturvedi**  
Managing Director  
DIN:00004983

**Salil Chaturvedi**  
Dy. Managing Director  
DIN:00004768

## Directors' Report...(Continued)

### 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**

Date: 12<sup>th</sup> August 2019  
Place: Mumbai

Sd/-  
**Nikhil Chaturvedi**  
Managing Director  
DIN:00004983

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

## Directors' Report...(Continued)

### 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 31<sup>st</sup> March 2019

#### 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	49	Director	B. Com	24+	1,50,00,000	27.02.2017	Prozone Enterprises Pvt. Ltd.	Managing Director	5000 (0.003%)	Brother of Salil Chaturvedi
2	Mr. Bipin Gurnani	48	President	Associate Degree in Management	25+	1,26,80,004	01.04.2008	Pyramid Retail	Chief Executive Officer	NIL	-
3	Mr. Salil Chaturvedi	47	Director	B.Sc	19+	90,00,000	27.02.2017	Prozone Enterprises Pvt. Ltd.	Dy. Managing Director	NIL	Brother of Nikhil Chaturvedi
4	Mr. Anurag Garg	44	Chief Financial Officer	C.A.	20+	42,00,000	21.04.2014	Future Consumer Enterprise Limited	Finance Controller	NIL	-
5	Mr. Ajayendra Jain	44	CS & Chief Compliance Officer	CS, LLB, MBA	20+	30,24,000	01.12.2015	Provogue India Limited	CS & Compliance Officer	NIL	-
6	Mr. Sudhanshu Chaturvedi	55	Vice President Operations	M.Com	20+	28,87,200	01.12.2010	Indian Army	Lt. Colonel	NIL	-
7	Ms. Shakuntala S. Shetty	41	A.G.M Accounts & Taxation	B.Com	15+	20,00,004	01.10.2011	Provogue India Limited	Senior Executive - Taxation	-	-
8	Mr. Pratik Shah	37	Assistant General Manager HR & Admin	MBA - HR	10+	12,00,000	15.11.2014	RNA Corp	Manager - HR & Admin	NIL	-
9	Ms. Anica Chaturvedi	26	Head - Marketing	MBA - Mgt Studies	-	12,00,000	14.02.2017	-	-	NIL	-
10	Ms. Ankanksha Chaturvedi	22	Executive – Projects and Operations	MBA	-	12,00,000	16.02.2019	-	-	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	49	Managing Director	B. Com	24+	1,50,00,000	27.02.2017	Prozone Enterprises Pvt. Ltd.	Managing Director	5000 (0.003%)	Brother of Salil Chaturvedi
2	Mr. Bipin Gurnani	48	President	Associate Degree in Management	25+	1,26,80,004	01.04.2008	Pyramid Retail	Chief Executive Officer	NIL	-

#### C. Employed for the part of financial year and were in receipt of average gross remuneration not less than ₹ 8.5 lakhs per month

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:

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

Date: 12<sup>th</sup> August 2019  
Place: Mumbai

Sd/-  
**Nikhil Chaturvedi**  
Managing Director  
DIN:00004983

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



## Directors' Report...(Continued)

### 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 15 : 1
		Mr. Salil Chaturvedi, Dy. MD 10: 1
		Mr. Punit Goenka, ID Nil
		Ms. Deepa Misra Harris. ID Nil
		Mr. Dushyant Singh Sangar, NED 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 50.00%
		Mr. Salil Chaturvedi, Dy. MD 100.00%
		Mr. Anurag Garg, CFO 20.00%
		Mr. Ajayendra P Jain, CS 12.00%
3	The Percentage increase in the median remuneration of employees in the financial year	There was 40% decrease in comparison of previous year in the median remuneration of employees due to new appointments of employees at lower level
4	The Number of permanent employees on the rolls of the Company	There were 16 employees as on 31 <sup>st</sup> March 2019
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 : Decreased in 37%
		Increase in managerial personnel – Increase in 66.67%
		Reason/Justification : Managerial Remuneration was not increased since their appointments.
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.

For and on behalf of Board of Director

Date: 12<sup>th</sup> August 2019  
Place: Mumbai

Sd/-  
**Nikhil Chaturvedi**  
Managing Director  
DIN:00004983

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

## Directors' Report...(Continued)

### 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 <a href="http://www.prozoneintu.com">www.prozoneintu.com</a>
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	₹ 485.43 lacs
4	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	₹ 9.71 lacs
5	Details of CSR spent during the financial year.	
a	Total amount to be spent for the financial year	₹ 18.79 Lacs (including gross profit amount of ₹ 9.09 lacs of previous years.)
b	Amount unspent, if any	₹ 18.79 lacs
c	Manner in which the amount spent during the financial year	
	CSR project or activity identified	Not applicable
	Sector in which the project is covered	Not applicable
	Projects or programs	Not applicable
	(1) Local area or other	
	(2) Specify the State and district where projects or programs was undertaken	
	Amount outlay (budget) project or Programs wise	Not applicable
	Amount spent on the projects or programs Sub - heads:	Not applicable
	(1) Direct expenditure on projects or programs	
	(2) Overheads	
	Cumulative expenditure upto the reporting period	₹ 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.	Though the company made its best efforts to spend the amount as per recommendation of CSR Committee, but Company is still under process of evaluating the projects to be undertaken, thus proposed amount could not be spent.
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

Date: 12<sup>th</sup> August 2019  
Place: Mumbai

Sd/-  
**Nikhil Chaturvedi**  
Managing Director  
DIN:00004983

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

# Corporate Governance Report

The Board present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March 2019, 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 CODE OF 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 31<sup>st</sup> March 2019 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 31<sup>st</sup> March 2019 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 31<sup>st</sup> March 2019, 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.

During the financial year 2018-19, the Board met four times. The meetings were held on 29<sup>th</sup> May 2018, 13<sup>th</sup> August 2018, 14<sup>th</sup> November 2018 and 13<sup>th</sup> February 2019 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 31<sup>st</sup> March 2019, 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 <sup>1</sup>	No. of Board Meetings attended	Last AGM Attended	No. of Directorships and Committee Memberships and Chairmanships (including the Company) <sup>2</sup>		
				Directorship <sup>3</sup>	Committee Attended	
					Chairmanship <sup>4</sup>	Membership <sup>4</sup>
Mr. Punit Goenka	C & ID	4	Yes	5 <sup>7</sup>	-	3
Ms. Deepa Misra Harris	ID	3	Yes	3 <sup>8</sup>	2	-
Mr. Nikhil Chaturvedi <sup>5</sup>	MD	4	Yes	2 <sup>9</sup>	-	1
Mr. Salil Chaturvedi <sup>5</sup>	Dy. MD	4	Yes	4 <sup>10</sup>	1	2
Mr. David Fischel <sup>11</sup>	NED	1	No	1	-	-
Mr. Dushyant Singh Sangar	NED	4	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.

## Corporate Governance Report...(Continued)

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 31<sup>st</sup> March 2019*
7. *Mr. Punit Goenka's number of Directorship includes three listed Companies viz; Prozone Intu Properties Limited, Zee Entertainment Enterprises Limited and Zee Media Corporation Limited holding position as Chairman and Independent Director, Managing Director and CEO and Additional Director respectively.*
8. *Ms. Deepa Harris's number of Directorship includes one listed Company namely, Prozone Intu Properties Limited holding position as Independent Director*
9. *Mr. Nikhil Chaturvedi's number of Directorship includes two listed Companies viz; Prozone Intu Properties Limited and Provogue (India) Limited holding position as Managing Director and managing Director respectively.*
10. *Mr. Salil Chaturvedi's number of Directorship includes two listed Companies viz; Prozone Intu Properties Limited and Provogue (India) Limited holding position as Dy. Managing Director and Non Executive Director respectively.*
11. *Pursuant to retirement of Mr. David Fischel from Intu Properties Plc, UK which was followed by his resignation from the Board of the Company w.e.f. 3<sup>rd</sup> June 2019, Intu Properties Plc, UK proposed the name of Ms. Barbara Gibbes, Director of Finance in Intu Properties Plc to fill the place of Mr. David Fischel on the Board of the Company. Accordingly, the Board of Directors on 4<sup>th</sup> July 2019 appointed Ms. Barbara Gibbes on the Board of the Company.*

### b. Independent Director:

In opinion of the Board, the Independent Directors fulfill 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 and are independent of the management. 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 30<sup>th</sup> March 2019 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: <http://www.prozoneintu.com/files/upload/details-of-familiarization-programme-for-IDs.pdf>

### e. Payment of compensation to Non-Executive directors:

The Board of Directors in its meeting held on 13<sup>th</sup> February 2019 decided to pay a sitting fee of ₹ 30,000/- to the Independent Directors for attending every meeting of the Board and Audit Committee with effect from i.e. 13<sup>th</sup> February 2019

### f. Chart or matrix setting out skills/expertise/ competence of the Board of Directors

A matrix setting out the core skills/ expertise/ competence as required in the context of the business or sector for the Company to function effectively in comparison with core skills/ expertise/ competence actually available with the Board of Directors of the Company as on March 31, 2019 are stated hereunder:



SN	Name of the Director	Skills/expertise/competence
1	Industry experience and Knowledge	√
2	Sales and Marketing Functions	√
3	Management of Business Operations	√
4	Business Development and Strategy Formation	√
5	Planning, Sourcing and Costing	√
6	Strategy/M&A/Restructuring	√
7	Finance and Accounting	√
8	Risk and compliance oversight	√
9	Corporate Governance	√
10	Human Resource Management	√
11	Information technology strategy	√

## COMMITTEES OF THE BOARD:

The Board of Directors has 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, 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:

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 31<sup>st</sup> March 2019, Ms. Deepa Misra Harris, Independent Director of the Company, heads the Audit Committee as Chairperson 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 four times during the financial year 2018-19 on 29<sup>th</sup> May 2018, 13<sup>th</sup> August 2018, 14<sup>th</sup> November 2018, and 13<sup>th</sup> February 2019. 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 <sup>1</sup>	Position	Audit Committee Meetings	
			Held	Attended
Ms. Deepa Harris <sup>2</sup>	ID	Chairperson	4	4
Mr. Punit Goenka	ID	Member	4	4
Mr. Salil Chaturvedi	Dy. MD	Member	4	4

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

2. The Nomination and Remuneration Committee and Board of Directors of the Company vide circular resolutions passed on 23<sup>rd</sup> May 2019 appointed Mr. Umesh Kumar on the Board as an Independent Director and as a Member of Audit Committee. Further, Ms Deepa Harris, in view of her pre-commitments and other occupancies, expressed her willingness to step down as Chairperson of the Audit Committee and to continue as an Independent Member of the Committee. The Audit Committee then accepted the resignation of Ms Deepa Harris from being a chairperson of the Committee w.e.f. 29<sup>th</sup> May 2019 and elected Mr. Umesh Kumar as new Chairman of the Audit Committee with immediate effect.

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](http://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 31<sup>st</sup> March 2019 comprised of Mrs. Deepa Misra Harris Independent Director as Chairperson and Mr. Punit Goenka, Independent Director and Mr. David Fischel and Mr. Dushyant Singh Sangar, Non- executive Director as members of the Committee.

### c. Meeting and attendance of the committee:

No Nomination and 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.

The Remuneration policy covers the following 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 as per Listing Regulation.
- iii. Accountability under the Directors' Responsibility Statement
- iv. Overseeing the maintenance of Corporate Governance standards of the Company and ethical conduct of business

#### 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.

The details of remuneration paid to Directors during the year 2018-19 are as under:

	Name of the Director	Basic Salary Paid (₹)	Allowances & perquisites (₹)	Sitting Fees paid (₹)	Total Remuneration (₹)
1	Mr. Punit Goenka	-	-	60,000	60,000
2	Mr. Nikhil Chaturvedi **	1,50,00,000	-	-	1,50,00,000
3	Mr. Salil Chaturvedi **	90,00,000	-	-	90,00,000
4	Ms. Deepa Harris	-	-	30,000	30,000
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 has not framed any scheme/ plan to grant stock option to its employee or directors. The Company did not pay any remuneration/sitting fee to Non Executive Directors (except Independent Directors) of the Company.

## 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:

The Stakeholders Relationship Committee comprises of two independent directors namely, Ms. Deepa Misra Harris and Mr. Punit Goenka, and two executive directors namely, Mr. Nikhil Chaturvedi and Mr. Salil Chaturvedi. Ms. Deepa Misra Harris Independent Director, is the Chairperson of the Committee. Mr. Ajayendra P. Jain, Company Secretary is a Compliance Officer of the Committee.

### c. Meetings and attendance of the Committee:

The Committee met four times during the financial year 2018-19 on 29<sup>th</sup> May 2018, 13<sup>th</sup> August 2018, 14<sup>th</sup> November 2018, and 13<sup>th</sup> February 2019. The details of attendance of the members in meetings are as follows:

Name of the Member	Category <sup>1</sup>	Position	SRC Meetings	
			Held	Attended
Ms. Deepa Harris	ID	Chairperson	4	2
Mr. Punit Goenka	ID	Member	4	4
Mr. Nikhil Chaturvedi	MD	Member	4	4
Mr. Salil Chaturvedi	Dy. MD	Member	4	4

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 Chief 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 2018-19	Nil
Number of complaints not resolved to the satisfaction of the shareholders as on 31 <sup>st</sup> March 2019	Nil
Number of pending complaints as on 31 <sup>st</sup> March 2019	Nil

## 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

As on 31<sup>st</sup> March 2019, the Corporate Social Responsibility (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. [HYPERLINK](#)

"<http://www.prozoneintu.com>" [www.prozoneintu.com](http://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 2018-19.

### 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, 2015 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 HYPERLINK "<http://www.prozoneintu.com>" [www.prozoneintu.com](http://www.prozoneintu.com)

## 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
<b>Annual General Meetings:</b>				
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
2017-18	26.09.18	11.00 a.m.	Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (W), Mumbai- 400 053	1

- None of the items transacted at the last Annual General Meeting held on 26<sup>th</sup> September 2018 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 2018-19, 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](http://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 12<sup>th</sup> Annual General Meeting of the Company will be held on Monday, the 30<sup>th</sup> September 2019 at 2:00 p.m. at Esquire Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West), Mumbai – 400053.

### 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 2018-19.

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 2019-20.

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

Un-audited results Q1 ending 30.06.2019	On or before 14 <sup>th</sup> August 2019
Un-audited results Q2/half year ending 30.09.2019	On or before 14 <sup>th</sup> November 2019
Un-audited results Q3/Nine months ending 31.12.2019	On or before 14 <sup>th</sup> February 2020
Audited Results for the year ending 31.03.2020	On or before 30 <sup>th</sup> May 2020

### Book Closure Date:

The Company was not required to decide any book closure period during the financial year.

### Market Price Data:

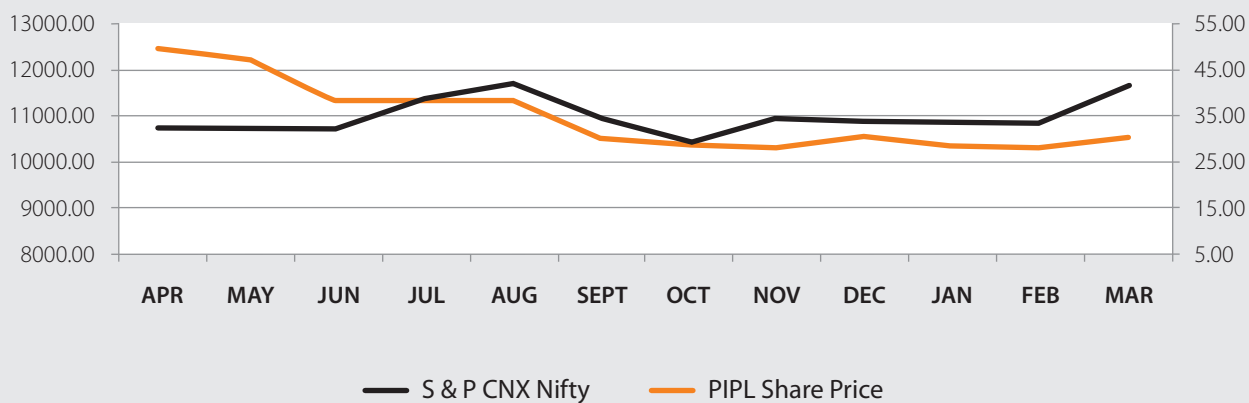
Market Price and Volume of the Company's Shares of face value of ₹2 each traded in the Stock Exchanges where Company's shares are listed during the financial year 2018-19:

Month	BSE				NSE			
	Share Price (in ₹)		SENSEX		Share Price (in ₹)		NIFTY	
	High	Low	Close	Close	High	Low	Close	Close
Apr 2018	54.80	44.25	49.20	35,160.36	55.00	44.10	49.35	10739.35
May 2018	55.10	45.00	47.35	35,322.38	55.30	45.00	47.15	10736.15
Jun 2018	47.50	33.60	37.85	35,423.48	48.00	33.80	37.85	10714.30
Jul 2018	39.90	33.00	37.90	37,606.58	39.70	32.90	38.05	11356.50
Aug 2018	46.80	36.00	38.05	38,645.07	46.95	36.15	37.90	11680.50
Sept 2018	39.80	28.35	29.45	36,227.14	38.70	26.00	29.75	10930.45
Oct 2018	31.50	26.20	27.50	34,442.05	31.50	26.10	28.35	10386.60
Nov 2018	32.85	27.80	29.40	36,194.30	32.75	27.50	28.35	10876.75
Dec 2018	35.00	25.55	29.05	36,068.33	34.80	25.50	30.35	10862.55
Jan 2019	33.30	27.50	28.75	36,256.69	32.90	27.10	28.80	10830.95
Feb 2019	30.00	25.75	27.10	35,867.44	29.80	25.80	27.75	10792.50
Mar 201	31.70	27.15	29.60	38,672.91	31.95	27.30	29.65	11623.90

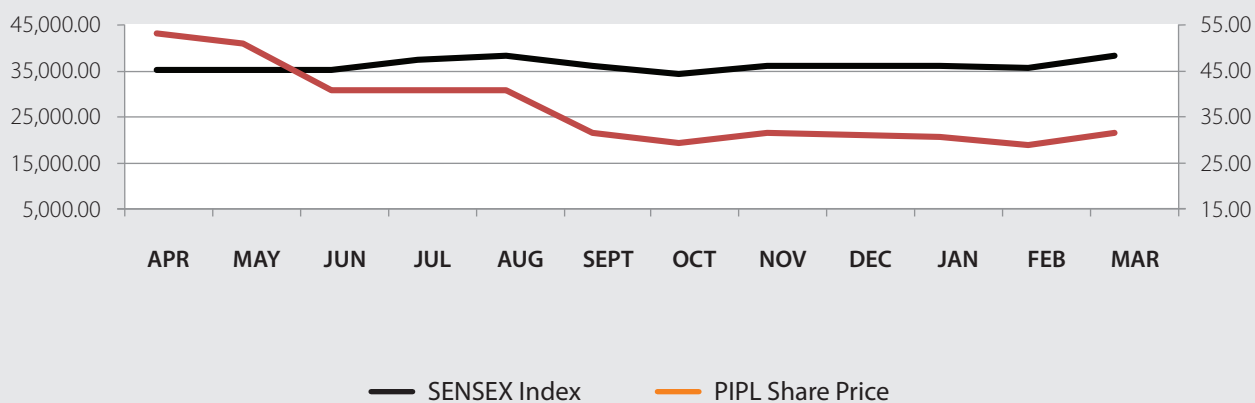
Source – Websites: BSE Ltd. ([www.bseindia.com](http://www.bseindia.com)) and The National Stock Exchange of India Ltd. ([www.nseindia.com](http://www.nseindia.com))

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

### Performance intu's price comparison with S & P CNX Nifty



### Prozone Intu's price comparison with SENSEX Index of BSE



The securities of the Company are not suspended from trading.

#### 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](mailto:rnt.helpdesk@linkintime.co.in)

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

#### 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.

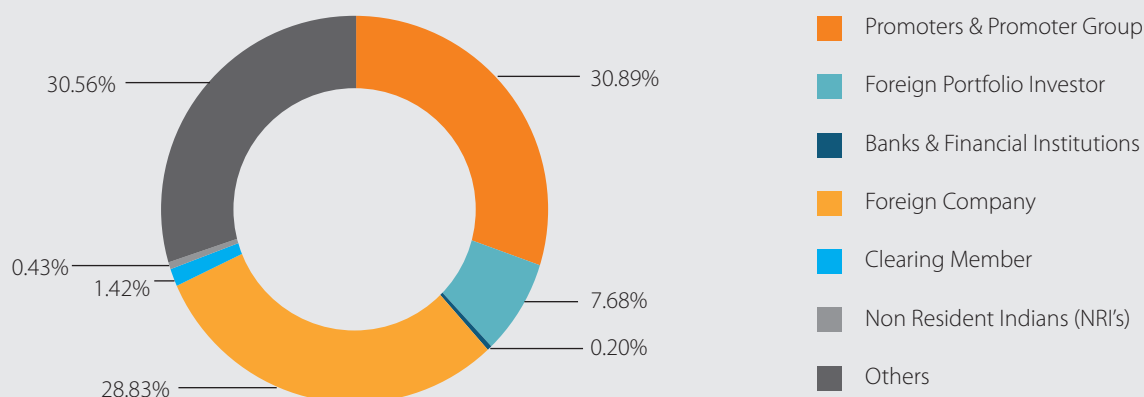
#### Distribution of Shareholding as on March 31, 2019:

Share holding	Shareholders		Shares	
No. of Shares	Number	% to total share capital	No. of Shares	% to total share capital
(1)	(2)	(3)	(4)	(5)
1 to 500	25396	78.70%	4090626	2.68%
501 to 1000	3123	9.68%	2682997	1.76%
1001 to 2000	1677	5.20%	2660474	1.74%
2001 to 3000	668	2.07%	1742363	1.14%
3001 to 4000	268	0.83%	974626	0.64%
4001 to 5000	287	0.89%	1380074	0.90%
5001 to 10000	447	1.39%	3417194	2.24%
10001 to above	405	1.25%	135654529	88.89%
<b>Total</b>	<b>32271</b>	<b>100.00%</b>	<b>152602883</b>	<b>100.00%</b>

#### Categories of Shareholders as on 31.03.2019:

Category	No. of Shares	% of Shareholding
Promoters & Promote Group	4,71,34,154	30.89%
Foreign Portfolio Investor	1,17,13,548	7.68%
Banks & Financial Institutions	2,98,332	0.20%
Foreign Company	4,39,95,788	28.83%
Clearing Member	6,63,748	0.43%
Non Resident Indians (NRI's)	21,67,153	1.42%
Others	4,66,30,160	30.56%
<b>Total</b>	<b>15,26,02,883</b>	<b>100.00%</b>

### Shareholding as on 31.03.2019



#### 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 31<sup>st</sup> March 2019, 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.

#### Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments:

Upto 31<sup>st</sup> March, 2019, 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.

**Plant Location:** Not Applicable

#### 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: 022-6823 9000/9001,  
Email id for investors: investorservice@prozoneintu.com  
Website: www.prozoneintu.com

#### Credit Ratings

The Company has not obtained any credit rating.

## 10. OTHER DISCLOSURES

### a. 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.

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

**b. Statutory Compliance, Penalties and Strictures:**

The Company has complied with all requirements of the SEBI (LODR) Regulations, 2015 to the extent applicable. 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.

**c. 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.

**d. 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 2018-19. Standard practices and procedures are in place to ensure unqualified financial statements.
4	Reporting of Internal Auditor	The Internal Auditor quarterly places the Internal audit report before the Audit Committee for its review and comments.

**e. Subsidiary monitoring framework:**

The Company has 11 subsidiary companies as on 31<sup>st</sup> March, 2019 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:

- Financial Statements and in particular the investments made by the unlisted subsidiary company are reviewed by the Audit Committee of the Company.
- The minutes of the Board meetings of the subsidiary company are placed before the company's Board for its regular review.

The Policy for determining material subsidiaries have been hosted on website of the Company. Link: The above policy also covers a policy for determining 'material subsidiaries'. The web-link of the same is [www.prozoneintu.com/investor/Policies](http://www.prozoneintu.com/investor/Policies)

**f. Weblink of policy on dealing with Related Party Transactions:**

<http://www.prozoneintu.com/files/upload/Policy-Governing-Related-Party-Transactions.pdf>

**g. Disclosure of commodity price risks and commodity hedging activities: Not applicable****h. Details of utilization of funds raised through preferential allotment or qualified institutions placement: Not Applicable**

i. A certificate from M/s. HS Associates, Practicing Company Secretaries stating that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is a forming part of this Corporate Governance Report as Annexure - A.

j. Disclosure where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year: Not applicable



- k.** The Company has paid total fees of ₹ 75.32 Lacs for all services paid by the Company and its subsidiaries, on a consolidated basis, to their respective Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part.

- l.** Disclosures under the Sexual Harassment 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.

a.	number of complaints filed during the financial year	NIL
b.	number of complaints disposed of during the financial year	NIL
c.	number of complaints pending as on end of the financial year.	NIL

- 11.** Non Compliance of any requirement of Corporate Governance Report of sub paras (2) to (10) above, with reasons thereof: Not Applicable

- 12.** The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in part E of schedule II have been adopted: Please refer point 10(d)

- 13.** The disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report:

The Company is in compliance with applicable provisions specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulation, 2015 except Regulation 24(1) that requires the appointment of an Independent Director of the Company on the Board of its material non-listed subsidiary companies i.e. Alliance Mall Developers Co Private Limited, Empire Mall Private Limited and Hagwood Commercial Developers Private Limited.

## 14. 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.

## 15. 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](http://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, 2019.

Nikhil Chaturvedi, Managing Director  
DIN: 00004983

## 16. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

As on 31<sup>st</sup> March 2019, 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.

## 17. DISCLOSURE OF ACCOUNTING TREATMENT:

In accordance with the notification dated 16<sup>th</sup> 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 1<sup>st</sup> 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).

## 18. 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.

## 19. RISK MANAGEMENT:

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

## 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](http://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](http://www.prozoneintu.com)

**For and on behalf of Board of Director**

**Nikhil Chaturvedi**  
Managing Director  
DIN:00004983

**Salil Chaturvedi**  
Dy. Managing Director  
DIN:00004768

Date: 12<sup>th</sup> August 2019  
Place: Mumbai

**ANNEXURE - A****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
PROZONE INTU PROPERTIES LIMITED,  
105/106, Ground Floor,  
Dream Square,  
Dalia Industrial Estate, Andheri,  
Mumbai – 400 053.

We have examined the relevant Registers, Records, forms, returns and disclosures received from the Directors of Prozone Intu Properties Limited having CIN: L45200MH2007PLC174147 and having registered office at 105/106, Ground Floor, Dream Square, Dalia Industrial Estate, Andheri, Mumbai - 400053(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Salil Anupendra Chaturvedi	00004768	27/02/2012
2.	Mr. Nikhil Anupendra Chaturvedi	00004983	27/02/2012
3.	Mr. Punit Goenka	00031263	20/04/2012
4.	Mr. David Fischel	01217574	20/04/2012
5.	Ms. Deepa Misra Harris	00064912	08/02/2016
6.	Mr. Dushyant Singh Sangar	07347397	08/02/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Thanking You,

For **HS Associates**  
Company Secretaries

Sd/-  
**Hemant Shetye**  
Partner  
FCS: 2827  
CP No: 1483

Date : 12<sup>th</sup> August, 2019  
Place : Mumbai

## REPORT ON CORPORATE GOVERNANCE

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 31<sup>st</sup> March, 2019 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 non-appointment of one independent director on the board of directors of an unlisted material subsidiary, 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

Date : 12<sup>th</sup> August, 2019  
Place : Mumbai

Sd/-  
**Hemant Shetye**  
Partner  
FCS: 2827  
CP No: 1483

# Independent Auditors' Report

To the Members of

## Prozone Intu Properties Limited

Report on the Audit of the Standalone financial statements

### Opinion

We have audited the standalone financial statements of Prozone Intu Properties Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, 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 notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('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 2019 and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Investments in subsidiaries and joint venture companies and loans to subsidiaries and joint venture companies (refer note 5, 6 and 13 to the standalone financial statements)

The Key Audit Matter	How the matter was addressed in our audit
<p>The carrying amount of the investments in subsidiaries and joint venture companies held at fair value through other comprehensive income (FVOCI) represents 92.04% and the loans to subsidiaries and joint venture companies represents 4.64% of the Company's total assets respectively.</p> <p><b>Valuation of investment in subsidiaries and joint venture companies</b></p> <p>The Company has investments in subsidiaries and joint venture companies which are considered to be associated with significant risk in respect of valuation of such investments. The investments are carried at FVOCI. The valuation process involves significant judgement by the management including involvement of independent external valuers in estimating the underlying assumptions to be applied. The fair values of the investments is assessed based on the relative fair value of the</p>	<p><b>Valuation of investment in subsidiaries and joint venture companies</b></p> <p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>We have obtained and inspected the valuation reports obtained by the Company from independent external valuers engaged by the Company;</li> <li>We have evaluated the qualifications and competence of the valuers and held discussions with the valuers to understand their valuation methods and assumptions and basis used, where appropriate;</li> <li>We considered the valuation methodologies used against those applied by valuers for similar property types. We tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents;</li> </ul>

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 36 to the standalone financial statements, relating to remuneration paid to the Managing Directors and the Deputy Managing Director of the Company for the financial year ended 31 March 2019 with effect from 1 October 2018. The increase in remuneration of ₹ 60 lakhs is subject to the approval of the shareholders in the ensuing annual general meeting. Our opinion is not modified in respect of this matter.



## Independent Auditors' Report...(Continued)

The Key Audit Matter	How the matter was addressed in our audit
<p>underlying properties comprising of residential, commercial and retail units in these underlying entities located principally in Aurangabad, Coimbatore, Nagpur, Indore and Jaipur. This assessment is based on the projected cash flows of the real estate projects in these underlying entities, which involve significant estimates and judgement, due to the inherent uncertainty involved in forecasting future cash flows. There is significant judgment involved in also estimating the appropriate discount rate, terminal occupancy, future lease rentals, capitalisation rate, average unit size, and average selling price. The fair value of the properties is further adjusted from the perspective of equity shareholders to arrive at the equity value. A change in the assumptions will have an impact on the valuation.</p> <p>In addition, considering the materiality of the investments in subsidiaries and joint venture, vis-à-vis the total assets of the Company, this is considered to be significant to our overall audit strategy and planning.</p>	<ul style="list-style-type: none"> <li>• We have involved internal valuation specialists, who have evaluated the appropriateness of the discount, capitalisation and terminal yield rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors;</li> <li>• We performed a sensitivity analysis over key assumptions, including the discount and growth rates;</li> <li>• We have considered the cash flow projections reflect the most recent forecast as approved by the management in consultation with the valuer; and</li> <li>• We have considered the adequacy of disclosures in respect of the investment in subsidiaries and joint venture companies.</li> </ul>
<p><b>Recoverability of loans to subsidiaries and joint venture companies</b></p> <p>The Company has extended loans to subsidiaries and joint venture companies that are assessed for recoverability at each period end.</p> <p>Financial assets, which include non- current and current loans to subsidiaries and joint venture companies aggregated to ₹ 5,712.82 lakhs at 31 March 2019.</p> <p>Due to the nature of the business in the real estate industry, the Company is exposed to risk in respect of the recoverability of the loans and advances granted to the aforementioned related parties.</p> <p>There is also judgment involved as to the recoverability of the working capital and project specific loans.</p>	<p><b>Recoverability of loans to subsidiaries and joint venture companies</b></p> <p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>• We reviewed the controls in place for issuing new loans and evidenced the Board of Directors approval obtained. We obtained management's assessment of the recoverability of the loans, which includes cash flow projections over the duration of the loans. These projections are based on underlying property development appraisals;</li> <li>• We tested cash receipts received in relation to these loans during the year through to bank statement; and</li> <li>• We have obtained independent confirmations to ensure completeness and existence of loans and advances held by related parties as on 31 March 2019.</li> </ul>
<p><b>Revenue recognition (refer note 25 to the standalone financial statements)</b></p>	
The Key Audit Matter	How the matter was addressed in our audit
<p>The Company is engaged in providing management consultancy services related to developing, owning and operating of shopping malls, commercial and residential premises to its subsidiaries.</p> <p>Revenue is recognised at a point in time upon satisfaction of the performance obligations which is typically upon rendering of services based on the contractual terms with its subsidiaries.</p> <p>We have identified revenue as a key audit matter because revenue is one of the key performance indicators of the Company which gives rise to an inherent risk that revenue could be subject to manipulation to meet targets or expectations</p>	<ul style="list-style-type: none"> <li>• We assessed the design, implementation and operating effectiveness of key controls over revenue recognition and tested controls over revenue;</li> <li>• We have carried out substantive procedures involving analytical procedures such as recomputation of revenue and test of details involving basis of allocation of employees costs to its subsidiaries, reviewed time sheets maintained by the Company relating to its employees working on the ongoing/completed projects and rationale for the margin charged to its subsidiaries;</li> <li>• We have inspected agreements entered into between the Company and its subsidiaries to ensure that revenue is correctly accounted for;</li> </ul>

## Independent Auditors' Report...(Continued)

The Key Audit Matter	How the matter was addressed in our audit
<p>Revenue is computed based on (i) employee cost plus margin approach (towards recovery of operating expenses) for employees working in the payroll of the Company and (ii) at a certain margin of total employee cost for employees on the payroll of its subsidiaries.</p> <p>This approach involve significant judgement and estimates made by the management in terms of time spent by the respective employees on the ongoing/completed projects in its subsidiaries and ascertaining the amount to be charged to its subsidiaries.</p>	<ul style="list-style-type: none"> <li>• We have discussed and challenged key management judgments involved in interpreting the contractual terms;</li> <li>• We reviewed journal entries for any evidence of management override and obtained evidence to corroborate individually unusual and/or material revenue journals; and</li> <li>• We have reconciled the employee costs with the underlying supporting such as salary register.</li> </ul>

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and 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) specified 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 of 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 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 financial statements, management and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibility for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Independent Auditors' Report...(Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- (A) As required by Section 143(3) of the Act, we report that:
- 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;
  - 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;
  - the standalone balance sheet, 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 dealt with by this report are in agreement with the books of account;
  - in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
  - on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
  - with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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:
- the Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements – Refer Note 32 to the standalone financial statements;
  - the Company did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses;

## Independent Auditors' Report...(Continued)

- iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
  - iv. the disclosures in the standalone 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 in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we report that:
- i. we draw attention to note 36 to the standalone financial statements, relating to remuneration paid to the Managing Director and the Deputy Managing Director of the Company for the financial year ended 31 March 2019, being in excess of the limits prescribed under Section 197 of the Act by ₹ 60 lakhs, which is subject to the approval of the shareholders. Our opinion is not modified in respect of this matter; and
  - ii. the Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Mansi Pardiwalla**

Partner

Membership No: 108511

**Place:** Mumbai

**Date:** 29 May 2019

# Annexure A to the Independent Auditors' Report – 31 March 2019

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets including property, plant and equipment and investment property.
- (b) The Company has a regular programme of physical verification of its fixed assets including property, plant and equipment and investment property by which the fixed assets including property, plant and equipment and investment property 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 property 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 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:

Land / building	Number of cases	Freehold	Notes in the Standalone financial statements	Gross block (₹ in lakhs)	Net block (₹ in lakhs)	Remarks
Building	1	Freehold	4	95.22	81.60	Held in the name of erstwhile demerged Company.

- (ii) The Company does not currently hold any physical inventory. Accordingly the requirement under paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has granted unsecured loans to nine 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 limited liability partnership, firms or other parties covered in the register required to be maintained under Section 189 of the Act.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans granted by the Company to the companies covered in the register required to be maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (b) 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.
- (c) 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 explanations 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 loans given, investments made and guarantee given. The Company has not provided any security to the parties covered under Section 186 of the Act. Accordingly, the provisions of Section 186 of the Act in respect of securities given are not applicable to the Company.
- (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 for the services rendered by the Company. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Goods and Services tax, Professional tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance.



## Annexure A to the Independent Auditors' Report – ...(Continued)

31 March 2019

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Professional tax, Income-tax, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2019 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 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:

(₹ in lakhs)

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

- (vii) 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 institution or government during the year.
- (viii) According to the information and explanations given to us and based on our examinations of the record of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and have not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (ix) 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.
- (x) According to the information and explanations given to us and based on our examination of the records of the Company, due to inadequate profits during the current year, the managerial remuneration paid to the directors of the Company is in excess of the limits specified under Section 197 of the Act read with Schedule V to the Act. The Company is in the process of obtaining approval from Shareholders for such excess remuneration paid. Refer note 36 of the Standalone financial statements.
- (xi) 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.
- (xii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- (xiii) 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 partially convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us and on the basis of 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.
- (xv) 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

**Mansi Pardiwalla**

Partner

Membership No: 108511

**Place:** Mumbai

**Date:** 29 May 2019

# Annexure B to the Independent Auditors' Report – 31 March 2019

**Report on the Internal Financial Controls with reference to the aforesaid Standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of Prozone Intu Properties Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to Standalone Financial Statements 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 (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Act.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 with reference to Standalone Financial Statements were established and maintained and whether 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 with respect to Standalone Financial Statements and their

operating effectiveness. Our audit of internal financial controls with respect to Standalone Financial Statements included obtaining an understanding of internal financial controls with respect to Standalone Financial Statements, 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 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 with reference to Standalone Financial Statements.

## Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 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 financial statements.

## Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Mansi Pardiwalla**

Partner

Membership No: 108511

**Place:** Mumbai

**Date:** 29 May 2019

# Standalone Balance Sheet

as at 31 March, 2019

Particulars	Note	31 March 2019	31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	118.20	117.99
Investment property	4	81.60	85.74
Financial assets			
Investments	5	113,255.13	113,620.30
Loans	6	2,061.24	1,893.34
Other financial assets	7	1,154.26	1,162.05
Non-current tax assets (net)	8	146.65	134.36
Other non-current assets	9	-	14.53
<b>Total non-current assets</b>		<b>116,817.08</b>	<b>117,028.30</b>
<b>Current assets</b>			
Financial assets			
Investments	10	650.73	1,647.68
Trade receivables	11	50.52	57.88
Cash and cash equivalents	12	20.78	44.92
Loans	13	3,670.70	2,793.48
Other financial assets	14	1,813.17	1,814.57
Other current assets	15	20.78	23.01
<b>Total current assets</b>		<b>6,226.68</b>	<b>6,381.54</b>
<b>Total assets</b>		<b>123,043.76</b>	<b>123,409.84</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	3,052.06	3,052.06
Other equity	16.1	100,156.67	100,356.60
<b>Total equity</b>		<b>103,208.73</b>	<b>103,408.66</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17	1,238.01	1,152.72
Provisions	18	42.07	17.99
Deferred tax liabilities (net)	19	17,088.51	17,239.69
Other non-current liabilities	20	1,185.69	1,274.32
<b>Total non-current liabilities</b>		<b>19,554.28</b>	<b>19,684.72</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	21		
Total outstanding dues to micro enterprises and small enterprises	21	5.51	0.54
Total outstanding dues to creditors other than micro enterprises and small enterprises	21	69.26	158.44
Other financial liabilities	22	74.20	50.20
Other current liabilities	23	92.81	83.89
Provisions	24	38.97	23.39
<b>Total current liabilities</b>		<b>280.75</b>	<b>316.46</b>
<b>Total equity and liabilities</b>		<b>123,043.76</b>	<b>123,409.84</b>
Significant accounting policies	2.2		
Notes to the standalone financial statements	3 - 44		

The accompanying notes form an integral part of these standalone 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

## Mansi Pardiwalla

Partner  
Membership No: 108511

## 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

## Mr Bipin Gurnani

President

## Anurag Garg

Chief Financial Officer

## Ajayendra Jain

Company Secretary & CCO

Place : Mumbai  
Date : 29 May 2019

Place : Mumbai  
Date : 29 May 2019

# Standalone Statement of Profit & Loss

for the year ended 31 March, 2019

Particulars	Note	31 March 2019	31 March 2018
<b>Income</b>			
Revenue from operations	25	829.64	678.24
Other income	26	769.43	845.99
<b>Total Income</b>		<b>1,599.07</b>	<b>1,524.23</b>
<b>Expenses</b>			
Employee benefits expense	27	545.58	394.91
Finance costs	28	120.39	115.75
Depreciation expense	29	44.26	48.25
Other expenses	30	552.50	506.63
<b>Total Expenses</b>		<b>1,262.73</b>	<b>1,065.54</b>
<b>Profit before tax</b>		<b>336.34</b>	<b>458.69</b>
<b>Less : Tax expense:</b>	8		
Current tax		117.74	110.14
Deferred tax (credit) / charge (including MAT credit entitlement ₹ 46.59 lakhs (31 March 2018: ₹ 64.35 lakhs)		(23.58)	121.75
<b>Total tax expenses</b>		<b>94.16</b>	<b>231.89</b>
<b>Profit for the year (A)</b>		<b>242.18</b>	<b>226.80</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
- Remeasurement of post employment benefit obligation	35(b)	(14.40)	4.73
- (Loss) / Gains from investments measured at FVOCI		(555.30)	402.28
- Income tax effect on above		127.59	(89.97)
<b>Items that will be reclassified subsequently to profit or loss</b>		-	-
<b>Other comprehensive (loss) / income for the year, net of tax (B)</b>		<b>(442.11)</b>	<b>317.04</b>
<b>Total comprehensive (loss) / income for the year (A+B)</b>		<b>(199.93)</b>	<b>543.84</b>
<b>Earnings per equity share</b>	31		
(per equity share of nominal value ₹2 each)			
Basic and diluted (in ₹)		<b>0.16</b>	<b>0.15</b>
Significant accounting policies	2.2		
Notes to the standalone financial statements	3 - 44		

The accompanying notes form an integral part of these standalone 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

## Mansi Pardiwalla

Partner

Membership No: 108511

## Mr Bipin Gurnani

President

## For and on behalf of the Board of Directors of Prozone Intu Properties Limited

CIN: L45200MH2007PLC174147

## Nikhil Chaturvedi

Managing Director

DIN : 00004983

## Anurag Garg

Chief Financial Officer

## Salil Chaturvedi

Dy. Managing Director

DIN : 00004768

## Ajayendra Jain

Company Secretary & CCO

Place : Mumbai

Date : 29 May 2019

Place : Mumbai

Date : 29 May 2019

# Standalone statement of changes in equity

for the year ended 31 March, 2019

## A) Equity share capital

Particulars	Note	Number	Amount
Equity shares of ₹2 each issued, subscribed and paid			
<b>Balance as at the 1 April 2017</b>	16	152,602,883	3,052.06
Changes in equity share capital for the year ended 31 March 2018		-	-
<b>Balance as at the 31 March 2018</b>		<b>152,602,883</b>	<b>3,052.06</b>
Changes in equity share capital for the year ended 31 March 2019		-	-
<b>Balance as at the 31 March 2019</b>		<b>152,602,883</b>	<b>3,052.06</b>

## B) Other equity

	Note	Reserves and surplus			Other comprehensive income		Total
		Securities premium	Amalgamation reserve*	Retained earnings	Gain / (loss) on fair value of investments	Gain / (loss) on fair value of defined benefit plans	
<b>Balance as at 1 April 2017</b>	16.1	36,434.05	378.86	178.97	62,822.87	(1.99)	99,812.77
Total comprehensive income for the year		-	-	226.80	313.61	3.43	543.83
<b>Balance as at 31 March 2018</b>		<b>36,434.05</b>	<b>378.86</b>	<b>405.77</b>	<b>63,136.48</b>	<b>1.44</b>	<b>100,356.60</b>
Total comprehensive income/ (loss) for the year		-	-	242.18	(431.72)	(10.39)	(199.93)
<b>Balance as at 31 March 2019</b>		<b>36,434.05</b>	<b>378.86</b>	<b>647.95</b>	<b>62,704.76</b>	<b>(8.96)</b>	<b>100,156.67</b>

Refer note 16.1 for nature and purpose of each reserve

The accompanying notes form an integral part of these standalone 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

### Mansi Pardiwalla

Partner  
Membership No: 108511

**Mr Bipin Gurnani**  
President

**Place :** Mumbai  
**Date :** 29 May 2019

### For and on behalf of the Board of Directors of Prozone Intu Properties Limited

CIN: L45200MH2007PLC174147

### Nikhil Chaturvedi

Managing Director  
DIN : 00004983

**Anurag Garg**  
Chief Financial Officer

### Salil Chaturvedi

Dy. Managing Director  
DIN : 00004768

**Ajayendra Jain**  
Company Secretary & CCO



# Standalone statement of cash flows

for the year ended 31 March, 2019

Particulars	31 March 2019	31 March 2018
<b>A. Cash flows from operating activities:</b>		
Profit before tax	336.34	458.69
Adjustments for:		
Depreciation expense	44.26	48.25
Finance costs (including fair value change in financial instruments)	105.90	99.40
Interest income (including fair value change in financial instruments)	(629.30)	(581.39)
Unrealised loss/(gain) on foreign exchange fluctuations	-	(0.27)
Provision/ (reversal) for expected credit loss	77.43	(61.63)
Profit on sale of property, plant and equipment	(1.92)	-
Notional corporate guarantee income	15.35	66.92
Notional gain on value of current investments measured at FVTPL	-	(0.64)
Remeasurement of post employment benefit obligation	(14.40)	4.73
Dividend income on current investments	(25.03)	(42.04)
<b>Operating cash flows before working capital changes</b>	<b>(91.39)</b>	<b>(7.99)</b>
<b>Adjustments for changes in working capital:</b>		
Decrease in trade receivables	7.36	0.94
Decrease/ (increase) in other financial assets	9.19	(39.12)
Decrease in other assets	16.75	13.26
(Decrease)/ increase in trade payables	(84.21)	21.38
Increase in other financial liabilities	18.85	-
(Decrease) in other liabilities	(514.13)	(161.90)
Increase in provisions	39.66	5.98
<b>Cash flows (used in) from operations</b>	<b>(597.92)</b>	<b>(167.46)</b>
Direct taxes paid (net of refunds received)	(130.03)	(92.42)
<b>Net cash flows (used in) operating activities (A)</b>	<b>(727.95)</b>	<b>(259.88)</b>
<b>B. Cash flows from investing activities:</b>		
Purchase of property, plant and equipment and investment property	(40.99)	(0.59)
Sale of property, plant and equipment and investment property	2.59	-
(Purchase)/ sale of investments	806.81	(105.01)
Movement in loans	(534.02)	(477.30)
Interest received	459.84	425.92
Dividend received	25.03	42.04
<b>Net cash flows generated from/ (used in) investing activities (B)</b>	<b>719.26</b>	<b>(114.94)</b>
<b>C. Cash flows from financing activities:</b>		
Repayment of long-term borrowings	(26.54)	(30.05)
Proceeds from long-term borrowings	15.81	-
Interest paid	(4.73)	(6.58)
<b>Net cash flows (used in) financing activities (C)</b>	<b>(15.46)</b>	<b>(36.63)</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(24.14)</b>	<b>(411.45)</b>
Cash and cash equivalents at the beginning of the year	44.92	456.37
<b>Cash and cash equivalents at the end of the year</b>	<b>20.78</b>	<b>44.92</b>

## Standalone statement of cash flows...(Continued)

for the year ended 31 March, 2019

### Notes:

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 Act

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

Particulars	31 March 2019	31 March 2018
Cash in hand	2.25	1.37
In bank current accounts	10.48	13.57
Cheques on hand	8.05	29.98
	<b>20.78</b>	<b>44.92</b>

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

Particulars	31 March 2018	Cash flows	Non-cash changes		31 March 2019
			Fair value changes	Current / Non - current classification	
Long-term borrowings	1,152.72	(10.73)	101.17	(5.15)	1,238.01
Other financial liabilities	25.51	-	-	5.15	30.66
<b>Total liabilities from financing activities</b>	<b>1,178.23</b>	<b>(10.73)</b>	<b>101.17</b>	<b>-</b>	<b>1,268.67</b>

Particulars	31 March 2017	Cash flows	Non-cash changes		31 March 2018
			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
<b>Total liabilities from financing activities</b>	<b>1,115.46</b>	<b>(30.05)</b>	<b>92.82</b>	<b>-</b>	<b>1,178.23</b>

The accompanying notes form an integral part of these standalone 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

#### Mansi Pardiwalla

Partner

Membership No: 108511

#### Mr Bipin Gurnani

President

Place : Mumbai

Date : 29 May 2019

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

**Prozone Intu Properties Limited**

CIN: L45200MH2007PLC174147

#### Nikhil Chaturvedi

Managing Director

DIN : 00004983

#### Anurag Garg

Chief Financial Officer

#### Salil Chaturvedi

Dy. Managing Director

DIN : 00004768

#### Ajayendra Jain

Company Secretary & CCO

# Notes to the standalone financial statements

for the year ended 31 March, 2019

## 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 (BSE) and the National Stock Exchange (NSE).

## 2.1 Basis of preparation

### (a) Statement of compliance

These standalone financial statements of the Company 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 and amendments, as applicable.

This is the first set of the Company's standalone financial statements in which Ind AS 115, Revenue from contracts with customers, has been applied. Changes to significant accounting policies are described in note 2.2 and the impact of transition to Ind AS 115 on the standalone financial statements is disclosed in note 44 to the standalone financials statements.

These standalone financial statements for the year ended 31 March 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 29 May 2019.

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

### (b) Basis of measurement

These standalone 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 standalone 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 standalone 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 standalone 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 2019 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 35- measurement of defined benefit obligations: key actuarial assumptions;
- Notes 18, 24 and 32- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 41 - impairment of financial assets;
- Note 2.2 (B) and 2.2 (C) - estimation of useful life of property, plant and equipment and investment properties; and
- Note 2.2 (G) and 43- Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition.

### (e) Standards issued but not yet effective

Ind AS 116, Leases: Ind AS 116 is applicable for financial reporting periods beginning on after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessee. A lessee recognises a right of use ('ROU') asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. Management believes, based upon preliminary analysis that the impact of new lease standard is not material on its standalone financial statements.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's standalone financial statements:

Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.

Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre-payable financial assets.

Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits - i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions - i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognised in other comprehensive income (except for amounts included in net interest).

Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs exclude only borrowings that specifically finance qualifying assets that are still under development or construction.

Amendments to Ind AS 28, Investments in Associates and Joint Ventures: When applying the equity method, a non-investment entity that has an interest in an investment entity associate or joint venture can elect to retain the fair value accounting applied by the associate or joint venture to its subsidiaries. Venture capital and other qualifying organisations can elect to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method. The amendments clarify that both these elections apply for each investment entity associate or joint venture separately.

#### (f) 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 liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety 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 41 – financial instruments and
- Note 4 – investment property

## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

#### (g) 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:

- it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the balance sheet date; or
- 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:

- it is expected to be settled in, the entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the balance sheet date; or
- 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 standalone financial statements.

#### 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.



## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

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.

## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

#### **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 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.

## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

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

#### (ii) 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.

#### (iii) 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

#### (iv) 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) 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 standalone financial statements.

#### (iii) 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

## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

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.

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

## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

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 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 recognised 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

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018.



## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

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. The Company recognises revenue when it determines the satisfaction of performance obligations at a point in time. Revenue is recognised upon transfer of control of promised services to customer in an amount that reflects the consideration which the Company expects to receive in exchange for those service.

In arrangements for rendering of management consultancy services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering management consultancy service as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

For management consultancy service, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progress.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities are recognised when there is billing in excess of revenue and advance received from customers.

#### *Use of significant judgments in revenue recognition*

The Company's contract with customers could include promises to transfer multiple services to a customer. The Company assess the services promised in a contract and identifies distinct performance obligations in the contract. Identification of a distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

#### (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.

#### (ii) 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.

## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

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;
- 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.

## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

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.

#### O. Changes in significant accounting policy

The Company has applied Ind AS 115 "Revenue from contracts with customer" using the modified retrospective approach with the cumulative impact to the retained earnings as on 1 April 2018 and accordingly recognised revenue in accordance with Ind AS 115 as disclosed in Note no 44 to the standalone financial statements.

## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### Note 3 : Property, plant and equipment

Particulars	Furniture and fittings	Motor vehicles	Office equipments	Computers	Total
<b>Gross Block:</b>					
Balance as at 1 April 2017	68.37	151.40	6.32	14.74	240.83
Additions	0.33	-	-	0.26	0.59
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>68.70</b>	<b>151.40</b>	<b>6.32</b>	<b>15.00</b>	<b>241.42</b>
Additions	2.11	19.20	8.79	10.89	40.99
Disposals	-	(13.25)	-	-	(13.25)
<b>Balance as at 31 March 2019</b>	<b>70.81</b>	<b>157.35</b>	<b>15.11</b>	<b>25.89</b>	<b>269.16</b>
<b>Accumulated depreciation:</b>					
Balance as at 1 April 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
On disposals	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>33.72</b>	<b>76.03</b>	<b>1.67</b>	<b>12.01</b>	<b>123.43</b>
Depreciation for the year	5.53	21.74	6.39	6.46	40.12
On disposals	-	(12.58)	-	-	(12.58)
<b>Balance as at 31 March 2019</b>	<b>39.25</b>	<b>85.19</b>	<b>8.06</b>	<b>18.47</b>	<b>150.97</b>
<b>Net Block:</b>					
At 31 March 2018	34.98	75.37	4.65	2.99	117.99
<b>At 31 March 2019</b>	<b>31.56</b>	<b>72.16</b>	<b>7.05</b>	<b>7.42</b>	<b>118.20</b>

### Note 4 : Investment property

#### A. Reconciliation of carrying amount

Particulars	Building
<b>Gross carrying amount:</b>	
Carrying amount as at 1 April 2017	95.22
Additions	-
Disposals	-
<b>Balance as at 31 March 2018</b>	<b>95.22</b>
Additions	-
Disposals	-
<b>Balance as at 31 March 2019</b>	<b>95.22</b>
<b>Accumulated depreciation:</b>	
Balance as at 1 April 2017	5.13
Depreciation for the year	4.35
<b>Balance as at 31 March 2018</b>	<b>9.48</b>
Depreciation for the year	4.14
<b>Balance as at 31 March 2019</b>	<b>13.62</b>
<b>Carrying amounts (net):</b>	
At 31 March 2018	85.74
<b>At 31 March 2019</b>	<b>81.60</b>
<b>Fair Value:</b>	
At 31 March 2018	436.46
<b>At 31 March 2019</b>	<b>436.46</b>

\* Held in the name of erstwhile demerged Company

## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### 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 3 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.

#### iii. Information regarding income and expenditure of Investment Property:

Particulars	31 March 2019	31 March 2018
Rental Income derived from Investment Property	15.00	7.50
Direct Operating Expenses	-	-
Profit arising from investment property before depreciation	<b>15.00</b>	<b>7.50</b>
Less: Depreciation	4.14	4.35
Profit arising from Investment Property	<b>10.86</b>	<b>3.15</b>

#### iv. The Company has no restriction on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

## Note 5 : Investments

### Non-current investments

Particulars	31 March 2019	31 March 2018
Investments valued at fair value through other comprehensive income (FVOCI)		
a) Investment in equity shares		
i) In subsidiaries	25,908.73	22,293.67
ii) In foreign subsidiary	84,125.65	87,909.40
iii) In joint venture	144.75	141.84
iv) In other company	1.00	1.00
b) Investment in preference shares		
i) In other company	-	199.40
c) Investment in debentures		
i) In subsidiary	3,075.00	3,075.00
<b>Total non-current investments</b>	<b>113,255.13</b>	<b>113,620.30</b>



## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### Note 5.1: Detailed list of non-current investments

Face value of ₹ 10 each, unless otherwise stated	31 March 2019		31 March 2018	
	Nos	₹ in lakhs	Nos	₹ in lakhs
Investments valued at fair value, fully paid up, unquoted, unless otherwise stated				
<b>a) Investments in equity shares:</b>				
<b>i) In subsidiaries</b>				
Alliance Mall Developers Co Private Limited	2,010,000	25,791.07	2,010,000	22,213.18
Prozone Intu Developers Private Limited (Formerly known as Jaipur Festival City Private Limited )	10,000	1.00	-	-
Royal Mall Private Limited	10,000	-	10,000	-
Kruti Multitrade Private Limited	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)	250,000	103.87	250,000	67.70
	<b>2,290,000</b>	<b>25,908.73</b>	<b>2,280,000</b>	<b>22,293.67</b>
<b>ii) In foreign subsidiary</b>				
Prozone Liberty International Limited (Singapore) (face value of 1 USD each, fully paid up)	61,738,561	84,125.65	61,474,094	87,909.40
	<b>61,738,561</b>	<b>84,125.65</b>	<b>61,474,094</b>	<b>87,909.40</b>
<b>iii) In joint venture</b>				
Moontown Trading Company Private Limited	2,002,500	144.75	2,002,500	141.84
	<b>2,002,500</b>	<b>144.75</b>	<b>2,002,500</b>	<b>141.84</b>
<b>iv) In other company</b>				
Samriddhi Finvest Advisory Services Private Limited	5,000	1.00	5,000	1.00
	<b>5,000</b>	<b>1.00</b>	<b>5,000</b>	<b>1.00</b>
<b>b) Investment in preference shares:</b>				
<b>i) In other company</b>				
Samriddhi Finvest Advisory Services Private Limited	5,000,000	-	5,000,000	199.40
	<b>5,000,000</b>	<b>-</b>	<b>5,000,000</b>	<b>199.40</b>
<b>c) Investment in 0.001% unsecured compulsorily convertible debentures:</b>				
<b>i) In subsidiary</b>				
Alliance Mall Developers Co Private Limited	295,134	3,075.00	295,134	3,075.00
	<b>295,134</b>	<b>3,075.00</b>	<b>295,134</b>	<b>3,075.00</b>
<b>Total non-current investments</b>	<b>71,331,195</b>	<b>113,255.13</b>	<b>71,056,728</b>	<b>113,620.30</b>

Particulars	31 March 2019	31 March 2018
<b>Details:</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	113,255.13	113,620.30
Aggregate amount of impairment in value of investments	-	-

## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### Note 6 : Loans

(Unsecured, considered good)

Particulars	31 March 2019	31 March 2018
To related parties		
Loans to subsidiary company /step down subsidiaries (refer note 36)		
Loan receivables considered good- Unsecured	1,805.08	1,658.22
Loans to Joint venture company (refer note 36)		
Loan receivables considered good- Unsecured	256.16	235.12
<b>Total Loans</b>	<b>2,061.24</b>	<b>1,893.34</b>

### Note 7 : Other financial assets

(Unsecured, considered good, unless otherwise stated)

Particulars	31 March 2019	31 March 2018
To parties other than related parties		
Advance recoverable in cash or kind		
Unsecured, considered good	1,148.06	1,156.06
Unsecured, considered doubtful	910.00	1,073.00
	<b>2,058.06</b>	<b>2,229.06</b>
Less : Provision for expected credit loss	(910.00)	(1,073.00)
	<b>1,148.06</b>	<b>1,156.06</b>
Security deposits	2.45	2.45
Bank deposits (due to mature after 12 months of the reporting date)*	3.50	3.50
Interest accrued on fixed deposits held with bank	0.25	0.04
<b>Total other financial assets</b>	<b>1,154.26</b>	<b>1,162.05</b>

\* Restrictions on fixed deposits

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

### Note 8 : Non-current tax assets (net)

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

Particulars	31 March 2019	31 March 2018
<b>Current tax expense (A)</b>		
Current year	117.74	110.14
<b>Deferred tax expense (B)</b>		
Origination and reversal of temporary differences	(23.58)	121.75
<b>Tax expense (A+B)</b>	<b>94.16</b>	<b>231.89</b>

## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### (b) Amounts recognised in other comprehensive income

Particulars	31 March 2019			31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurement of post employment benefit obligation	(14.40)	4.01	(10.39)	4.73	(1.30)	3.43
Gains from investments in equity instruments measured at FVOCI	(555.30)	123.58	(431.73)	402.28	(88.66)	313.62
	<b>(569.70)</b>	<b>127.59</b>	<b>(442.12)</b>	<b>407.01</b>	<b>(89.96)</b>	<b>317.04</b>

### (c) Reconciliation of effective tax rate

Particulars	31 March 2019	31 March 2018
<b>Profit before tax</b>	336.34	458.69
Tax using the Company's domestic tax rate (Current year 27.82% and Previous year 27.55%)	93.57	126.37
<b>Tax effect of :</b>		
Effect of income which is exempt from taxation	(7.14)	(11.66)
Effect of expenses that is non-deductible in determining taxable profit	0.68	1.07
Effect on deferred tax due to change in tax rate	(4.43)	105.46
Change in temporary differences not considered in Income tax	-	10.46
Other adjustments	11.47	0.20
<b>Tax expense as per statement of profit and loss</b>	<b>94.15</b>	<b>231.89</b>
Effective tax rate	<b>27.99%</b>	<b>50.56%</b>

### (d) Income tax assets (net)

Particulars	31 March 2019	31 March 2018
Advance tax including tax deducted at source (net of provision for tax ₹ 682.11 lakhs (31 March 2018: ₹ 564.37 lakhs))	146.65	134.36
<b>Total non-current tax assets (net)</b>	<b>146.65</b>	<b>134.36</b>

## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### (e) Movement in deferred tax balances

Particulars	Balance at 31 March 2019					
	Net balances at 1 April 2018	Recognised in the statement of profit and loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and Equipments	72.38	9.47	-	62.91	62.91	-
Investments	(17,851.33)	1.18	(123.58)	(17,728.93)	-	17,728.93
Loans	(195.44)	49.04	-	(244.48)	-	244.48
Other financial assets	760.11	(28.92)	-	789.03	789.03	-
Other current assets	43.13	(4.45)	-	47.58	47.58	-
Borrowings	182.13	(29.92)	-	212.05	212.05	-
Other non-current/ current liabilities	(334.16)	33.79	-	(367.94)	-	367.94
Provisions	11.40	(7.14)	(4.01)	22.55	22.55	-
Other current liabilities	0.25	(0.06)	-	0.31	0.31	-
MAT Credit Entitlement	71.83	(46.59)	-	118.42	118.42	-
Tax assets (liabilities) before set-off	<b>(17,239.69)</b>	<b>(23.58)</b>	<b>(127.59)</b>	<b>(17,088.51)</b>	<b>1,252.85</b>	<b>18,341.36</b>
Set-off of deferred tax liabilities					(18,341.36)	
Net deferred tax (liabilities)					<b>(17,088.51)</b>	

Particulars	Balance at 31 March 2018					
	Net balances at 1 April 2018	Recognised in the statement of profit and loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liabilities
Property, Plant and Equipments	82.47	10.09	-	72.38	72.38	-
Investments	(17,762.66)	0.01	88.66	(17,851.33)	-	17,851.33
Loans	(183.12)	12.32	-	(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/ current liabilities	(351.48)	(17.32)	-	(334.16)	-	334.16
Provisions	11.71	(1.01)	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	<b>(17,027.97)</b>	<b>121.75</b>	<b>89.97</b>	<b>(17,239.69)</b>	<b>1,141.24</b>	<b>18,380.93</b>
Set-off of deferred tax liabilities					(18,380.93)	
Net deferred tax (liabilities)					<b>(17,239.69)</b>	

## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### Note 9 : Other non-current assets

(Unsecured, considered good)

Particulars	31 March 2019	31 March 2018
To related parties		
Deferred asset on interest free loans given to Moontown Trading Company Private Limited, Joint venture company	14.53	29.01
Less : Current portion disclosed under Other current assets (refer note 15)	(14.53)	(14.49)
<b>Total other non-current assets</b>	<b>-</b>	<b>14.53</b>

### Note 10 : Investments

Particulars	31 March 2019	31 March 2018
<b>Investments valued at fair value through profit and loss (FVTPL)</b>		
Investment in mutual funds	650.73	1,647.68
<b>Total Current investments</b>	<b>650.73</b>	<b>1,647.68</b>

#### Note 10.1 Detailed list of Current investments

Particulars	31 March 2019		31 March 2018	
	Nos	₹ in lakhs	Nos	₹ in lakhs
<b>I. Investments valued at fair value, fully paid up, unquoted, unless otherwise stated</b>				
<b>a) Investments in mutual fund</b>				
Kotak Treasury Advantage Fund - Daily Dividend - Regular Plan	280,678	28.30	3,007,000	805.63
Birla Sun Life Plus Daily Dividend - Regular	620,926	622.43	1,202,000	835.08
Reliance Money Manager Fund - Daily Dividend Plan	-	-	85,000	6.97
	<b>901,604</b>	<b>650.73</b>	<b>4,294,000</b>	<b>1,647.68</b>
Add/(Less) : Fair value gain/(loss)		-		-
<b>Total Current investments</b>	<b>901,604</b>	<b>650.73</b>	<b>4,294,000</b>	<b>1,647.68</b>

Particulars	31 March 2019	31 March 2018
<b>Details:</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	650.73	1,647.68
Aggregate amount of impairment in value of investments	-	-

### Note 11 : Trade receivables

Particulars	31 March 2019	31 March 2018
To related parties		
Trade Receivables considered good - Unsecured	44.87	57.62
<b>To parties other than related parties</b>		
Trade Receivables considered good - Unsecured	5.65	0.26
<b>Total Trade receivables</b>	<b>50.52</b>	<b>57.88</b>

## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### Note 12 : Cash and cash equivalents

Particulars	31 March 2019	31 March 2018
Balances with banks		
- in current accounts	10.48	13.57
Cheques on hand	8.05	29.98
Cash on hand	2.25	1.37
<b>Total cash and cash equivalents</b>	<b>20.78</b>	<b>44.92</b>

### Note 13 : Loans

Particulars	31 March 2019	31 March 2018
Loans to subsidiary company /step down subsidiaries (refer note 36)		
Loan receivables considered good- Unsecured	3,651.58	2,349.34
Loans to parties other than related parties		
Loan receivables considered good- Unsecured	6.30	425.28
Loan receivables - credit impaired	1,152.14	1,330.78
	<b>4,810.02</b>	<b>4,105.40</b>
Less : Provision for expected credit loss	(1,152.14)	(1,330.78)
	<b>3,657.88</b>	<b>2,774.62</b>
Advances to employees- unsecured considered good	12.82	18.86
<b>Total Loans</b>	<b>3,670.70</b>	<b>2,793.48</b>

### Note 14 : Other financial assets

(Unsecured, considered good, unless otherwise stated)

Particulars	31 March 2019	31 March 2018
Advances recoverable in cash or in kind, considered good	43.17	44.57
Advances recoverable in cash or in kind, considered doubtful	355.00	355.00
Less : Provision for expected credit loss	(355.00)	(355.00)
	<b>43.17</b>	<b>44.57</b>
Others receivables*	1,770.00	1,770.00
<b>Total other financial assets</b>	<b>1,813.17</b>	<b>1,814.57</b>

\*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.

### Note 15 : Other current assets

(Unsecured, considered good)

Particulars	31 March 2019	31 March 2018
To related parties		
Current portion of deferred asset on interest free loans given to Moontown Trading Company Private Limited, Joint venture company (refer note 9)	14.53	14.49
To other than related parties		
Prepaid expenses	6.25	8.52
<b>Total other current assets</b>	<b>20.78</b>	<b>23.01</b>



## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### Note 16 : Equity share capital

Particulars	31 March 2019	31 March 2018
Authorised share capital		
2,002.50 lakhs (31 March 2018: 2,002.50 lakhs) equity shares of ₹ 2 each	4,005.00	4,005.00
<b>Issued, subscribed and fully paid up</b>		
1,526.03 lakhs (31 March 2018: 1,526.03 lakhs) equity shares of ₹ 2 each, fully paid up	3,052.06	3,052.06
<b>Total issued, subscribed and paid-up equity share capital</b>	<b>3,052.06</b>	<b>3,052.06</b>

#### (a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

Particulars	31 March 2019		31 March 2018	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
<b>Equity Shares</b>				
At the beginning of the year	1,526.03	3,052.06	1,526.03	3,052.06
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,526.03</b>	<b>3,052.06</b>	<b>1,526.03</b>	<b>3,052.06</b>

#### (b) 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. The rights of the shareholders shall rank pari passu in all respects (including but not limited to dividend and voting rights).

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.

#### (c) 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 2019		31 March 2018	
	Number of equity shares held in lakhs	% of holding	Number of equity shares held in lakhs	% of holding
<b>Nailsfield Limited, Mauritius</b>	439.96	28.83	494.11	32.38
Nikhil Chaturvedi Family Trust	140.51	9.21	140.51	9.21
Salil Chaturvedi Family Trust	137.33	9.00	137.33	9.00

*Note: On 11<sup>th</sup> May 2018, Intu Properties PLC, UK transferred 3.55% equity shares to its another 100% FPI entity i.e. Intu India (Portfolio) Limited, UK from Nailsfield Limited, Mauritius.*

## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### Note 16.1 : Other equity

#### Reserves and surplus

	Particulars	31 March 2019	31 March 2018
<b>(i)</b>	<b>Securities premium</b>		
	Opening balance	36,434.05	36,434.05
	Add: Securities premium received on issue of equity shares	-	-
	Closing balance (refer sub-note 1)	<b>36,434.05</b>	<b>36,434.05</b>
<b>(ii)</b>	<b>Retained earnings</b>		
	Opening balance	405.75	178.95
	Add: profit for the year	242.18	226.80
	Closing balance (refer sub-note 2)	647.93	405.75
<b>(iii)</b>	<b>Amalgamation reserves</b>		
	Opening balance	378.86	378.86
	Add/ (less): Addition/ (deduction)	-	-
	Closing balance (refer sub-note 3)	<b>378.86</b>	<b>378.86</b>
<b>(iv)</b>	<b>Other Comprehensive Income</b>		
	Opening balance	63,137.94	62,820.90
	Add: (Loss) / Gain on fair value of defined benefit plan	(10.39)	3.43
	Add: (Loss) / Gain on fair value of Investments	(431.72)	313.61
	Closing balance	<b>62,695.83</b>	<b>63,137.94</b>
	<b>Total other equity</b>	<b>100,156.67</b>	<b>100,356.60</b>

#### Sub-note:

- 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;
  - towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;
  - for the purchase of its own shares or other securities;
  - in writing off the preliminary expenses of the Company;
  - in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and
  - in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
- Retained earnings represents the accumulated profits of the Company.
- Amalgamation Reserve represents the capital reserve pursuant to the Composite Scheme of Arrangement and Amalgamation dated 10 February 2012.

## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### Note 17 : Borrowings

Particulars	31 March 2019	31 March 2018
<i>(Secured)</i>		
Hire Purchase Loans*	43.39	54.12
Less: current maturities of long term debt (refer note 22)	(30.66)	(25.51)
	12.73	28.61
<i>(Unsecured)</i>		
Loan taken from Emerald Build Home Private Limited, joint venture company** (refer note 36)	1,225.28	1,124.11
	<b>1,238.01</b>	<b>1,152.72</b>

#### Nature of security:

\*Hire Purchase Loans includes :

- ₹ 27.99 lakhs (31 March 2018: ₹ 54.12 lakhs) in respect of one vehicle which is secured by hypothecation of vehicle financed with Axis Bank. The loan carries interest @ 9.50% p.a. The loan is repayable in 48 equal instalments starting from 15 April 2016.

\*Hire Purchase Loans includes :

- ₹ 15.54 lakhs (31 March 2018: ₹ Nil) in respect of one vehicle which is secured by hypothecation of vehicle financed with ICICI Bank. The loan carries interest @ 9.25% p.a. The loan is repayable in 60 equal instalments starting from 1 February 2019.

#### \*\*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 14 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 41 to the financial statements.

### Note 18 : Provisions

Particulars	31 March 2019	31 March 2018
Provision for employee benefits (refer note 35)		
- provision for gratuity	42.07	17.99
<b>Total Provisions</b>	<b>42.07</b>	<b>17.99</b>

## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### Note 19 : Deferred tax liabilities (net)

Particulars	31 March 2019	31 March 2018
<b>Deferred tax liabilities</b>		
Investments carried at FVOCI	17,728.93	17,851.33
<b>Deferred tax assets</b>		
- Difference in depreciation in block of fixed assets as per Income-tax Act, 1961 and depreciation allowable under books	62.91	72.38
- Provision for expenses disallowed under Section 43B of Income-tax Act, 1961	459.09	467.43
	<b>522.00</b>	<b>539.81</b>
MAT credit entitlement	118.42	71.83
<b>Deferred tax liabilities, (net)</b>	<b>17,088.51</b>	<b>17,239.69</b>

### Note 20 : Other non-current liabilities

Particulars	31 March 2019	31 March 2018
Deferred liability on loan taken from Emerald Build Home Private Limited, joint venture company	331.52	414.35
Deferred guarantee income	854.17	859.97
<b>Total other non-current liabilities</b>	<b>1,185.69</b>	<b>1,274.32</b>

### Note 21 : Trade payables

Particulars	31 March 2019	31 March 2018
- Total outstanding dues of micro enterprises and small enterprises	5.51	0.54
- Total outstanding dues of creditors other than micro enterprises and small enterprises.	69.26	158.44
<b>Total Trade payables</b>	<b>74.77</b>	<b>158.98</b>

Micro and small enterprises under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

Particulars	31 March 2019	31 March 2018
Principal amount remaining unpaid to any supplier as at the end of each accounting year;	5.51	0.54
Interest due thereon to any supplier as at the end of each 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 appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
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.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## Notes to the standalone financial statements...(Continued)

as at 31 March, 2019

### Note 22 : Other financial liabilities

Particulars	31 March 2019	31 March 2018
Current maturities of long term debt (refer note 17)	30.66	25.51
Employee benefits payable	43.54	24.69
	<b>74.20</b>	<b>50.20</b>

### Note 23 : Other current liabilities

Particulars	31 March 2019	31 March 2018
Other liabilities	-	33.13
Other advances:		
Advances received from customers	59.45	24.27
Statutory dues payable		
- Tax deducted at source payable	9.95	9.56
- Goods and services tax (GST) payable	23.01	16.58
- Professional tax payable	0.03	0.02
- Provident fund payable	0.38	0.33
<b>Total Other current liabilities</b>	<b>92.81</b>	<b>83.89</b>

### Note 24 : Provisions

Particulars	31 March 2019	31 March 2018
Provision for employee benefits (refer note 35)		
- provision for compensated absences	36.08	17.89
- provision for gratuity	2.89	5.50
<b>Total Provisions</b>	<b>38.97</b>	<b>23.39</b>

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

### Note 25 : Revenue from operations

Particulars	31 March 2019	31 March 2018
Sale of services:		
Management consultancy charges	829.64	678.24
<b>Total Revenue from operations</b>	<b>829.64</b>	<b>678.24</b>

### Note 26 : Other income

Particulars	31 March 2019	31 March 2018
<b>Interest income</b>		
- on unwinding of loans given to related parties (refer note 36)	169.46	155.47
- on loans	459.47	425.92
- on income-tax refund	-	2.08
- on fixed deposit	0.37	0.04
- on amortisation of deferred liabilities on loans taken from joint ventures	82.82	82.82
Notional corporate guarantee income	15.35	66.92
Rental income (refer note 43)	15.00	7.50
Profit on sale of property, plant and equipment	1.92	-
Notional gain on value of current investments measured at FVTPL	-	0.64
Dividend income on current investments	25.03	42.04
Reversal of provision for expected credit loss	-	61.63
Liabilities no longer required written back	-	0.65
Gain on foreign exchange fluctuations	-	0.27
<b>Total other income</b>	<b>769.43</b>	<b>845.99</b>

### Note 27 : Employee benefits expense

Particulars	31 March 2019	31 March 2018
Salaries and bonus	271.86	195.05
Directors' remuneration	239.98	180.00
Contribution to provident fund (refer note 35B)	2.29	2.20
Expenses related to post-employment defined benefit plans (refer note 35(a))	7.07	11.56
Staff welfare expense	6.17	6.10
<b>Total Employee benefits expense</b>	<b>545.58</b>	<b>394.91</b>

### Note 28 : Finance costs

Particulars	31 March 2019	31 March 2018
Interest expenses		
- on vehicle loan taken from banks	4.28	6.58
- on late payments of statutory dues	0.45	1.87
- on unwinding of loans taken from/given to related parties (refer note 36)	101.17	92.82
- on amortisation of deferred assets on loans given to joint ventures	14.49	14.49
<b>Total Finance costs</b>	<b>120.39</b>	<b>115.75</b>



## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

### Note 29 : Depreciation expense

Particulars	31 March 2019	31 March 2018
Depreciation on property, plant and equipment	40.12	43.90
Depreciation on investment property	4.14	4.35
<b>Total Depreciation expense</b>	<b>44.26</b>	<b>48.25</b>

### Note 30 : Other expenses

Particulars	31 March 2019	31 March 2018
Rent (refer note 43)	36.00	36.00
Rates and taxes	0.07	1.52
Insurance	5.80	6.16
Repairs and maintenance - others	27.31	28.29
Electricity charges	20.89	18.69
Printing and stationery	10.05	6.54
Communication costs	11.80	10.44
Professional fees	78.51	79.89
Travelling and conveyance	74.57	69.62
Vehicle expenses	46.19	46.50
Housekeeping expenses	14.52	14.01
Director sitting fees	0.90	-
Listing fees	5.40	4.50
Advertisement and business promotion expenses	35.40	67.75
Payment to auditors' (refer note 30(a) below)	21.25	22.22
Office expenses	36.82	12.39
Membership and subscription	25.05	59.97
Provision for expected credit loss	77.43	-
Corporate social responsibility expenses (refer note 39)	-	10.67
Miscellaneous expenses	24.53	11.48
<b>Total Other expenses</b>	<b>552.50</b>	<b>506.63</b>

### Note 30(a) : Payment to auditors (Net of GST)

Particulars	31 March 2019	31 March 2018
- Statutory audit	21.00	20.25
- Tax audit	0.25	1.25
- Reimbursement of expenses	-	0.72
	<b>21.25</b>	<b>22.22</b>

### Note 31 : 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.

## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

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 2019	31 March 2018
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)	242.18	226.80
Basic Earning per share (in ₹)	0.16	0.15
Diluted Earning per share (in ₹)	0.16	0.15

**Note 32 :** Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets" and Commitments are given below:

#### a) Contingent liabilities

Particulars	31 March 2019	31 March 2018
<b>I) Claims against the Company not acknowledged as debts :</b>		
Disputed liability in respect of income-tax (Interest thereon not ascertainable at present)	14.87	14.87
<b>II) Guarantees</b>		
Guarantee given to bank on behalf of subsidiary company and stepdown subsidiary company*	<b>30,318.00</b>	<b>29,119.87</b>

\* The Company have provided corporate guarantee 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 2019	31 March 2018
Alliance Mall Developer Co Private Limited, subsidiary	19,424.00	19,944.00
Hagwood Commercial Developer Private Limited, step down subsidiary	2,000.00	-
Empire Mall Private Limited, step down subsidiary	8,894.00	9,175.87
<b>Total</b>	<b>30,318.00</b>	<b>29,119.87</b>

#### b) Commitment

Particulars	31 March 2019	31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

**Note 33 :** Loans and advances in the nature of loans given to subsidiaries 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 2019		31 March 2018		Movement during the year
		₹ in Lakhs	Maximum Amount	₹ in Lakhs	Maximum Amount	
Alliance Mall Developers Co Private Limited	Subsidiary	226.21	340.45	-	1,825.50	226.21
Royal Mall Private Limited	Subsidiary	1.58	339.99	0.73	3.88	0.85
Prozone Intu Developers Private Limited (formerly known as Jaipur Festival City Private Limited )	Subsidiary	117.92	142.85	119.75	129.49	(1.83)
Prozone Liberty International Ltd, Singapore	Subsidiary	-	179.59	177.90	177.90	(177.90)
Omni Infrastructure Private Limited	Step down subsidiary	2,163.02	2,163.02	2,139.83	2,139.83	23.19
Empire Mall Private Limited	Step down subsidiary	-	206.21	106.21	106.21	(106.21)
Hagwood Commercial Developers Private Limited	Step down subsidiary	341.55	341.55	-	65.16	341.55
Kruti Multitrade Private Limited	Subsidiary	44.04	45.63	45.60	45.60	(1.56)
Prozone Developers & Realtors Private Limited (formerly known as Classique Creators Private Limited)	Subsidiary	2,724.62	2,724.62	1,728.27	1,728.27	996.35
		<b>5,618.94</b>	<b>6,483.91</b>	<b>4,318.29</b>	<b>6,221.84</b>	<b>1,300.67</b>

### b) Details of investments in subsidiaries

(No. of shares)

Name of subsidiary companies	31 March 2019	31 March 2018
Alliance Mall Developers Co Private Limited	2,010,000	2,010,000
"Prozone Intu Developers Private Limited (formerly known as Jaipur Festival City Private Limited )"	10,000	-
Royal Mall Private Limited	10,000	10,000
Kruti Multitrade Private Limited	10,000	10,000
Prozone Liberty International Limited (Singapore)	61,738,561	61,474,094
Prozone Developers & Realtors Private Limited (formerly known as Classique Creators Private Limited)	250,000	250,000
<b>Investments through Prozone Liberty International Limited (Singapore)</b>		
Empire Mall Private Limited *, step down subsidiary	47,209,412	47,209,412
Hagwood Commercial Developers Private Limited, step down subsidiary	9,480,235	9,480,235
Omni Infrastructure Private Limited, , step down subsidiary	24,000	24,000

\* Considered subsidiary on control basis

Note : for detailed disclosure refer not no 5

(No. of debentures)

Name of subsidiary company	31 March 2019	31 March 2018
Alliance Mall Developers Co Private Limited	295,134	295,134

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

**Note 34 :** The Company has the following Joint Ventures as on 31<sup>st</sup> March, 2019 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 2019		For the year ended 31 March 2019	
			Assets	Liabilities	Income	Expenditure
Emerald Buildhome Private Limited (EBPL)	India	50.00	2,507.26	0.53	50.59	41.48
Moontown Trading Company Private Limited (MTCPL)	India	25.00	212.57	67.82	4.46	5.30

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

### Note 35 : 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.

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

	Particulars	Funded Plan	
		Gratuity	
		31 March 2019	31 March 2018
<b>a)</b>	<b>Expenses recognised in the statement of profit and loss</b>		
	Current service cost	5.50	3.31
	Past service cost	-	7.20
	Interest cost	1.57	1.05
	<b>Components of defined benefit costs recognized in profit or loss</b>	<b>7.07</b>	<b>11.56</b>
<b>b)</b>	<b>Included in other comprehensive income</b>		
	Actuarial changes arising from changes in financial assumptions	1.03	(1.11)
	Actuarial changes arising from changes in demographic assumptions	-	-
	Experience adjustments	13.46	(3.65)
	Return on plan asset excluding amounts included in Interest Income	(0.09)	0.03
	<b>Actuarial loss / (gain) recognized in OCI</b>	<b>14.40</b>	<b>(4.73)</b>
<b>c)</b>	<b>Recognised in balance sheet</b>		
	Present value of obligation as at the end of the year	60.87	38.17
	Fair value of plan assets as at the end of the year	(15.91)	(14.68)
	<b>Net Liability</b>	<b>44.96</b>	<b>23.49</b>
<b>d)</b>	<b>Changes in defined benefit obligations</b>		
	Present value of obligation as at the beginning of the year		
	Defined Benefit Obligation ("PBO") at the beginning of the year	38.17	30.44
	Current Service cost	5.50	3.31
	Past Service cost	-	7.20
	Interest cost	2.71	1.98
	Actuarial loss / (gain)	14.49	(4.76)
	<b>Present value of obligation as at the end of the year</b>	<b>60.87</b>	<b>38.17</b>
<b>e)</b>	<b>Change in fair value of assets</b>		
	Fair value of plan assets at the beginning of the year	14.68	13.78
	Interest Income	1.14	0.93
	Return on plan assets excluding amounts included in interest income	0.09	(0.03)
	Benefits paid	-	-
	<b>Fair value of plan assets at the end of the year</b>	<b>15.91</b>	<b>14.68</b>
<b>f)</b>	<b>Reconciliation of net defined benefit liability</b>		
	Net opening provision in books of accounts	23.49	16.66
	Transfer in/(out) obligation	-	-
	Expenses recognised in the statement of profit and loss	7.07	11.56
	Expenses recognised in Other Comprehensive Income	14.40	(4.73)
	Benefits paid	-	-
	<b>Closing provision in books of accounts</b>	<b>44.96</b>	<b>23.49</b>

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

	Particulars	Unfunded Plan	
		Compensated absences	
		31 March 2019	31 March 2018
<b>a)</b>	<b>Changes in defined benefit obligations</b>		
	Present value of obligation as at the beginning of the year		
	Defined Benefit Obligation ("PBO") at the beginning of the year	17.89	18.75
	Current Service cost	4.79	4.99
	Interest cost	1.35	-
	Actuarial loss / (gain)	12.08	(5.64)
	Liabilities transferred in / (out)	-	-
	Benefits paid	(0.03)	(0.21)
	<b>Present value of obligation as at the end of the year</b>	<b>36.08</b>	<b>17.89</b>
<b>b)</b>	<b>Expenses recognised in the statement of profit and loss</b>		
	Current service cost	4.79	4.99
	Interest cost	1.35	-
	Net value of remeasurements on the obligation and plan assets	12.07	(5.64)
	<b>Total included in 'employee benefits expense'</b>	<b>18.21</b>	<b>(0.65)</b>
<b>c)</b>	<b>Liability recognised in balance sheet</b>		
	Present value of unfunded obligation as at the end of the year	36.08	17.89
	<b>Net Liability</b>	<b>36.08</b>	<b>17.89</b>
<b>d)</b>	<b>Components of actuarial gain/losses on obligation</b>		
	Actuarial changes arising from changes in financial assumptions	0.52	(0.40)
	Actuarial changes arising from changes in demographic assumptions	-	-
	Experience adjustments	11.55	(5.24)
	<b>Net actuarial loss / (gain)</b>	<b>12.07</b>	<b>(5.64)</b>

		Gratuity		Compensated absences	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>e)</b>	<b>Current/ non-current classification</b>				
	Current	2.89	5.50	36.08	17.89
	Non- current	42.07	17.99	-	-
		<b>44.96</b>	<b>23.49</b>	<b>36.08</b>	<b>17.89</b>



## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

The following table summarizes the principal assumptions used for defined benefit obligation and compensated absences:

Actuarial assumptions	Gratuity		Compensated absences	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Discount rate	7.20%	7.55%	7.20%	7.55%
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.

#### Quantitative sensitivity analysis for significant assumption is as below:

Particulars	Gratuity		Compensated absences	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>0.5% increase</b>			<b>0.5% increase</b>	
i. Discount rate	59.41	37.21	35.35	17.54
ii. Salary escalation rate - over a long-term	61.36	38.59	36.85	18.26
<b>0.1% increase</b>			<b>0.1% increase</b>	
iii. Withdrawal rate (W.R.)	61.69	38.59	35.82	17.73
<b>0.5% decrease</b>			<b>0.5% decrease</b>	
i. Discount rate	62.40	39.18	36.84	18.26
ii. Salary escalation rate - over a long-term	60.44	36.85	35.33	17.53
<b>0.1% decrease</b>			<b>0.1% decrease</b>	
iii. Withdrawal rate (W.R.)	60.00	37.72	36.35	18.07

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 (%)
1 <sup>st</sup> Following Year	8.35	9.30%	5.84	11.70%
2 <sup>nd</sup> Following Year	7.70	8.50%	5.75	11.50%
3 <sup>rd</sup> Following Year	7.61	8.40%	5.26	10.50%
4 <sup>th</sup> Following Year	6.40	7.10%	4.59	9.20%
5 <sup>th</sup> Following Year	10.32	11.40%	4.97	9.90%
Sum of Year 6 to 10 Year	32.76	36.30%	18.63	37.20%
<b>Total expected payments</b>	<b>73.14</b>		<b>45.04</b>	

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

### 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 2019	31 March 2018
Contribution to provident funds	2.29	2.20
	<b>2.29</b>	<b>2.20</b>

### C Experience adjustments

Particulars	2018	2017	2016	2015	2014
Present value of defined benefit obligation	38.17	30.44	22.34	17.85	3.77
Fair value of plan assets	(14.68)	(13.78)	(12.78)	(11.67)	(10.48)
(Deficit)	23.49	16.66	9.56	6.18	(6.71)

## 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	Chairman and Independent Director
Ms. Deepa Misra Harris	Independent Director
Mr. David Fischel	Non Executive Director
Mr. Dushyant Sangar	Non Executive Director
Mr. Aakansha Chaturvedi (From 16 February 2019)	Relative of KMP

#### 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 (Formerly known as Classique Creators Private Limited)

#### D) Joint Ventures

Emerald Buildhome Private Limited  
 Moontown Trading Company Private Limited

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

### 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 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Remuneration to key management personnel</b>										
Nikhil Chaturvedi	150.00	120.00	-	-	-	-	-	-	150.00	120.00
Salil Chaturvedi	90.00	60.00	-	-	-	-	-	-	90.00	60.00
Director sitting fees	0.90	-	-	-	-	-	-	-	0.90	-
<b>Sale of services</b>										
Alliance Mall Developers Co Private Limited	-	-	-	-	398.93	322.38	-	-	398.93	322.38
Empire Mall Private Limited	-	-	-	-	151.08	118.14	-	-	151.08	118.14
Hagwood Commercial Developers Private Limited	-	-	-	-	279.63	237.72	-	-	279.63	237.72
<b>Interest income on loans given</b>										
Prozone Developers & Realtors Private Limited (formerly known as Classique Creators Private Limited)	-	-	-	-	350.83	166.74	-	-	350.83	166.74
Alliance Mall Developers Co Private Limited	-	-	-	-	-	143.63	-	-	-	143.63
Others related parties	-	-	-	-	92.45	34.47	-	-	92.45	34.47
<b>Notional corporate guarantee income on the guarantee given by the company</b>	-	-	-	-	15.35	66.92	-	-	15.35	66.92
<b>Notional interest income on loans given</b>										
Omni Infrastructure Private Limited	-	-	-	-	145.66	133.63	-	-	145.66	133.63
Others related parties	-	-	-	-	2.76	2.54	21.04	19.30	23.80	21.84
<b>Notional interest expenses on loans taken</b>										
Emerald Buildhome Private Limited	-	-	-	-	-	-	101.17	92.82	101.17	92.82
<b>Loans given</b>										
Alliance Mall Developers Co Private Limited	-	-	-	-	340.45	2,311.22	-	-	340.45	2,311.22
Royal Mall Private Limited	-	-	-	-	333.52	0.28	-	-	333.52	0.28
Empire Mall Private Limited	-	-	-	-	228.00	134.99	-	-	228.00	134.99
Hagwood Commercial Developers Private Limited	-	-	-	-	363.40	44.75	-	-	363.40	44.75
Prozone Developers & Realtors Private Limited (formerly known as Classique Creators Private Limited)	-	-	-	-	2,070.60	85.08	-	-	2,070.60	85.08
Others related parties	-	-	-	-	43.48	89.84	-	-	43.48	89.84
<b>Loan converted into equity share capital</b>										
Prozone Liberty International Ltd, Singapore	-	-	-	-	179.59	-	-	-	179.59	-
<b>Repayment of loans given</b>										
Alliance Mall Developers Co Private Limited	-	-	-	-	149.53	2,466.10	-	-	149.53	2,466.10
Royal Mall Private Limited	-	-	-	-	339.22	3.40	-	-	339.22	3.40
Empire Mall Private Limited	-	-	-	-	337.86	29.02	-	-	337.86	29.02
Prozone Developers & Realtors Private Limited (formerly known as Classique Creators Private Limited)	-	-	-	-	1,425.08	16.67	-	-	1,425.08	16.67
Others related parties	-	-	-	-	90.77	100.70	-	-	90.77	100.70
<b>Rent paid</b>	-	-	36.00	36.00	-	-	-	-	36.00	36.00

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Trade receivables</b>	-	-	-	-	44.29	57.04	-	-	44.29	57.04
Advance from customers	-	-	-	-	59.45	24.27	-	-	59.45	24.27
Trade payable	-	-	10.05	81.47	-	-	-	-	10.05	81.47
<b>Deferred guarantee commission on the guarantee given by the company</b>										
Alliance Mall Developers Co Private Limited	-	-	-	-	537.40	527.40	-	-	537.40	527.40
Empire Mall Private Limited	-	-	-	-	308.81	332.56	-	-	308.81	332.56
Hagwood Commercial Developers Private Limited	-	-	-	-	7.96	-	-	-	7.96	-
<b>Guarantee given by the company on behalf Subsidiaries / Step down subsidiaries</b>										
Alliance Mall Developers Co Private Limited	-	-	-	-	19,424.00	19,944.00	-	-	19,424.00	19,944.00
Empire Mall Private Limited	-	-	-	-	8,894.00	9,175.87	-	-	8,894.00	9,175.87
Hagwood Commercial Developers Private Limited	-	-	-	-	2,000.00	-	-	-	2,000.00	-
<b>Loans given</b>										
Moontown Trading Company Private Limited	-	-	-	-	-	-	256.16	235.12	256.16	235.12
Alliance Mall Developers Co Private Limited	-	-	-	-	226.21	-	-	-	226.21	-
Prozone Intu Developers Private Limited (Formerly known as Jaipur Festival City Private Limited )	-	-	-	-	117.92	119.75	-	-	117.92	119.75
Omni Infrastructure Private Limited	-	-	-	-	2,003.76	1,834.90	-	-	2,003.76	1,834.90
Prozone Liberty International Ltd, Singapore	-	-	-	-	-	177.90	-	-	-	177.90
Empire Mall Private Limited	-	-	-	-	-	106.21	-	-	-	106.21
Hagwood Commercial Developers Private Limited	-	-	-	-	341.55	-	-	-	341.55	-
Prozone Developers & Realtors Private Limited (formerly known as Classique Creators Private Limited)	-	-	-	-	2,724.62	1,728.27	-	-	2,724.62	1,728.27
Others related parties	7.00	-	-	-	42.60	40.53	-	-	49.60	40.53
<b>Loans taken</b>										
Emerald Buildhome Private Limited	-	-	-	-	-	-	1,225.28	1,124.11	1,225.28	1,124.11
Remuneration payable *	21.69	15.06	-	-	-	-	-	-	21.69	15.06

**Note:** Related parties are as disclosed by the management and relied upon by the auditors.

\* The managerial remuneration paid by the Company to its Managing and Deputy Managing Directors is in excess of the limits laid down under Section 197 of the Companies Act, 2013 read with Schedule V to the Act by ₹ 60 lakhs (31 March 2018: ₹ Nil). The Company is in the process of obtaining approval from its shareholders at the forthcoming annual general meeting for such excess remuneration paid.

### Note 37 : 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".

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

### Note 38 : 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. 32.
- iii) For loans given :

Particulars	Rate of Interest	Purpose for which the loan is proposed to be utilised by the recipient	31 March 2019	31 March 2018	Movement during the year
Subsidiaries / Step down subsidiaries	8.5% to 16%	Working Capital	3,658.77	2,213.61	1,445.16
Others	9%		936.84	1,534.45	(597.61)
<b>Total</b>			<b>4,595.61</b>	<b>3,748.06</b>	847.55

#### Notes:

- 1) Out of the above the Company has not provided interest on ₹ 930.54 Lakhs (31 Mar 2018: ₹ 638.99 lakhs) as the 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 ₹ 2,460.94 lakhs (31 March 2018: ₹ 2,605.42 lakhs)

### Note 39 : Expenditure on Corporate Social Responsibility (CSR) activities

**A Gross amount required to be spent by the Company during the year 2018-19 - ₹ 9.71 lakhs (31 March 2018- ₹ 9.09 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	-	-	-

**C Related party transactions in relation to Corporate Social Responsibility:**

**D Provision movement during the year 2018-19**

Opening provision	9.09
Addition during the year	-
Utilised during the year	-
Closing provision	9.09

### Note 40 : Expenditure in foreign Currency

Particulars	31 March 2019	31 March 2018
Travelling and conveyance	28.77	12.76

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

### Note 41: 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 2019	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	650.73	113,255.13	-	-	650.73	113,255.13	113,905.86
Loans (current and non-current)	6, 13	-	-	5,731.94	-	-	-	-
Trade receivables	11	-	-	50.52	-	-	-	-
Cash and cash equivalents	12	-	-	20.78	-	-	-	-
Other financial asset (current and non-current)	7, 14			2,967.43	-	-	-	-
		650.73	113,255.13	8,770.67				
Financial liabilities								
Borrowings	17	-	-	1,238.01	-	1,238.01	-	1,238.01
Trade payables	21	-	-	74.77	-	-	-	-
Other financial liabilities	22	-	-	74.20	-	30.66	-	30.66
		-	-	1,386.98				

31 March 2019	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	113,620.30	-		1,647.68	113,620.30	115,267.98
Loans (current and non-current)	6, 13	-	-	4,686.82	-	-	-	-
Trade receivables	11	-	-	57.88	-	-	-	-
Cash and cash equivalents	12	-	-	44.92	-	-	-	-
Other financial asset (current and non-current)	7 , 14	-	-	2,976.62	-	-	-	-
		1,647.68	113,620.30	7,766.24				
Financial liabilities								
Borrowings	17	-	-	1,152.72	-	1,152.72	-	1,152.72
Trade payables	21	-	-	158.98	-	-	-	-
Other financial liabilities	22	-	-	50.20	-	25.51	-	25.51
		-	-	1,311.70				



## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

### 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 to the financials statements

#### 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 property valuers, having appropriate recognised professional qualifications and relevant experience the field.	1) Discount Rate; 2) Market capitalisation rate	"15.50% to 23.00%; 8.50% to 9.50%"

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

### Note 41 : Financial instruments – Fair values and risk management (Continued)

#### 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.

#### 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 spectrum. 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 perceive 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 ₹ 20.78 lakhs and ₹ 44.92 as at 31 March 2019 and 31 March 2018 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.

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

### Exposure to credit risk

The allowance for impairment in respect of trade receivables during the year was ₹ Nil (31 March 2018: ₹ 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 and 31 March 2019 is as follows:

Particulars	31 March 2019	31 March 2018
Financial assets for which loss allowances are measured using 12 months Expected Credit Losses (ECL) :		
Loans	1,152.14	1,330.78
Advance recoverable in cash or kind	1,265.00	1,428.00

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount in ₹ lakhs
<b>Balance as at 1 April 2017</b>	<b>2,820.42</b>
Impairment loss recognised	(61.63)
<b>Balance as at 31 March 2018</b>	<b>2,758.78</b>
Impairment loss recognised	(341.64)
<b>Balance as at 31 March 2019</b>	<b>2,417.14</b>

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.

### 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
<b>As at 31 March 2019</b>				
<b>Non - derivative financial liabilities</b>				
Borrowings (Refer Note 17)	-	1,238.01	-	1,238.01
Trade payables (Refer Note 21)	74.77	-	-	74.77
Other financial liabilities (Refer Note 22)	74.20			74.20
	<b>148.97</b>	<b>1,238.01</b>	<b>-</b>	<b>1,386.98</b>
<b>As at 31 March 2018</b>				
<b>Non - derivative financial liabilities</b>				
Borrowings (Refer Note 17)	-	1,152.72	-	1,152.72
Trade payables (Refer Note 21)	158.98	-	-	158.98
Other financial liabilities (Refer Note 22)	50.20	-	-	50.20
	<b>209.18</b>	<b>1,152.72</b>	<b>-</b>	<b>1,361.90</b>

## Notes to the standalone financial statements...(Continued)

### for the year ended 31 March, 2019

#### 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 2019	31 March 2018
Fixed-rate instruments:		
Financial asset (Bank deposits)	3.50	3.50
Financial liabilities (Borrowings)	(43.39)	(54.12)
	(39.89)	(50.62)
Variable-rate instruments:		
Financial liabilities (Borrowings)	-	-

#### 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

The Company has negligible exposure 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 42 : 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 2019. 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.

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

As of balance sheet date, leverage ratios is as follows:

Particulars	Ast at 31 March 2019	As at 31 March 2018
Total borrowings (Refer note 17 and 22)	1,268.67	1,178.23
Less: cash and bank balances (Refer note 12)	20.78	44.92
Adjusted net debt	<b>1,289.45</b>	<b>1,223.15</b>
Total equity (Refer note 16 and 16.1)	103,208.73	103,408.66
Adjusted net debt to adjusted equity ratio (times)	<b>0.01</b>	<b>0.01</b>

### Note 43 : Operating leases

#### Leases as lessee

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 2018: ₹ 36 lakhs).

ii) The future minimum lease payments for cancellable operating lease are as follows:

Particulars	31 March 2019	31 March 2018
Not later than one year	36.00	36.00
Later than one year and not later than five years	21.00	57.00
Later than five years	-	-
<b>Amounts recognised in profit or loss</b>		
Lease expense	36.00	36.00
Contingent rent expense	-	-
<b>Total</b>	<b>36.00</b>	<b>36.00</b>

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 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 ₹ 15.00 lakhs (31 March 2018: ₹ 7.50 Lakhs)

ii) There is no future minimum lease payments under non-cancellable operating lease.

### Note 44 : First time adoption of Ind AS 115- Revenue from cotracts with customers

Ind AS 115 Revenue from contracts with customer has been notified by Ministry of Corporate Affairs (MCA) on 28 March 2018 and is effective from accounting period beginning on or after 1 April 2018, replace existing revenue recognition standard. The adoption of standard did not have any impact on the standalone financials statements of the Company.

## Notes to the standalone financial statements...(Continued)

for the year ended 31 March, 2019

### (a) Reconciliation of revenue as per contract price and as recognised in the Statement of profit and loss:

	31 March 2019
Revenue from contracts with customers as per contract price and statement of profit and loss	829.64

### (b) Disaggregation of revenue

The revenue is computed based on employee cost plus margin (towards recovery of operating expenses) based principle for employees working in the payroll of the Company and at a certain margin of total employee cost for employees on the payroll of the group companies in relation the management consultancy services provided to its group companies in India. The management believes that this approach best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by industry, market and other economic factors.

	31 March 2019
<b>By contract type:</b>	
Fixed cost plus margin for Company's employees	745.39
Margin for group companies employees	84.25

### (c) Contract liability (advance from customers)

	31 March 2019
Advance from customer	59.45

The amount of ₹ 24.27 lakhs recognised in contract liabilities at the beginning of the year has been recognised as revenue during the year ended 31 March 2019.

### (d) Performance obligation

The Company is engaged in the business of management consultancy services in relation to developing, owning and operating of shopping malls, commercial and residential premises to its group companies in India. Revenue is recognised at a point in time upon satisfaction of the performance obligations which is typically upon rendering of services based on the contractual terms with the group companies. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established and the Company does not give significant credit period resulting in no significant financing component.

### (e) Transaction price allocated to remaining performance obligation

The Company has recognised revenue as the amount that the entity has a right to invoice, thus there are no unsatisfied performance obligation.

As per our report of even date attached

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

**Mansi Pardiwalla**  
Partner  
Membership No: 108511

**Mr Bipin Gurnani**  
President

Place : Mumbai  
Date : 29 May 2019

Place : Mumbai  
Date : 29 May 2019

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

**Nikhil Chaturvedi**  
Managing Director  
DIN : 00004983

**Anurag Garg**  
Chief Financial Officer

**Salil Chaturvedi**  
Dy. Managing Director  
DIN : 00004768

**Ajayendra Jain**  
Company Secretary & CCO



# Independent Auditors' Report

To the Members of

## Prozone Intu Properties Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated 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 ventures, which comprise the consolidated balance sheet as at 31 March 2019, and 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 notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 of such subsidiaries and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('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 and its joint ventures as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group

in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

- (i) We draw attention to note 37 to the consolidated financial statements, relating to increase in remuneration paid to the Managing Director and the Deputy Managing Director of the Holding Company for the financial year ended 31 March 2019 with effect from 1 October 2018. The increase in remuneration of ₹ 60 lakhs is subject to the approval of the shareholders in the ensuing annual general meeting. Our opinion is not modified in respect of this matter; and
- (ii) We draw attention to note 47 to the consolidated financial statements in respect of Hagwood Commercial Developers Private Limited ('Hagwood'), (subsidiary of the Holding Company), which currently is contesting the cancellation order issued by Airport Authority of India, Nagpur ('AAIN') and revalidation of the original No Objection Certificate ('NOC') issued by AAIN for permission of maximum permissible height of the building at its project in Nagpur. Considering the aviation consultants study report and the legal opinion received, no provision has been recorded in the books of account by the subsidiary company as at 31 March 2019. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue recognition (refer note 29 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
Revenue for the Group consists primarily of rental income from mall operations and income from sale of residential and commercial units. Revenue from mall operations represents 67.22% and revenue from sale of residential and commercial units represents 32.78% of the total revenue from operations of the Group respectively.	Our audit procedures on Revenue recognition included the following:
Revenue is recognised upon transfer of control of residential and commercial units to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those units. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities or intimation to the customer of completion, post which the contract becomes non-cancellable by the parties. The Group records revenue at a point in time on completion of projects and actual possession to the customers, as determined by the terms of contract with customers.	<ul style="list-style-type: none"> <li>Evaluating that the Group's revenue recognition accounting policies are in line with the applicable accounting standards and their application to the key customer contracts including consistent application;</li> <li>Sales cut-off procedures for determination of revenue in the correct reporting period;</li> <li>Scrutinising all the revenue journals raised throughout the reporting period and comparing details of a sample of these journals, which met certain risk-based criteria, with relevant underlying documentation; and</li> <li>Considered the adequacy of the disclosures in note 2.2(i) to the consolidated financial statements in respect of the judgments taken in recognising revenue for residential and commercial property units.</li> </ul>

In addition, we have performed the following procedures:

## Independent Auditors' Report...(Continued)

The Key Audit Matter	How the matter was addressed in our audit
<b>Revenue recognition prior to completion of the project</b> <p>Due to the Group's projects being spread across different regions within the country and the competitive business environment, there is a risk that revenue could be overstated (for example, through premature revenue recognition i.e. recording revenue without receipt of approval from authorities or its intimation to the customers) or understated (for example, through improperly shifting revenues to a later period) in order to present consistent financial results. Since revenue recognition has direct impact on the Group's profitability, the element of management bias is likely to be involved.</p>	<b>Revenue recognition prior to receipt of OC/ similar approval and intimation to the customer</b> <ul style="list-style-type: none"> <li>• Discussing and challenging key management judgments in interpreting contractual terms including obtaining in-house legal interpretations;</li> <li>• Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers;</li> <li>• Identified and tested operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters, intimation of receipt of occupation certificate and controls over collection from customers; and</li> <li>• We have obtained confirmations, on a sample basis, from major customers for selected projects to confirm revenue recognised during the year and, performing alternative procedures by comparing details with contracts, collection details and other underlying project related documentation for cases where confirmations are not received.</li> </ul>
<b>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</b> <p>Revenue recognition involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete.</p> <p>Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue</p>	<b>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</b> <ul style="list-style-type: none"> <li>• Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognised in accordance with the Group's revenue recognition policies;</li> <li>• Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects;</li> <li>• Review of the costs to complete workings, comparing the costs to complete with the budgeted costs and inquiring into reasons for variance; and</li> <li>• Sighting approvals for changes in budgeted costs with the rationale for the changes and assessment of contract costs to determine no revenue nature costs are taken to inventory.</li> </ul>
<b>Revenue recognition for mall operations</b> <p>Rental income from mall operations is recognised based on lease agreements executed with the tenants. In case of fixed licence fees with increment clauses, the revenue is recognised in equal installments over the accounting periods covered by the lease term and includes variable rental income which is determined based on the turnover of certain retail outlets.</p> <p>We have identified revenue recognition for mall operations as a key audit matter because of its significance to the Group.</p>	<b>Measurement of revenue recognised for mall operations</b> <ul style="list-style-type: none"> <li>• Evaluating the design, implementation of operating effectiveness of key internal controls over the recording of revenue for mall segment;</li> <li>• Comparing fixed rental revenue received and receivable with the underlying tenancy information, including monthly rents and rental periods as set out in the signed rental agreements, on a sample basis, and assessing whether fixed rental revenue had been recorded in the appropriate period; and</li> <li>• Re-performing the calculation of variable rental income received and receivable with reference to self-certified or audited turnover reports submitted by the relevant retail outlets, on a sample basis, and assessing whether the same had been recorded and accounted for in the appropriate accounting period.</li> </ul>

## Independent Auditors' Report...(Continued)

### Inventories (refer note 12 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
<p>Inventories comprising of construction-work-in progress represent 19.22% of the Group's total assets.</p> <p><b>Assessing net realisable value</b></p> <p>The Group recognises profit on each sale by reference to the overall project margin, which is the projected profit percentage for a phase that may comprise multiple units and can last a number of years. The recognition of profit is therefore dependent on the estimate of future selling prices and build costs including an allowance for risk. Further estimation uncertainty and exposure to cyclicity exists within the long term projects.</p> <p>Forecasts of future sales are dependent on market conditions, which can be difficult to predict and be influenced by political and economic factors.</p> <p>Inventory represents the capitalised project costs to date less amounts expensed on sales by reference to the aforementioned projections. It is held at the lower of cost and net realisable value, the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can impact the assessment of the carrying value of inventories.</p> <p>Further due to their materiality in the context of total assets of the Group this is considered significant to our overall audit strategy and planning.</p>	<p>Our audit procedures to assess the net realisable value (NRV) of inventories included the following:</p> <ul style="list-style-type: none"> <li>• Discussion with the management to understand the basis of calculation and justification for the estimated recoverable amounts of the unsold units ("the NRV assessment");</li> <li>• Evaluating the design and implementation of the Group's internal controls over the NRV assessment. Our evaluation included assessing whether the NRV assessment was prepared and updated by appropriate personnel of the Group and whether the key estimates, including estimated future selling prices and costs of completion for all property development projects, used in the NRV assessment, were discussed and challenged by management as appropriate;</li> <li>• Evaluating the management's valuation methodology and assessing the key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project and the sales budget plans maintained by the Group; and</li> <li>• Re-performing the calculations of the NRV assessment and comparing the estimated construction costs to complete each development with the Group's updated budgets.</li> </ul>

### Recoverability of advances given against projects (refer note 8 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
<p>One of the subsidiary company had given advances for various real estate projects with fixed and variable returns that are assessed for recoverability at each period end.</p> <p>Other financial assets, which include non-current and current advances given to various vendors aggregated to ₹ 10,050.42 lakhs as at 31 March 2019, out of which the subsidiary company has extended advances amounting to ₹ 4,000.00 lakhs (including interest, the cumulative amount is ₹ 6,419.20 lakhs as at 31 March 2019) to one party and continued to accrue interest thereon. In respect of the same, the subsidiary company had filed petition in the Hon'ble High Court at Bombay, seeking performance of contract and restoration of security. Refer note 48 to the consolidated financial statements.</p>	<p><b>Recoverability of advances given against projects</b></p> <p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• We have verified of the term sheets executed with the investees, interim security provided by way of post-dated cheques, letters of allotment in the building Shreepati Jewels allocating 12 flats in D Wing of Shreepati Jewels i.e., the Girgaon Project and deed of guarantee.</li> <li>• We have reviewed the interim order passed on 17 July 2018 by which the Hon'ble High court has directed investee to maintain status quo and not to create any third party right on the respective projects and flats till further order.</li> <li>• We have obtained and reviewed the external legal opinion in respect of the amounts recoverable and interest accrued thereon, the sustainability and the likelihood of recoverability upon final resolution. As per the legal opinion, the subsidiary company would get an award/ decree in its favor at least for recovering money with the interest from the investee.</li> </ul>

## Independent Auditors' Report...(Continued)

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures, 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 ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the

ability of the Group 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 (Holding Company and subsidiaries), and its joint ventures or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of each company.

### Auditors' Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its joint ventures have an adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

## Independent Auditors' Report...(Continued)

on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 the Group (Holding Company and subsidiaries) as well as joint ventures, to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding financial information of such entities or business activities within the Group and its joint ventures, to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for direction, supervision and performance of the audit of the financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 9,095.58 lakhs as at 31 March 2019, total revenues of ₹ Nil lakhs and net cash flows amounting to ₹ 5.55 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of net profit (and other comprehensive income) of ₹ 0.13 lakhs for the year ended 31 March 2019 in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditor, whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors.
- The financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 39,044.88 lakhs as at 31 March 2019, total revenues of ₹ Nil lakhs and net cash flows amounting to ₹ 1.78 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 23.50 lakhs for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated 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/financial information certified by the Management.



## Independent Auditors' Report...(Continued)

### Report on Other Legal and Regulatory Requirements

- (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint ventures, as were audited by other auditors, 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 financial statements;
  - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified 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 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies and joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) with respect to adequacy of the internal financial controls with reference to financial statements 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".
- (B) 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint venture, as noted in the 'Other Matters' paragraph:
- i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its joint ventures – Refer notes 40 to the consolidated financial statements;
  - ii. the Group and its joint ventures did not have any long term contracts, including derivatives contracts, for which there were any material foreseeable losses; and
  - iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiaries and joint ventures incorporated in India during the year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:
- i. we draw attention to Note 37 to the consolidated financial statements, relating to remuneration paid to the Managing Director and the Deputy Managing Director of the Holding Company for the financial year ended 31 March 2019 with effect from 1 October 2018. The increase in remuneration of ₹ 60 lakhs is subject to the approval of the shareholders in the ensuing annual general meeting. Our opinion is not modified in respect of this matter; and
  - ii. the Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Mansi Pardiwalla**

Partner

Membership No: 108511

**Place:** Mumbai

**Date:** 29 May 2019



# Annexure A to the Independent Auditors' Report – 31 March 2019

**Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Opinion

In conjunction with our audit of the consolidated financial statements of Prozone Intu Properties Limited ("the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries incorporated in India (the Holding Company and its subsidiary companies incorporated in India together referred to as the "Group") and its joint venture companies, in respect of companies incorporated in India and to whom the internal financial control with reference to financial statements is applicable, as of that date.

In our opinion, the Group, and its joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

## Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 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 auditors of the subsidiary company, 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 with reference to consolidated financial statements.

## Meaning of Internal Financial Controls with reference to Consolidated financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control reference to financial statements 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 financial statements in

## Annexure A to the Independent Auditors' Report – ...*(Continued)*

### 31 March 2019

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 financial statements.

### Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Mansi Pardiwalla**

Partner

Membership No: 108511

**Place:** Mumbai

**Date:** 29 May 2019

# Consolidated Balance Sheet

as at 31 March, 2019

Particulars	Note	31 March 2019	31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	747.70	951.39
Investment property	4	68,037.81	61,738.51
Investment property under construction	4A	2,508.04	10,998.22
Goodwill on consolidation		9,144.91	9,144.91
Other intangible assets	5	-	-
<b>Financial assets</b>			
Investments	6	4,589.54	4,728.60
Loans	7	915.88	827.13
Other financial assets	8	9,541.96	8,884.53
Deferred tax assets (net)	9	9,422.20	7,678.52
Income tax assets (net)	10	979.50	595.02
Other non-current assets	11	1,691.40	1,799.81
<b>Total non-current assets</b>		<b>1,07,578.94</b>	<b>1,07,346.64</b>
<b>Current assets</b>			
Inventories	12	27,522.32	14,649.16
<b>Financial assets</b>			
Investments	13	3,031.24	1,647.68
Trade receivables	14	3,458.29	6,510.44
Cash and cash equivalents	15	198.77	380.56
Bank balances other than cash and cash equivalents	16	175.82	167.03
Loans	17	484.48	246.60
Other financial assets	18	508.46	632.32
Other current assets	19	254.19	143.72
<b>Total current assets</b>		<b>35,633.57</b>	<b>24,377.51</b>
<b>Total assets</b>		<b>1,43,212.51</b>	<b>1,31,724.15</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	20	3,052.06	3,052.06
Other equity	20.1	46,867.86	49,238.59
<b>Equity attributable to owners</b>		<b>49,919.92</b>	<b>52,290.65</b>
Non controlling interest		32,823.10	34,309.09
<b>Total equity</b>		<b>82,743.02</b>	<b>86,599.74</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	33,257.24	33,193.99
Other financial liabilities	22	5,350.35	2,717.99
Provisions	23	62.13	30.14
Other non-current liabilities	24	285.89	447.86
<b>Total non-current liabilities</b>		<b>38,955.61</b>	<b>36,389.98</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	25		
Total outstanding dues of micro enterprise and small enterprises		24.80	44.57
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,127.85	2,260.30
Other financial liabilities	26	4,049.09	3,579.73
Other current liabilities	27	15,221.51	2,738.43
Provisions	23	66.71	50.07
Current tax liabilities (net)	28	23.92	61.33
<b>Total current liabilities</b>		<b>21,513.88</b>	<b>8,734.43</b>
<b>Total equity and liabilities</b>		<b>1,43,212.51</b>	<b>1,31,724.15</b>
Significant accounting policies	2.2		
Notes to the consolidated financial statements	3 - 50		

The accompanying notes form an integral part of these Consolidated 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

## Mansi Pardiwalla

Partner

Membership No: 108511

## 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

## Mr Bipin Gurnani

President

## Anurag Garg

Chief Financial Officer

## Ajayendra Jain

Company Secretary & CCO

Place : Mumbai

Date : 29 May 2019

Place : Mumbai

Date : 29 May 2019

# Consolidated Statement of Profit & Loss

for the year ended 31 March, 2019

Particulars	Note	31 March 2019	31 March 2018
<b>Income</b>			
Revenue from operations	29	11,822.35	9,614.64
Other income	30	1,559.70	1,156.81
<b>Total income</b>		<b>13,382.05</b>	<b>10,771.45</b>
<b>Expenses</b>			
Cost of materials consumed	31	3,146.57	3,513.31
Change in inventories of finished goods and construction work in progress	31	(366.62)	(362.30)
Employee benefits expense	32	380.67	376.55
Finance costs	33	3,432.16	2,746.67
Depreciation and amortisation expense	34	3,397.19	2,656.73
Other expenses	35	2,608.39	2,324.85
<b>Total expenses</b>		<b>12,598.36</b>	<b>11,255.81</b>
<b>Profit/(loss) from ordinary activities before tax before share of profit/(loss) of joint ventures</b>		<b>783.69</b>	<b>(484.36)</b>
Share of profit of joint ventures (net of tax)		17.44	16.50
<b>Profit/ (loss) before tax</b>		<b>801.13</b>	<b>(467.86)</b>
<b>Less: Tax expense</b>			
Current tax		135.85	208.66
Tax of earlier years		35.30	0.25
Deferred tax (credit)/ charge (including MAT credit entitlement ₹ 153.33 lakhs (31 March 2018: ₹ 165.19 lakhs))		(22.37)	23.78
<b>Total tax expense</b>		<b>148.78</b>	<b>232.69</b>
<b>Profit/ (loss) for the year (A)</b>		<b>652.35</b>	<b>(700.55)</b>
<b>Other comprehensive income/(loss) (OCI)</b>			
Items that will not be reclassified subsequently to the consolidated statement of profit and loss			
- Remeasurement of post employment benefit obligation		(7.05)	(7.05)
- (Loss) on remeasuring FVTOCI financial assets		(199.40)	(200.40)
- Income tax on above		46.34	46.11
Items that will be reclassified subsequently to the consolidated statement of profit and loss		-	-
<b>Total other comprehensive (loss) for the year, net of tax (B)</b>		<b>(160.11)</b>	<b>(161.34)</b>
<b>Total comprehensive income/ (loss) for the year, net of tax (A+B)</b>		<b>492.24</b>	<b>(861.89)</b>
<b>Net profit/(loss) attributable to :</b>			
- Owners		244.54	(449.74)
- Non-controlling interest		407.81	(250.81)
<b>Total comprehensive income/ (loss) attributable to :</b>			
- Owners		(197.29)	(584.97)
- Non-controlling interest		689.53	(276.91)
<b>Earnings per share (EPS)</b>	36		
(per equity share of nominal value ₹ 2 each)			
Basic and diluted (in ₹)		0.16	(0.29)
Significant accounting policies	2.2		
Notes to the consolidated financial statements	3 - 50		

The accompanying notes form an integral part of these Consolidated 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

**Mansi Pardiwalla**

Partner

**Membership No:** 108511

**Mr Bipin Gurnani**

President

**Place :** Mumbai

**Date :** 29 May 2019

**Place :** Mumbai

**Date :** 29 May 2019

## For and on behalf of the Board of Directors of Prozone Intu Properties Limited

CIN: L45200MH2007PLC174147

**Nikhil Chaturvedi**

Managing Director

**DIN :** 00004983

**Anurag Garg**

Chief Financial Officer

**Salil Chaturvedi**

Dy. Managing Director

**DIN :** 00004768

**Ajayendra Jain**

Company Secretary & CCO

# Consolidated Statement of Changes in Equity

for the year ended 31 March, 2019

## A) Equity share capital

Particulars	Note	Number	Amount
Equity shares of ₹ 2 each issued, subscribed and paid			
<b>Balance as at 1 April 2017</b>	20	1,526.03	3,052.06
Changes in equity share capital for the year ended 31 March 2018		-	-
<b>Balance as at the 31 March 2018</b>		<b>1,526.03</b>	<b>3,052.06</b>
Changes in equity share capital for the year ended 31 March 2019		-	-
<b>Balance as at the 31 March 2019</b>		<b>1,526.03</b>	<b>3,052.06</b>

## B) Other equity

	Note	Reserves and surplus				Other comprehensive income			Total equity attributable to equity holders
		Amalgamation reserve*	Securities premium	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	
<b>Balance as at 1 April 2017</b>	20.1	378.86	50,058.79	7.20	(644.00)	950.84	(473.81)	(9.39)	<b>50,268.49</b>
Issue of compulsorily convertible debentures by subsidiary		-	(312.13)	-	-	-	-	-	(312.13)
Prior period items (Difference in audited and unaudited financials of Subsidiary for previous year)		-	-	-	83.10	-	-	-	83.10
Share of Non-controlling interest in Other component of equity of subsidiaries		-	-	-	(215.58)	-	-	-	(215.58)
Exchange difference arising on translation of foreign operations		-	-	-	-	(0.31)	-	-	(0.31)
Total comprehensive (loss) for the year		-	-	-	(449.74)	-	-	-	(449.74)
Fair value (loss) on investment in equity instruments through OCI (net of tax)		-	-	-	-	-	(130.13)	-	(130.13)
Remeasurement of post employment benefit obligation (net of tax)		-	-	-	-	-	-	(5.11)	(5.11)
<b>Balance as at the 31 March 2018</b>		<b>378.86</b>	<b>49,746.66</b>	<b>7.20</b>	<b>(1,226.22)</b>	<b>950.53</b>	<b>(603.94)</b>	<b>(14.50)</b>	<b>49,238.59</b>
IND AS 115 Adjustments (refer note 50)		-	-	-	(2,170.25)	-	-	-	(2,170.25)
Exchange difference arising on translation of foreign operations		-	-	-	-	(3.19)	-	-	(3.19)
Total comprehensive (loss) for the year		-	-	-	244.54	-	-	-	244.54
Remeasurement of post employment benefit obligation (net of tax)		-	-	-	-	-	(436.72)	-	(436.72)
Fair value (loss) on investment in equity instruments through OCI (net of tax)		-	-	-	-	-	-	(5.11)	(5.11)
<b>Balance as at the 31 March 2019</b>		<b>378.86</b>	<b>49,746.66</b>	<b>7.20</b>	<b>(3,151.93)</b>	<b>947.34</b>	<b>(1,040.65)</b>	<b>(19.61)</b>	<b>46,867.86</b>

Refer note 20.1 for nature and purpose of each reserve

The accompanying notes form an integral part of these Consolidated 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

**Mansi Pardiwalla**

Partner

**Membership No:** 108511

**Mr Bipin Gurnani**

President

**Place :** Mumbai

**Date :** 29 May 2019

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

**Prozone Intu Properties Limited**

CIN: L45200MH2007PLC174147

**Nikhil Chaturvedi**

Managing Director

**DIN :** 00004983

**Anurag Garg**

Chief Financial Officer

**Salil Chaturvedi**

Dy. Managing Director

**DIN :** 00004768

**Ajayendra Jain**

Company Secretary & CCO

# Consolidated Cash Flow Statement

for the year ended 31 March 2019

Particulars	31 March 2019	31 March 2018
<b>A. Cash flow from operating activities:</b>		
Profit/(loss) before tax	783.69	(484.36)
Adjustments for:		
Depreciation and amortisation expense	3,397.19	2,656.73
Reversal of provision for diminution in value of current investments	47.04	0.64
Interest income (including financial assets carried at amortised cost)	(1,450.26)	(1,083.87)
Dividend income on current investments	(42.52)	(64.80)
Finance costs (including financial liabilities carried at amortised cost)	3,432.16	2,625.78
IND AS 115 Adjustments (refer note 50)	(6,143.57)	-
Profit on sale of Property, Plant and Equipment	(1.92)	-
Profit on sale of current investments	(2.96)	-
Prior period items (Difference in audited and unaudited financials of Subsidiary for previous year)	-	83.10
Provision for expected credit loss on loans and advances	140.16	43.03
<b>Operating profit before working capital changes</b>	<b>159.00</b>	<b>3,776.25</b>
<b>Adjustments for changes in working capital:</b>		
(Increase) in inventories	(12,873.16)	(4,796.29)
Decrease in trade receivables	3,255.12	1,875.41
(Increase) in loans	(482.57)	(225.18)
(Increase) in other financial assets	(533.58)	(1,751.09)
(Increase) in other assets	(2.06)	(680.57)
(Decrease) in trade payables	(152.22)	(2,396.43)
Increase in other financial liabilities	1,699.81	2,286.24
Increase in other liabilities	12,321.11	1,046.63
Increase in provisions	41.58	1.36
<b>Cash generated from / (used in) operations</b>	<b>3,433.04</b>	<b>(863.67)</b>
Direct taxes paid (net of refunds received)	(592.78)	(119.19)
<b>Net cash generated / (used in) from operating activities (A)</b>	<b>2,840.26</b>	<b>(982.86)</b>
<b>B. Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(60.03)	(872.70)
Sales of property, plant and equipment	2.58	-
Purchase of investment property including expenditure on Investment property under construction	(940.67)	(2,011.15)
Purchase from non-current investments (net)	(42.90)	(0.07)
Proceeds from current investments (net)	(1,427.64)	712.30
Interest income	1,372.22	1,011.54
Dividend income	42.52	64.80
Addition / maturity of bank deposits (having original maturity of more than 3 months)	(8.79)	85.30
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(1,062.71)</b>	<b>(1,009.98)</b>
<b>C. Cash flows from financing activities:</b>		
Repayment of long-term borrowings	(859.16)	(18,162.88)
Proceeds from long-term borrowings	2,119.50	22,049.76
Finance cost	(3,216.48)	(3,446.02)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(1,956.14)</b>	<b>440.86</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(178.59)</b>	<b>(1,551.98)</b>
Foreign currency translation reserve	(3.19)	(0.31)
Cash and cash equivalents at the beginning of the year	380.56	1,932.85
<b>Cash and Cash Equivalents at the end of the year</b>	<b>198.77</b>	<b>380.56</b>

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

Particulars	31 March 2019	31 March 2018
In bank current accounts	182.10	344.90
Cash in hand	8.62	5.68
Cheques on hand	8.05	29.98
	<b>198.77</b>	<b>380.56</b>



## Standalone statement of cash flows...(Continued)

for the year ended 31 March, 2019

### 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 1<sup>st</sup> April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendments.

Particulars	31 March 2018	Cash flows	Fair value changes (Non-cash changes)	Current / Non Current Classification	31 March 2019
Non-current borrowings	33,193.99	1,260.34	50.59	(1,248)	33,257.24
Other financial liabilities	861.82	-	-	1,248	2,109.50
<b>Total liabilities from financing activities</b>	<b>34,055.81</b>	<b>1,260.34</b>	<b>50.59</b>	<b>-</b>	<b>35,366.74</b>

Particulars	31 March 2017	Cash flows	Fair value changes (Non-cash changes)	Current / Non Current Classification	31 March 2018
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
<b>Total liabilities from financing activities</b>	<b>30,122.53</b>	<b>3,886.88</b>	<b>46.41</b>	<b>-</b>	<b>34,055.81</b>

The accompanying notes form an integral part of these Consolidated 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

**Mansi Pardiwalla**  
Partner  
**Membership No:** 108511

**Place :** Mumbai  
**Date :** 29 May 2019

**Mr Bipin Gurnani**  
President

**Place :** Mumbai  
**Date :** 29 May 2019

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

**Nikhil Chaturvedi**  
Managing Director  
**DIN :** 00004983

**Anurag Garg**  
Chief Financial Officer

**Salil Chaturvedi**  
Dy. Managing Director  
**DIN :** 00004768

**Ajayendra Jain**  
Company Secretary & CCO

# Notes to the consolidated financial statements

## for the year ended 31 March, 2019

### 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 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 and amendments, as applicable.

This is the first set of the Company's financial statements in which Ind AS 115, Revenue from contracts with customers, has been applied. Changes to significant accounting policies are described in note 2.2 and the impact of transition to Ind AS 115 on the consolidated financial statements is disclosed in note 50.

These consolidated financial statements for the year ended 31 March 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 29 May 2019.

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

#### (b) Basis of measurement

These consolidated 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 consolidated 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 consolidated 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 2019 is included in the following notes:

- Note 10- recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 38 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 23 and 40 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 45 - impairment of financial assets;
- 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 and
- Note 2.2 (G) and 50- Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition.

#### (e) Standards issued but not yet effective

Ind AS 116, Leases: Ind AS 116 is applicable for financial reporting periods beginning on after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessee. A lessee recognises a right of use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense

## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. Management believes, based upon preliminary analysis that the impact of new lease standard is not material on its consolidated financial statements.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's consolidated financial statements:

Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.

Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre-payable financial assets.

Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits - i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions - i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognised in other comprehensive income (except for amounts included in net interest).

Amendments to Ind AS 23, Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs exclude only borrowings that specifically finance qualifying assets that are still under development or construction.

Amendments to Ind AS 28, Investments in Associates and Joint Ventures: When applying the equity method, a non-investment entity that has an interest in an investment

entity associate or joint venture can elect to retain the fair value accounting applied by the associate or joint venture to its subsidiaries. Venture capital and other qualifying organisations can elect to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method. The amendments clarify that both these elections apply for each investment entity associate or joint venture separately.

#### (f) 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).

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 entirety 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 45 – financial instruments and
- Note 4 – investment property

#### (g) 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; or
- (b) it is held primarily for the purpose of being traded; or

## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

- (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; or
- (b) it is held primarily for the purpose of being traded; or
- (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 consolidated financial statements, 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.

## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

The names of the subsidiary companies, country of incorporation and proportion of ownership interest considered in the consolidated financial statements are:

Name of company	Held through*	Date of becoming subsidiary	Country of incorporation	% Voting power held as on 31.03.2019	% Voting power held as on 31.03.2018
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)	1	12-Feb-19	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

\* Held through:

1. Prozone Intu Properties Limited

2. Prozone Liberty International Limited, Singapore

#### (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 consolidated financial statements are:

Name of Company	Held Through*	Country of Incorporation	% Voting Power held As on 31.03.2019	% Voting Power held As on 31.03.2018
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 financial statements...(Continued)

### for the year ended 31 March, 2019

#### 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.

##### 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.



## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

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.

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.

## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

#### 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) 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.

##### (iii) 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

##### (iv) 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) 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.

##### (iii) 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.

## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

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 Hagwood Commercial Developer Private Limited and 10 years in case of Alliance Mall Developer Company Private Limited

#### 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) 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.

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

## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

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.

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.

## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

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 recognised 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

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018.

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

The Company has applied modified retrospective approach in adopting the new standard (for all contracts other than completed contracts) and accordingly recognised revenue in accordance with Ind AS 115 as compared to earlier Percentage of Completion method as per the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable).

As these are the first set of the Company's consolidated financial statements prepared in accordance with Ind AS 115, an explanation of how the transition to Ind AS 115 has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 50.

The Company derives revenues primarily from sale of properties comprising of both commercial and residential units.

The Company recognises revenue when it determines the satisfaction of performance obligations at a point in time. Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the Company expects to receive in exchange for those products.

In arrangements for sale of units the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering sale of units as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

For sale of units, the Company recognises revenue when its performance obligations are satisfied and customer obtains control of the asset.



## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities are recognised when there is billing in excess of revenue and advance received from customers.

#### (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 and rental income is recognised in the Statement of Profit and Loss on straight line basis over the lease term.. Rental income earned from letting of space at the properties is recognised in the period in which the performance obligation is satisfied.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

#### (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.

#### **Use of significant judgements in revenue recognition**

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects

of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

## 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.



## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

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 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.

## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

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.

##### (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. Changes in significant accounting policy

The Company has applied Ind AS 115 "Revenue from contracts with customer" using the modified retrospective approach with the cumulative impact to the retained earnings as on 1 April 2018 and accordingly recognised revenue in accordance with Ind AS 115 as disclosed in Note no 50 to the consolidated financial statements.

## Notes to the consolidated financial statements...(Continued)

as at 31 March, 2019

### Note 3 : Property, plant and equipment

Particulars	Residential Premises	Office equipment	Furniture and Fittings	Motor Vehicles	Painting	Guest house building and Amenities	Computers	Total
<b>Gross Block:</b>								
Balance as at 1 April 2017	20.89	-	84.00	199.44	2.44	-	25.15	331.92
Additions*	-	-	240.76	70.74	-	548.86	12.34	872.70
Disposals	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>20.89</b>	<b>-</b>	<b>324.76</b>	<b>270.18</b>	<b>2.44</b>	<b>548.86</b>	<b>37.49</b>	<b>1,204.62</b>
Additions	-	8.79	18.12	21.20	-	-	13.84	61.95
Disposals	-	-	-	-	-	-	-	-
Consolidation Adjustments	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>20.89</b>	<b>8.79</b>	<b>342.88</b>	<b>291.38</b>	<b>2.44</b>	<b>548.86</b>	<b>51.33</b>	<b>1,266.57</b>
<b>Accumulated depreciation</b>								
Balance as at 1 April 2017	1.01	-	32.92	61.49	0.59	-	6.97	102.98
Depreciation for the year	0.97	-	52.20	44.78	0.29	35.41	16.60	150.25
Disposals	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>1.98</b>	<b>-</b>	<b>85.12</b>	<b>106.27</b>	<b>0.88</b>	<b>35.41</b>	<b>23.57</b>	<b>253.23</b>
Depreciation for the year	-	6.42	64.31	47.53	0.31	132.88	14.19	265.63
Disposals	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>1.98</b>	<b>6.42</b>	<b>149.43</b>	<b>153.80</b>	<b>1.19</b>	<b>168.29</b>	<b>37.76</b>	<b>518.87</b>
<b>Net Block:</b>								
At 31 March 2018	18.91	-	239.64	163.91	1.56	513.45	13.92	951.39
At 31 March 2019	<b>18.91</b>	<b>2.37</b>	<b>193.45</b>	<b>137.57</b>	<b>1.25</b>	<b>380.57</b>	<b>13.57</b>	<b>747.70</b>

\*The additions during the previous year includes ₹ 548.86 lakhs on account of re-classification from inventory to property, plant and equipment under head 'Guest house building and Amenities' (refer note 31).

### Note 4 : Investment property

Particulars	Leasehold Land	Freehold Land	Building	Plant and Equipments	Total
<b>Gross Block:</b>					
Balance as at 1 April 2017	3,205.66	20,628.90	11,240.51	1,928.15	37,003.22
Additions *	-	-	24,311.94	4,499.86	28,811.80
Disposals	-	-	-	-	-
Consolidation Adjustments	-	-	(502.37)	-	(502.37)
<b>Balance as at 31 March 2018</b>	<b>3,205.66</b>	<b>20,628.90</b>	<b>35,050.08</b>	<b>6,428.01</b>	<b>65,312.65</b>
Additions *	-	-	9,359.75	71.10	9,430.85
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>3,205.66</b>	<b>20,628.90</b>	<b>44,409.83</b>	<b>6,499.11</b>	<b>74,743.50</b>
<b>Accumulated depreciation</b>					
Balance as at 1 April 2017	63.79	-	565.07	438.80	1,067.66
Depreciation charge	64.08	-	1,550.76	961.42	2,576.26
Disposals	-	-	-	-	-
Consolidation Adjustments	-	-	(48.77)	(21.02)	(69.79)
<b>Balance as at 31 March 2018</b>	<b>127.87</b>	<b>-</b>	<b>2,067.06</b>	<b>1,379.21</b>	<b>3,574.14</b>
Depreciation charge	64.08	-	2,090.68	1,051.52	3,206.28
Disposals	-	-	-	-	-
Consolidation Adjustments	-	-	(53.00)	(21.72)	(74.72)
<b>Balance as at 31 March 2019</b>	<b>191.95</b>	<b>-</b>	<b>4,104.74</b>	<b>2,409.01</b>	<b>6,705.70</b>
<b>Net Block:</b>					
At 31 March 2018	3,077.79	20,628.90	32,983.02	5,048.80	61,738.51
At 31 March 2019	3,013.71	20,628.90	40,305.10	4,090.10	68,037.81
<b>Fair Value</b>					
At 31 March 2018	-	-	-	-	1,99,995.17
At 31 March 2019	-	-	-	-	<b>2,06,648.32</b>

\*The additions includes ₹ 9,218.59 lakhs (31 March 2018: ₹ 20,330.59 lakhs) on becoming ready to use from investment property under development to investment property and ₹ Nil (31 March 2018: ₹ 6,313.98 lakhs) on account of re-classification from inventory to investment property (refer note 31).

## Notes to the consolidated financial statements...(Continued)

as at 31 March, 2019

### 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 Companies.

The fair value measurement for the investment property has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

#### ii. Valuation technique

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% 8.5% to 9.50%

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.

#### iii) Amount recognised in profit and loss for investment properties

Particulars	31 March 2019	31 March 2018
Rental income	7,946.61	5,163.36
Direct operating expenses from property that generated rental income	1,634.59	1,567.49
<b>Profit from investment properties before depreciation</b>	<b>9,581.19</b>	<b>6,730.85</b>
Depreciation	3,131.56	2,506.48
<b>Profit from investment properties</b>	<b>6,449.64</b>	<b>4,224.37</b>

#### iv. The Company has no restriction on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

### Note 4A : Investment property under construction

Particulars	31 March 2019	31 March 2018
<b>Opening balance</b>	<b>10,998.22</b>	<b>25,284.38</b>
<i>Additions during the year :</i>		
Construction cost	1.50	3,207.39
Personnel cost	26.46	455.50
Professional fees	120.02	1,190.02
Rates and taxes	42.11	275.22
Borrowing costs	450.96	799.04
Other expenses	87.36	117.26
	<b>728.41</b>	<b>6,044.43</b>
Less : transferred to investment property on capitalisation of mall (refer note 4) *	9,218.59	20,330.59
<b>Total investment property under construction</b>	<b>2,508.04</b>	<b>10,998.22</b>

## Notes to the consolidated financial statements...(Continued)

as at 31 March, 2019

### Note 5 : Other intangible assets

Particulars	31 March 2019	31 March 2018
<b>Gross Block:</b>		
Balance as at 1 April 2017	26.27	26.27
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2018</b>	<b>26.27</b>	<b>26.27</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>26.27</b>	<b>26.27</b>
<b>Accumulated amortisation</b>		
Amortisation charge	26.27	26.27
Disposals	-	-
<b>Balance as at 31 March 2018</b>	<b>26.27</b>	<b>26.27</b>
Amortisation charge	-	-
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>26.27</b>	<b>26.27</b>
<b>Net Block:</b>		
At 31 March 2018	-	-
At 31 March 2019	-	-

### Note 6 : Investments

Particulars	31 March 2019	31 March 2018
<b>I. Investments valued at deemed cost</b>		
Investment in equity shares		
i) In Joint Venture companies	4,545.63	4,528.19
<b>II. Investments valued at fair value through OCI</b>		
Investment in equity shares		
i) In Joint Venture companies	43.91	200.41
<b>Total non-current investments</b>	<b>4,589.54</b>	<b>4,728.60</b>

### Note 6.1 Detailed list of non-current investments

	31 March 2019		31 March 2018	
	Nos	₹ in lakhs	Nos	₹ in lakhs
<b>i) In Joint Venture companies</b>				
Moontown Trading Company Private Limited	20,25,000	141.89	20,25,000	142.06
Add : Share of profit for the year		0.74		(0.17)
		<b>142.63</b>		<b>141.89</b>
Emerald Buildhome Private Limited (including goodwill on consolidation of ₹ 1,832.14 Lakhs)	50,00,000	4,386.30	50,00,000	4,369.63
Add : Share of profit for the year		16.69		16.67
		4,403.00		4,386.30
		<b>4,545.63</b>		<b>4528.19</b>
<b>ii) In other companies</b>				
<b>a) Unquoted, Investments in equity shares of ₹ 10 each, fully paid up</b>				
Choice Realty Private Limited	8,000	50.00	8,000	50.00

## Notes to the consolidated financial statements...(Continued)

as at 31 March, 2019

	31 March 2019		31 March 2018	
	Nos	₹ in lakhs	Nos	₹ in lakhs
Anant Trexim Private Limited	40,000	40.00	40,000	40.00
Shine Enterprises Private Limited	23,000	598.00	23,000	598.00
Sai Golden Ingots Private Limited	20,000	100.00	20,000	100.00
Jorko Commodities Private Limited	50,000	25.00	50,000	25.00
Madhujas Promotions Private Limited	12,500	10.00	12,500	10.00
Sojatia Auto Private Limited	16,500	160.88	16,500	160.88
Trade Winds Impex Private Limited	20,000	25.00	20,000	25.00
Samriddhi Finvest Advisory Services Private Limited	5,000	1.00	5,000	1.00
Iris Ecopower Venture Pvt. Ltd	4,29,000	42.90	-	-
<b>b) Unquoted, Investments in 9% Non-cumulative, Non-convertible Redeemable Preference Shares of ₹ 10 each, fully paid up</b>				
Samriddhi Finvest Advisory Services Private Limited	50,00,000	500.00	50,00,000	500
Less : Fair value changes on investments carried at FVOCI		(1508.88)		(1,309.48)
	56,24,000	43.91	51,95,000	200.41
<b>Total (i+ii)</b>		<b>4,589.54</b>		<b>4,728.60</b>

Particulars	31 March 2019	31 March 2018
<b>Details:</b>		
<b>Aggregate of non-current investments:</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	4,589.54	4,728.60
Aggregate amount of impairment in value of investments	-	-

### Note 7 : Loans

Particulars	31 March 2019	31 March 2018
<b>(Secured, Considered good)</b>		
Loans to other than related party		
- Loan receivables considered good	653.97	581.00
<b>(Unsecured, Considered good)</b>		
Loans to Joint venture company (Refer note 37)		
- Loan receivables considered good	261.91	246.13
<b>Total loans</b>	<b>915.88</b>	<b>827.13</b>

### Note 8 : Other financial assets

Particulars	31 March 2019	31 March 2018
<b>(Secured, Considered good)</b>		
Advance for projects (refer note 48)	6,419.20	5,076.87
<b>(Unsecured, Considered Good, unless otherwise stated)</b>		
Mobilisation advances / advance recoverable in cash or in kind	3,591.80	4,375.17
Less: Provision for expected credit loss	(2,318.34)	(2,217.84)
	<b>1,273.46</b>	<b>2,157.33</b>
Security deposits	1,140.44	1,038.57
Bank deposits (due to mature after 12 months of the reporting date) (refer note below)*	708.86	611.76
<b>Total other non-current financial assets</b>	<b>9,541.96</b>	<b>8,884.53</b>

\* Restrictions on fixed deposits

Fixed deposit has been offered as a security against LRD loan, security towards locker facility and security against bank guarantee to vendors.



## Notes to the consolidated financial statements...(Continued)

as at 31 March, 2019

### Note 9 : Deferred tax assets (net)

Particulars	31 March 2019	31 March 2018
Property plant and equipment / Investment property	5,568.55	5,298.37
On reversal of revenue and cost of residential project as per Ind AS 115	1,674.97	-
Reversal of deferred tax to the extent of MAT on book profit	(391.35)	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	2,416.69	2,214.97
<b>Deferred tax assets (net)</b>	<b>9,268.87</b>	<b>7,513.33</b>
MAT Credit Entitlement	153.33	165.19
<b>Total deferred tax assets (net)</b>	<b>9,422.20</b>	<b>7,678.52</b>

### Note 10 : Income tax assets (net)

Particulars	31 March 2019	31 March 2018
Advance tax including tax deducted at source (net of provision for tax ₹ 726.51 lakhs (31 March 2018: ₹ 608.77 lakhs)	979.50	595.02
	<b>979.50</b>	<b>595.02</b>

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

Particulars	31 March 2019	31 March 2018
<b>Current tax expense (A)</b>		
Current year	135.85	208.66
Short provision of earlier years	35.30	0.25
<b>Deferred tax expense (B)</b>		
Origination and reversal of temporary differences	(22.37)	23.78
<b>Tax expense (A+B)</b>	<b>148.78</b>	<b>232.69</b>

#### (b) Amounts recognised in other comprehensive income

Particulars	31 March 2019			31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	(7.05)	1.96	(5.09)	(7.05)	1.94	(5.11)
Gains on remeasuring FVTOCI financial assets	(199.40)	44.38	(155.02)	(200.40)	44.17	(156.23)
	<b>(206.45)</b>	<b>46.34</b>	<b>(160.11)</b>	<b>(207.45)</b>	<b>46.11</b>	<b>(161.34)</b>

#### (c) Reconciliation of effective tax rate

Particulars	31 March 2019	31 March 2018
<b>Profit/ (loss) before tax</b>	801.13	(467.86)
Tax using the Company's domestic tax rate (Current year 27.82% and Previous Year 27.55%)	222.87	(128.91)
<b>Tax effect of :</b>		
Effect of income that is exempt from taxation	(11.83)	(17.85)
Effect of expenses that is non-deductible in determining taxable profit	0.68	681.96
Tax liability as per percentage completion method in income tax	128.15	-
Effect of current year / brought forward losses for which no deferred tax is recognised	114.80	-
Effect of indexation benefit on land	(367.17)	(313.63)
MAT Credit Entitlement	11.86	(24.83)
Adjustments recognised in current year in relation to the current tax of prior years	35.30	0.25
Effect of deferred tax due to change in tax rate	17.76	-
Other adjustments	(3.65)	35.70
<b>Tax expense as per Statement of Profit and Loss</b>	<b>148.78</b>	<b>232.69</b>
Effective tax rate	18.57%	-49.74%

## Notes to the consolidated financial statements...(Continued)

as at 31 March, 2019

### (d) Movement in deferred tax balances

Particulars	Net balances at 1 April 2018	Recognised in the statement of profit and loss	Recognised in OCI	Opening Adjustment	31 March 2019		
					Net	Deferred tax asset	Deferred tax liabilities
Property, plant and equipments	262.24	-	-	-	262.24	262.24	-
Investment property	5,036.12	270.18	-	-	5,306.31	5,306.31	-
Investments	288.63	2.80	44.38	-	335.82	335.82	-
Loans	3.10	(1.34)	-	-	1.77	1.77	-
Trade receivables	121.88	-	-	-	121.88	121.88	-
Other financial assets	1,816.05	149.15	-	-	1,965.20	1,965.20	-
Ind AS 115 impact (net of reversal due to MAT)	-	(391.35)	-	1,674.97	1,283.62	1,283.62	-
Borrowings	(26.32)	2.30	-	-	(24.02)	-	(24.02)
Other financial liabilities	(6.73)	3.21	-	-	(3.51)	-	(3.51)
Provisions	17.60	0.00	1.96	-	19.57	19.57	-
Other current liabilities	0.73	(0.73)	-	-	-	-	-
MAT Credit Entitlement	165.19	(11.86)	-	-	153.33	153.33	-
Tax assets (liabilities) before set-off	<b>7,678.52</b>	<b>22.37</b>	<b>46.34</b>	<b>1,674.97</b>	<b>9,422.20</b>	<b>9,449.73</b>	<b>(27.54)</b>
Set-off of deferred tax liabilities						27.54	
Net deferred tax assets/ (liabilities)						<b>9,422.20</b>	

Particulars	Net balances at 1 April 2017	Recognised in the statement of profit and loss	Recognised in OCI	Opening Adjustment	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	-
Ind AS 115 impact (net of reversal due to MAT)	-	-			-	-	-
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	<b>7,656.18</b>	<b>(23.78)</b>	<b>46.11</b>	<b>-</b>	<b>7,678.52</b>	<b>7,711.56</b>	
Set-off of deferred tax liabilities						33.05	
Net deferred tax assets/ (liabilities)						<b>7,678.52</b>	

### (e) Unrecognised deferred tax assets

Deferred tax have not been recognised in respect of the following items :

Particulars	Expiry	31 March 2019	31 March 2018
Unabsorbed depreciation	Never Expire	9,136.01	10,583.09
Tax effect of unrecognised tax depreciation carried forward		2,541.64	2,915.91
Unrecognised tax losses carried forward	AY 2017-18	-	26.81
	AY 2018-19	897.54	897.54
	AY 2022-23	189.20	189.20
	AY 2023-24	586.77	586.77
Tax effect of unrecognised tax losses carried forward		465.57	468.48
<b>Unrecognised tax losses carried forward</b>		<b>3,007.21</b>	<b>3,384.39</b>

## Notes to the consolidated financial statements...(Continued)

as at 31 March, 2019

### Note 11 : Other non-current assets

Particulars	31 March 2019	31 March 2018
<b>(Unsecured, Considered Good)</b>		
Deferred asset on interest free loans given to Joint venture company	10.89	21.76
Prepaid expenses	852.00	753.52
Balances with government authorities	828.51	1,024.53
<b>Total other non-current assets</b>	<b>1,691.40</b>	<b>1,799.81</b>

### Note 12 : Inventories

Particulars	31 March 2019	31 March 2018
<b>(Valued at lower of cost and Net realisable value)</b>		
Work in progress - construction project (refer note 31)	27,522.32	14,649.16
<b>Total inventories</b>	<b>27,522.32</b>	<b>14,649.16</b>

### Note 13 : Investments

Particulars	31 March 2019	31 March 2018
<b>Investments valued at Fair value through PL (FVTPL)</b>		
Investment in mutual funds	3,031.24	1,647.68
	<b>3,031.24</b>	<b>1,647.68</b>

### Note 13.1 Detailed list of Current investments

Particulars	31 March 2019		31 March 2018	
	Nos	Total	Nos	Total
<b>I. Investments valued at fair value, fully paid up, unquoted, unless otherwise stated</b>				
<b>Investments in mutual funds</b>				
Birla Sun Life Mutual fund	7,58,928	1,035.07	8,32,814	835.08
Kotak Treasury Advantage Fund	2,80,678	28.30	79,92,519	805.63
HDFC Overnight Fund Collection A/c	17,638	495.93	-	-
ICICI Prudential Mutual fund	2,97,502	871.34	-	-
Reliance Mutual fund	13,231	600.60	-	-
Reliance Money Manager Fund	-	-	691	6.97
<b>Total Current investments</b>	<b>13,67,978</b>	<b>3,031.24</b>	<b>88,26,024</b>	<b>1,647.68</b>

Particulars	31 March 2019	31 March 2018
<b>Details:</b>		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	3,031.24	1,647.68
Aggregate amount of impairment in value of investments	-	-

### Note 14 : Trade receivables

Particulars	31 March 2019	31 March 2018
<b>(Unsecured, Considered Good)</b>		
Trade Receivables considered good - Unsecured	3,458.29	6,510.44
Trade Receivables - credit impaired	239.40	442.37
Less : Provision for expected credit loss	(239.40)	(442.37)
<b>Total trade receivables</b>	<b>3,458.29</b>	<b>6,510.44</b>

**Notes to the consolidated financial statements...(Continued)**  
as at 31 March, 2019**Note 15 : Cash and cash equivalents**

Particulars	31 March 2019	31 March 2018
<b>(Unsecured, Considered Good)</b>		
On Current Accounts	182.10	344.90
Cheques on hand	8.05	29.98
Cash on hand	8.62	5.68
<b>Total cash and cash equivalents</b>	<b>198.77</b>	<b>380.56</b>

**Note 16 : Bank balances other than cash and cash equivalents**

Particulars	31 March 2019	31 March 2018
Deposits with original maturity for more than 3 months but less than 12 months*	175.82	167.03
<b>Total other bank balances</b>	<b>175.82</b>	<b>167.03</b>

\* Bank Deposits are kept against bank guarantee given by the company to Maharashtra Electricity Board, Municipal Corporation, etc.

**Note 17 : Loans**

Particulars	31 March 2019	31 March 2018
<b>(Unsecured)</b>		
To parties other than related parties		
Unsecured, Considered good	457.91	218.21
Unsecured, Doubtful	1,158.45	4,018.38
Less : Provision for expected credit loss	(1,158.45)	(4,018.38)
	<b>457.91</b>	<b>218.21</b>
Loan to employees	26.57	28.39
<b>Total loans</b>	<b>484.48</b>	<b>246.60</b>

**Note 18 : Other financial assets**

Particulars	31 March 2019	31 March 2018
<b>(Unsecured)</b>		
Advance recoverable in cash or in kind		
Unsecured, Considered good	508.46	632.32
Unsecured, Doubtful	-	355.00
Less : Provision for expected credit loss	-	(355.00)
<b>Total other current financial assets</b>	<b>508.46</b>	<b>632.32</b>

**Note 19 : Other current assets**

Particulars	31 March 2019	31 March 2018
Prepaid expenses	134.94	143.72
Lease Rental Adjustments- Unbilled Revenue	119.25	-
<b>Total other current assets</b>	<b>254.19</b>	<b>143.72</b>

**Note 20 : Equity share capital**

Particulars	31 March 2019	31 March 2018
<b>Authorised</b>		
2,002.50 Lakhs (31 March 2018: 2,002.50 Lakhs) Equity Shares of ₹ 2 each	4,005.00	4,005.00
	<b>4,005.00</b>	<b>4,005.00</b>
<b>Issued, Subscribed and Paid Up</b>		
1,526.03 Lakhs (31 March 2018: 1,526.03 Lakhs) Equity Shares of ₹ 2 each fully paid up	3,052.06	3,052.06
	<b>3,052.06</b>	<b>3,052.06</b>

## Notes to the consolidated financial statements...(Continued)

as at 31 March, 2019

### (a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2019		31 March 2018	
	No. of shares in lakhs	Total	No. of shares in lakhs	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
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1,526.03</b>	<b>3,052.06</b>	<b>1,526.03</b>	<b>3,052.06</b>

### (b) 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.

### (c) Details of Shareholders holding more than 5% shares in the company:

Particulars	31 March 2019		31 March 2018			
	No. of shares	in lakhs	% holding	No. of shares	in lakhs	% holding
Nailsfield Limited, Mauritius		439.96	28.83		494.11	32.38
Nikhil Chaturvedi Family Trust		140.51	9.21		140.51	9.21
Salil Chaturvedi Family Trust		137.33	9.00		137.33	9.00

*Note: On 11<sup>th</sup> May 2018, Intu Properties PLC, UK transferred 3.55% equity shares to its another 100% FPI entity i.e. Intu India (Portfolio) Limited, UK from Nailsfield Limited, Mauritius.*

## Note 20.1 : Other equity

Reserves and Surplus	31 March 2019	31 March 2018
<b>(i) Securities premium</b>		
Opening balance	49,746.66	50058.79
Less: Share of non-controlling interest in securities premium received on issue of 0.001% compulsorily convertible debenture	-	(312.13)
Closing balance (refer sub-note 1)	<b>49,746.66</b>	<b>49,746.66</b>
<b>(ii) Amalgamation Reserve</b>		
Opening balance	378.86	378.86
Add/ (less): Addition/ (deduction)	-	-
Closing balance (refer sub-note 2)	<b>378.86</b>	<b>378.86</b>
<b>(iii) Capital Reserve on consolidation</b>		
Opening balance	7.20	7.20
Add/ (less): Addition/ (deduction)	-	-
Closing balance (refer sub-note 3)	<b>7.20</b>	<b>7.20</b>
<b>(iv) Retained Earnings</b>		
Opening balance	(1,226.22)	(644.00)
Add: profit/ (loss) for the year	244.54	(449.74)
Less: Prior period items (Difference in audited and unaudited financials of Subsidiary for previous year)	-	83.10
Less: Ind AS 115 Opening adjustments (refer note 48)	(2,170.25)	-
Less: Share of Non-controlling interest in Other component of equity of subsidiaries	-	(215.58)
Closing balance (refer sub-note 4)	<b>(3,151.93)</b>	<b>(1,226.22)</b>
<b>(iv) Foreign Currency Translation Reserve</b>		
Opening balance	950.53	950.84
(Less) : Exchange difference arising on translation of foreign operations	(3.19)	(0.31)
Closing balance (refer sub-note 5)	<b>947.34</b>	<b>950.53</b>
<b>Gains/(loss) on fair value of investments</b>		
Opening balance	(603.94)	(473.81)
(Less) : Fair value (loss) on investment in equity instruments through OCI	(436.72)	(130.13)
Closing balance (refer sub-note 6)	<b>(1,040.65)</b>	<b>(603.94)</b>
<b>Gain / (loss) on fair value of defined benefit plans</b>		
Opening balance	(14.50)	(9.39)
(Less): (Loss) on fair value of defined benefit plans	(5.11)	(5.11)
Closing balance (refer sub-note 7)	<b>(19.61)</b>	<b>(14.50)</b>
<b>Total</b>	<b>46,867.86</b>	<b>49,238.59</b>

## Notes to the consolidated financial statements...(Continued)

### as at 31 March, 2019

#### 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 10<sup>th</sup> February, 2012.
- 3 Capital Reserve represents the accumulated Capital Reserve as on date on account of consolidation of accounts.
- 4 Retained earnings represents the accumulated profits of the Company.
- 5 Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency
- 6 This reserve represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income.
- 7 This reserve represents the cumulative gains and losses arising on fair valuation of defined benefit plans.

## Note 21 : Borrowings

Particulars	31 March 2019	31 March 2018
<b>(Secured)</b>		
<b>Term loans from bank</b>	19,424.00	19,944.00
Less: Current maturities of long term debt (disclosed under other financial liabilities note no 26)	650.00	520.00
	<b>18,774.00</b>	<b>19,424.00</b>
<b>Term loans from financial institutions</b>	10,884.68	9,175.87
Less: Current maturities of long term debt (disclosed under other financial liabilities note no 26)	1,409.40	294.28
	<b>9,475.28</b>	<b>8,881.59</b>
<b>Hire purchase loans</b>	76.53	109.10
Less: Current maturities of long term debt (disclosed under other financial liabilities note no 26)	50.10	47.54
	<b>26.43</b>	<b>61.56</b>
<b>Total secured borrowings</b>	<b>28,275.71</b>	<b>28,367.15</b>
<b>(Unsecured)</b>		
15%, 340 (31 March 2018: 340) non-convertible, redeemable debentures (NCRD) of ₹10,00,000 each (refer note 37)	3,400.00	3,400.00
Loan taken from others	104.14	0.04
Loans taken from from Joint venture company (refer note 37)	1,477.39	1,426.80
<b>Total unsecured borrowings</b>	<b>4,981.53</b>	<b>4,826.84</b>
<b>Total borrowings</b>	<b>33,257.24</b>	<b>33,193.99</b>

#### Other disclosures pursuant to loans

##### a) Term loan from bank (secured) includes:

- i) ₹ 19,424 lakhs (31 March 2018: ₹ 19,944) loan from Bank presently carrying interest @ 9.35 % (previous year 9.00 %) (floating rate). 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 Mall building thereon in Coimbatore and rent receivables from both present and future income from Prozone Mall. The loan are further secured by corporate guarantee of the Holding Company Prozone Intu Properties Limited.

##### b) Term loan from financial institutions (secured) includes:

- (i) ₹ 8,894.00 Lakhs (31 March 2018: ₹ 9,175.87 Lakhs) term loan from Financial Institution carrying interest @ 10.60 % p.a. (previous year 11.60 % p.a.) (floating rate). The loan is repayable in 180 monthly installments of ₹10,797,671/- inclusive of interest starting from May, 2017. The loan is secured by way of equitable mortgage of land and buildings thereon in Aurangabad, rent receivables from both present and future income from Prozone Mall, against sold and unsold units of Inventories. The above loans are further secured by corporate guarantee of the Ultimate Holding Company Prozone Intu Properties Limited.



## Notes to the consolidated financial statements...(Continued)

as at 31 March, 2019

- (ii) ₹ 1990.68 lakhs (31 March 2018: ₹ Nil ) loan from Financial Institution presently carrying interest @ 12.70 % (previous year 12.50 %) (floating rate). The loan is repayable in 12 monthly instalment starting from November 2019. The loan is secured by land admeasuring 18,652 square meters and building thereon in Nagpur. The above loans are further secured by corporate guarantee of the Holding Company Prozone Intu Properties Limited and hypothecation of sold and unsold receivables from the residential project of the company.

### c) Hire purchase loans

- i) Hire Purchase Loan amounting to ₹ 33.14 lakhs (31 March 2018 : ₹ 51.14 lakhs) in respect of vehicle which is secured by hypothecation of vehicle financed by bank. The loan carry interest @ 7.75% p.a. The loan is repayable in 37 equal instalments starting from 5<sup>th</sup> November, 2017.
- ii) Hire Purchase Loan amounting to ₹ Nil (31 March 2018: ₹ 0.33 lakhs) in respect of vehicle which is secured by hypothecation of vehicle financed by Bank. The loan carry interest @ 10.40% p.a. The loan is repayable in 59 equal instalments starting from 10<sup>th</sup> June, 2013.
- iii) Hire Purchase Loan amounting to ₹ Nil (31 March 2018: ₹ 3.51 Lakhs) in respect of vehicle which is secured by hypothecation of vehicle financed by Financial Institution. The loan carry interest @ 10.24% p.a. The loan is repayable in 35 equal instalments starting from 20<sup>th</sup> January, 2016.
- iv) ₹ 43.39 lakhs (31 March 2018: ₹ 54.12 lakhs) 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 15<sup>th</sup> 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 and others are repayable after 31<sup>st</sup> March, 2019. The said loan is interest free.

## Note 22 : Other financial liabilities

Particulars	31 March 2019	31 March 2018
Lease deposits from tenants	3,774.05	1,941.49
Interest accrued on NCRDs (refer note 37)	1,237.13	553.32
Retention money payable	339.17	223.18
Retention money payable	369.88	271.01
Less: Amortisation	(73.72)	(70.03)
Add: Interest	43.01	22.19
<b>Total other non-current financial liabilities</b>	<b>5,350.35</b>	<b>2,717.99</b>

## Note 23 : Provisions

Particulars	31 March 2019	31 March 2018
Provision for employee benefits (Refer note 38)		
- provision for gratuity	62.13	30.14
<b>Total non-current provisions</b>	<b>62.13</b>	<b>30.14</b>
Provision for employee benefits (Refer note 38)		
- provision for gratuity	9.14	10.81
- provision for compensated absences	57.57	39.26
<b>Total current provisions</b>	<b>66.71</b>	<b>50.07</b>
<b>Total provisions</b>	<b>128.84</b>	<b>80.21</b>

## Notes to the consolidated financial statements...(Continued)

as at 31 March, 2019

### Note 24 : Other non-current liabilities

Particulars	31 March 2019	31 March 2018
Deferred liabilities on financial liabilities carried at amortised cost	285.89	447.86
<b>Total other non-current liabilities</b>	<b>285.89</b>	<b>447.86</b>

### Note 25 : Trade payables

Particulars	31 March 2019	31 March 2018
<b>Trade payables</b>		
- Total outstanding dues of micro enterprise and small enterprises (refer note below)	24.80	44.57
- Total outstanding dues of creditors other than micro enterprises and small enterprises.	2,127.85	2,260.30
<b>Total trade payables</b>	<b>2,152.65</b>	<b>2,304.87</b>

#### Note :

Micro and small enterprises under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

Particulars	31 March 2019	31 March 2018
Principal amount remaining unpaid to any supplier as at the end of each accounting year;	24.80	44.57
Interest due thereon to any supplier as at the end of each 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 appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-
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.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### Note 26 : Other financial liabilities

Particulars	31 March 2019	31 March 2018
Current maturities of long term debt (refer note 21)	2,109.50	861.82
Lease deposit become payable within next 12 months	72.28	70.28
Retention money payable	115.18	131.94
Payables in respect of capital assets	1,752.13	2,515.69
<b>Total other current financial liabilities</b>	<b>4,049.09</b>	<b>3,579.73</b>

### Note 27 : Other current liabilities

Particulars	31 March 2019	31 March 2018
Employee benefits payable	89.80	70.73
Deferred liabilities on financial liabilities carried at amortised cost	105.58	123.77
Advance from customers	14,158.32	1,491.91
Duties and taxes payable	391.38	256.36
Provision for expenses	307.01	566.54
Capital expenditure deposit with tenants	169.42	229.12
<b>Total other current liabilities</b>	<b>15,221.51</b>	<b>2,738.43</b>

### Note 28 : Current tax liabilities (net)

Particulars	31 March 2019	31 March 2018
Provision for Tax (net of Advance tax and TDS ₹ 62.72 lakhs (31 March 2018: ₹ 66.07 lakhs)	23.92	61.33
<b>Total current tax liabilities (net)</b>	<b>23.92</b>	<b>61.33</b>

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

### Note 29 : Revenue from operations

Particulars	31 March 2019	31 March 2018
<b>Sale of property</b>		
Revenue from real estate projects	3,875.74	4,451.28
<b>Sale of services</b>		
License fees (refer note 49)	4,904.09	3,137.73
Service charges	2,565.28	1,761.60
Others	477.24	264.03
<b>Total revenue from operations</b>	<b>11,822.35</b>	<b>9,614.64</b>

### Note 30 : Other income

Particulars	31 March 2019	31 March 2018
Interest income on :		
- Long term loans and advances	1,289.91	930.06
- Fixed deposits	81.02	38.19
- Security deposits	1.29	-
- Income tax refund	-	43.29
- Notional interest on loan given to joint venture	15.78	14.48
- Amortisation of deferred liability on on present value of retention money	20.85	16.44
Rent income (refer note 49)	15.00	7.50
Dividend income on current investments	42.52	64.80
Amortisation of deferred liability on loan taken from joint venture	41.41	41.41
Profit on sale of current investments	2.96	-
Profit on sale of Property, Plant and Equipment	1.92	-
Reversal of provision for diminution in value of current investments	47.04	0.64
<b>Total other income</b>	<b>1,559.70</b>	<b>1,156.81</b>

### Note 31 : Cost of materials consumed

Particulars	31 March 2019	31 March 2018
<b>Opening balance</b>	<b>14,649.16</b>	<b>18,978.81</b>
<b>Add:</b>		
Construction and development costs	2,292.09	2,793.78
Cost reversal due to revisit of project cost	-	4,433.99
Cost reversal due to reversal of revenue as per Ind AS 115 (refer note 50)	12,506.54	-
Borrowing costs	110.46	15.18
Administrative and other expenses	744.02	704.35
	30,302.27	26,926.11
<b>Less:</b>		
Closing balance of inventory	27,522.32	14,649.16
Transferred to investment property *	-	6,313.98
Transferred to property, plant and equipment	-	548.86
Transferred to investment property under construction **	-	2,263.10
<b>Total cost of construction project</b>	<b>2,779.95</b>	<b>3,151.01</b>

\* The expenses ₹ Nil (31 March 2018: ₹ 6,313.98 Lakhs) incurred towards mall building are reclassified under Investment properties (refer note 4) and ₹ 548.86 lakhs on account of re-classification from inventory to property, plant and equipment (refer note 3).

\*\* Reduction of ₹ Nil (31 March 2018: ₹ 2,263.10 lakhs) on account of re-classification of cost from Inventory to Investment property under development.

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

### Note 32 : Employee benefits expense

Particulars	31 March 2019	31 March 2018
Salaries and wages	580.36	467.78
Directors' remuneration	259.46	190.16
Contribution to provident fund and other funds (refer note 38)	19.95	12.33
Staff welfare expenses	10.96	8.74
Expenses related to post-employment defined benefit plans (refer note 38)	14.69	20.19
Expenses related to compensated absences (refer note 38)	20.16	12.03
Less: Elimination of the cost of services rendered to subsidiaries	524.92	334.68
<b>Total employee benefits expense</b>	<b>380.67</b>	<b>376.55</b>

### Note 33 : Finance costs

Particulars	31 March 2019	31 March 2018
Interest on :		
- loans taken from banks	2,440.09	1,779.14
- Non convertible debentures	683.82	551.35
Notional interest on financial liabilities carried at amortised cost	154.23	120.89
Notional interest on loans taken from joint venture	50.59	46.41
Amortisation of deferred asset on loans given to joint venture	10.87	10.87
Other borrowing costs	92.57	238.02
<b>Total finance costs</b>	<b>3,432.16</b>	<b>2,746.67</b>

### Note 34 : Depreciation and amortisation expense

Particulars	31 March 2019	31 March 2018
Depreciation on property, plant and equipment (refer note 3)	265.63	150.25
Depreciation on investment property (refer note 4)	3,131.56	2,506.48
<b>Total Depreciation expense</b>	<b>3,397.19</b>	<b>2,656.73</b>

### Note 35 : Other expenses

Particulars	31 March 2019	31 March 2018
Rent (refer note 49)	40.07	37.57
Rates and taxes	279.34	209.29
Insurance	37.19	30.13
Repairs and maintenance		
- building	50.77	36.83
- plant and machinery	70.44	62.40
- others	73.19	46.69
Electricity charges	511.35	517.33
Security charges	144.30	123.80
Housekeeping charges	154.47	157.37
Printing and stationery	11.95	9.25
Communication costs	14.63	13.98
Office expenses	49.20	20.80
Legal and professional fees	743.99	518.09
Director sitting fees	11.40	13.75
Travelling and conveyance	205.72	174.25
Brokerage and commission	25.27	26.19
Advertisement and business promotion expenses	168.40	364.65
Auditors' remuneration (refer note below)	75.32	72.07
Provision for expected credit loss on loans and advances	140.16	43.03
Subvention expenses	-	29.69
Membership and subscription expenses	-	59.97
Corporate Social Responsibility Expenses (refer note 43)	-	10.67
Miscellaneous expenses	105.95	90.61
	<b>2,913.11</b>	<b>2,668.41</b>
Less: Elimination of the cost of services rendered to subsidiaries	304.72	343.56
<b>Total other expenses</b>	<b>2,608.39</b>	<b>2,324.85</b>

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

### Note 35.1: Auditors' remuneration includes

Particulars	31 March 2019	31 March 2018
Statutory audit	63.50	67.07
Others	11.82	5.00
	<b>75.32</b>	<b>72.07</b>

### Note 36 : Earning Per 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 2019	31 March 2018
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/ (loss) after tax available for equity shareholders (₹ In lakhs)	244.54	(449.74)
Basic Earning per share (in ₹)	0.16	(0.29)
Diluted Earning per share (in ₹)	0.16	(0.29)

### Note 37 : 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	Chairman and Independent Director
Ms. Deepa Misra Harris	Woman Independent Director
Mr. David Fischel	Non Executive Director
Mr. Dushyant Singh Sangar	Non Executive Director
Mr. Akhil Chaturvedi	Relative of KMP
Mr. Aakansha Chaturvedi (From 16 February 2019)	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

##### D) Associate Enterprises with whom the Company has entered into transactions during the year

Nailsfield Limited (Upto 11 May 2018)

Intu India (Portfolio) Limited (from 11 May 2018)

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

### b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

#### Summary of related party transactions

Particulars	Key Management Personnel (KMP) and their relatives		Enterprises having common KMP		Joint Ventures		Associate Enterprise	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
<b>Remuneration to Key Management Personnel and their relatives</b>								
Nikhil Chaturvedi (refer note 1 below)	150.00	120.00	-	-	-	-	-	-
Salil Chaturvedi (refer note 1 below)	90.00	60.00	-	-	-	-	-	-
Others related parties	20.89	-	-	-	-	-	-	-
Director sitting fees	0.90	-	-	-	-	-	-	-
<b>Sale of services</b>								
Provogue (India) Limited	-	-	10.31	103.54	-	-	-	-
Loans given	2.00	-	-	-	-	1.05	-	-
Purchase of services	-	-	36.00	36.00	-	-	-	-
<b>Interest on non convertible debentures</b>								
Intu India (Portfolio) Limited (Upto 11 May, 2018 Nailsfield Limited)	-	-	-	-	-	-	683.82	551.35
Notional interest expenses on loans taken	-	-	-	-	50.59	46.41	-	-
Notional interest income on loans given	-	-	-	-	15.78	14.48	-	-

#### Note 1:

The managerial remuneration paid by the Company to its Managing and Deputy Managing Directors is in excess of the limits laid down under Section 197 of the Companies Act, 2013 read with Schedule V to the Act by ₹ 60 lakhs (31 March 2018: ₹ Nil) subject to approval from its shareholders at the forthcoming annual general meeting for such excess remuneration paid.

#### Balances payable/outstanding at the year end

Particulars	Key Management Personnel (KMP) and their relatives		Enterprises having common KMP		Joint Ventures		Associate Enterprise	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Trade Payable	-	-	10.05	81.47	-	-	-	-
Trade receivable	-	-	17.36	6.18	-	-	-	-
<b>Loans given</b>								
Moontown Trading Company Private Limited	-	-	-	-	261.91	246.13	-	-
Others related parties	9.00	-	-	-	-	-	-	-
<b>Loans taken</b>								
Emerald Buildhome Private Limited	-	-	-	-	1,477.39	1,426.80	-	-
<b>Non Convertible debenture issues (along with interest thereon)</b>								
Intu India (Portfolio) Limited (Upto 11 May, 2018 Nailsfield Limited)	-	-	-	-	-	-	4,637.13	3,953.32
Lease rental deposits taken	-	-	7.27	7.27	-	-	-	-
Remuneration Payable	21.69	15.06	-	-	-	-	-	-

## Note 38 : 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.



## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

### 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		Compensated absences	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>a) Changes in defined benefit obligations</b>				
<b>Present value of obligation as at the beginning of the year</b>				
Defined Benefit Obligation ("PBO") at the beginning of the year	64.99	56.67	39.26	38.51
Transfer in/(out) obligation	-	(0.54)	10.26	12.06
Service cost	12.07	10.79	2.96	0.37
Past Service Cost	-	7.47	7.31	(8.69)
Interest cost	4.61	3.74	-	(0.03)
Actuarial (gain)	(1.11)	(3.00)	(2.22)	(2.97)
Benefits paid	15.08	(10.14)	-	-
<b>Present value of obligation as at the end of the year</b>	<b>95.64</b>	<b>65.00</b>	<b>57.57</b>	<b>39.26</b>
<b>b) Expenses recognised in the Statement of Profit and Loss</b>				
Current service cost	12.07	10.79	10.26	12.06
Past service cost	-	7.47	1.26	0.37
Interest cost	2.62	1.92	(1.89)	(1.47)
Actuarial (Gain) / loss on Obligation	-	-	10.53	(7.22)
<b>Components of defined benefit costs recognized in profit or loss</b>	<b>14.69</b>	<b>20.19</b>	<b>20.16</b>	<b>3.75</b>
<b>c) Included in other Comprehensive Income</b>				
Actuarial changes arising from changes in financial assumptions	1.64	(2.00)	0.78	(0.71)
Experience adjustments	15.24	(10.13)	6.51	(7.98)
Return on plan assets excluding amounts included in Interest Income	(0.02)	0.30	-	-
<b>Total</b>	<b>16.87</b>	<b>(11.83)</b>	<b>7.29</b>	<b>(8.69)</b>
<b>d) Recognised in Balance Sheet</b>				
Present value of obligation as at the end of the year	95.64	64.99	57.57	39.26
Fair value of plan assets as at the end of the year	(24.37)	(24.04)	-	-
	<b>71.27</b>	<b>40.95</b>	<b>57.57</b>	<b>39.26</b>
<b>e) Change in fair value of assets</b>				
Fair value of plan assets at the beginning of the year	24.27	23.85	-	-
Interest Income	1.99	1.82	-	-
Return on plan assets excluding amounts included in interest income	0.02	(0.30)	-	-
Benefits paid	(1.68)	(1.09)	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>24.60</b>	<b>24.27</b>	<b>-</b>	<b>-</b>
<b>f) Reconciliation of net defined benefit liability</b>				
Net opening provision in books of accounts	40.72	32.82	-	-
Transfer in/(out) obligation	-	(0.46)	-	-
Employee Benefit Expense	14.69	20.19	-	-
Amounts recognized in Other Comprehensive Income	16.87	(11.83)	-	-
Benefits paid	(1.24)	-	-	-
<b>Closing provision in books of accounts</b>	<b>71.04</b>	<b>40.72</b>	<b>-</b>	<b>-</b>
<b>Particulars</b>	<b>Gratuity</b>		<b>Compensated absences</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Current/ non-current classification</b>				
Current	9.14	30.14	57.57	39.26
Non-current	62.13	10.81	-	-
	<b>71.27</b>	<b>40.95</b>	<b>57.57</b>	<b>39.26</b>

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

Actuarial assumptions	Gratuity		Compensated absences	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Discount rate	7.20%	7.55%	7.20%	7.55%
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.

### Quantities sensitivity analysis for significant assumption is as below:

Particulars	Gratuity		Compensated absences	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	0.5% increase		0.5% increase	
i. Discount rate	93.22	63.26	56.40	38.29
ii. Salary escalation rate - over a long-term	97.14	66.23	58.80	39.90
	0.1% increase		0.1% increase	
iii. Withdrawal rates	96.52	65.45	57.06	38.69
	0.5% decrease		0.5% decrease	
i. Discount rate	98.18	66.81	58.79	39.88
ii. Salary escalation rate - over a long-term	94.25	62.89	56.38	38.26
	0.1% increase		0.1% increase	
iii. Withdrawal rates	94.69	64.48	58.09	39.48

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	
	Cash flow	Distribution (%)	Cash flow	Distribution (%)
1 <sup>st</sup> Following Year	12.53	7.33%	9.34	11.78%
2 <sup>nd</sup> Following Year	10.91	6.35%	8.90	10.95%
3 <sup>rd</sup> Following Year	14.42	10.45%	8.79	11.30%
4 <sup>th</sup> Following Year	9.51	5.98%	6.96	8.43%
5 <sup>th</sup> Following Year	13.49	7.08%	7.16	8.08%
Sum of Year 6 to 10 Year	52.36	35.00%	27.25	31.45%
<b>Total expected payments</b>	<b>113.23</b>	<b>72.18%</b>	<b>68.40</b>	<b>81.98%</b>

### 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:

Contribution to provident fund and other funds	31 March 2019	31 March 2018
Maharashtra Labour Welfare fund	0.03	3.14
Employers Provident Fund	18.74	8.00
Employee State Insurance Corporation	1.18	1.19
	<b>19.95</b>	<b>12.33</b>

### C Experience adjustments

Contribution to provident fund and other funds	2019	2018	2017	2016	2015
Present value of defined benefit obligation	95.64	64.99	56.90	40.66	33.66
Fair value of plan assets	(24.37)	(24.04)	(23.85)	(23.52)	(19.14)
<b>Deficit / (Surplus)</b>	<b>71.27</b>	<b>40.95</b>	<b>33.05</b>	<b>17.14</b>	<b>14.52</b>

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

### Note 39 : 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 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>1. Segment Revenue</b>	<b>7,946.61</b>	<b>5,163.36</b>	<b>3,875.74</b>	<b>4,451.28</b>	<b>11,822.35</b>	<b>9,614.64</b>
<b>2. Results</b>						
Segment Results	2,328.50	2,624.91	892.55	1,035.25	3,221.05	3,660.16
Unallocated Expenses					564.90	2,554.65
<b>Operation Profit</b>					<b>2,656.15</b>	<b>1,105.51</b>
Finance Cost					3,432.16	2,746.67
Other Income					(1,559.70)	(1,156.81)
<b>Profit / (Loss) Before Tax</b>					<b>783.69</b>	<b>(484.35)</b>
Tax expense					148.78	232.69
<b>Net Profit/ (Loss) for the year</b>					<b>634.91</b>	<b>(717.05)</b>
Share of profit of joint ventures (net of tax)					17.44	16.50
<b>Net Profit/ (Loss) for the year</b>					<b>652.35</b>	<b>(700.54)</b>

Particulars	Leasing		Outright sales		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Segment Assets	56,543.28	60,957.53	27,437.56	15,835.75	83,980.84	76,793.28
Unallocated Assets	-	-	-	-	54,686.04	50,402.71
Investment in equity shares in Joint ventures company	-	-	4,545.63	4,528.19	4,545.63	4,528.19
<b>Total Assets (A)</b>	<b>56,543.28</b>	<b>60,957.53</b>	<b>31,983.19</b>	<b>20,363.94</b>	<b>1,43,212.51</b>	<b>1,31,724.18</b>
Segment Liabilities	34,746.32	35,608.53	17,090.04	3,181.83	51,836.36	38,790.36
Unallocated Liabilities	-	-	-	-	8,633.13	6,334.08
Total Liabilities (B)	34,746.32	35,608.53	17,090.04	3,181.83	60,469.49	45,124.44
<b>Capital Employed (A) - (B)</b>					<b>82,743.02</b>	<b>86,599.74</b>

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

### Other information

Particulars	Leasing		Outright sales		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Depreciation and Amortisation expense	3,131.56	2,188.63	-	-	3,131.56	2,188.63
Unallocated Depreciation & Amortisation expense	-	-	-	-	265.63	468.10
<b>Total Depreciation and Amortisation</b>	<b>3,131.56</b>	<b>2,188.63</b>	<b>-</b>	<b>-</b>	<b>3,397.19</b>	<b>2,656.73</b>
Capital Expenditure	940.67	14,574.90	-	-	940.67	14,574.90
Unallocated Capital Expenditure	-	-	-	-	61.95	321.07
<b>Total Capital Expenditure</b>	<b>940.67</b>	<b>14,574.90</b>	<b>-</b>	<b>-</b>	<b>1,002.62</b>	<b>14,895.97</b>

### Note 40 : Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets" and Commitments are given below:

#### A) Contingent liabilities/ assets

Particulars	31 March 2019	31 March 2018
<b>I) Claims not acknowledged as Debts :</b>		
i) Disputed liability in respect of Income tax		
2010-11	14.87	14.87
2012-13	7.39	7.39
2013-14	66.51	70.94
2014-15	57.12	63.85
ii) Disputed liability in respect of Property Tax (refer sub note 1)	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
<b>II) Guarantees on behalf of Group</b>		
Bank Guarantees	135.60	135.60

Note 1: The Company has paid under protest ₹ 36.31 Lakhs (31 March 2018: ₹ 36.31 Lakhs)

Note 2: The Company has filed appeal against the same and paid ₹ 322.33 Lakhs (31 March 2018: ₹ 322.33 Lakhs)

- III) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant and has been provided in the books of account. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

#### B) Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 3,530.48 lakhs (31 March 2018: ₹ 4,783.22 lakhs).

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

### Note 41 : Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint Ventures :

As at 31 March 2019

Name of the Enterprises	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)
<b>Parent</b>								
Prozone Intu Properties Limited	3.08	2,549.22	(2.66)	(17.39)	285.98	(457.88)	(96.55)	(475.27)
<b>Indian Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
Alliance Mall Developers Co Private Limited	16.35	13,525.51	9.91	64.64	0.82	(1.32)	12.86	63.32
Royal Mall Private Limited	0.00	1.59	0.99	6.48	-	-	1.32	6.48
Kruti Multitrade Private Limited	0.04	36.53	(0.02)	(0.13)	-	-	(0.03)	(0.13)
Prozone Developers and Realtors Private Limited	3.42	2,829.39	59.33	387.01	-	-	78.62	387.01
<b>Indirect Subsidiaries</b>								
Hagwood Commercial Developers Private Limited	9.64	7,973.26	(74.02)	(482.85)	(0.16)	0.26	(98.04)	(482.59)
Empire Mall Private Limited	7.53	6,229.30	36.29	236.76	(0.21)	0.34	48.17	237.10
Omni Infrastructure Private Limited	10.48	8,674.61	4.82	31.46	-	-	6.39	31.46
Prozone Intu Developers Private Limited	0.04	34.57	5.23	34.11	-	-	6.93	34.11
<b>Foreign Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
Prozone Liberty International Limited	5.11	4,226.15	(2.49)	(16.27)	-	-	(3.30)	(16.27)
<b>Non-controlling interest in all subsidiaries</b>	39.67	32,823.10	62.51	407.81	(175.95)	281.72	140.08	689.53
<b>Joint Venture (Indian)</b>								
<b>Direct</b>								
Moontown Trading Co. Private Limited	0.49	406.12	0.12	0.80	-	-	0.16	0.80
<b>Indirect</b>								
Emerald Buildhome Private limited	4.15	3,433.67	(0.01)	(0.07)	(10.48)	16.77	3.39	16.70
<b>TOTAL</b>	<b>100.00</b>	<b>82,743.02</b>	<b>100.00</b>	<b>652.36</b>	<b>100.00</b>	<b>(160.11)</b>	<b>100.00</b>	<b>492.24</b>

Note : The above figures are after eliminating intra group transactions and intra group balances

### Note 42 : Disclosure with regards to section 186 (4) of the Companies Act, 2013

- For Investment refer note no. 6 and 13
- For Loans given :

Particulars	Rate of Interest	Purpose of Inter corporate deposit	31 March 2019	31 March 2018	Movement during the year
Inter Corporate Deposits	9% - 21%	Working Capital	1,590.81	3,113.94	(1,523.13)
<b>Total</b>			<b>1,590.81</b>	<b>3,113.94</b>	<b>(1,523.13)</b>

Notes:1) Out of the above the Company has not provided interest on ₹ 930.54 Lakhs (31 March 2018: ₹1,637.49 Lakhs) as the 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 ₹ 221.60 lakhs (31 March 2018: ₹ 1,703.64 lakhs).

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

### Note 43 : Expenditure on Corporate Social Responsibility (CSR) activities

**A Gross amount required to be spent by the Company during the year 2018-19 - ₹ 19.76 lakhs (31 March 2018- ₹ 24.46 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	-	-	-
<b>C</b>	<b>Related party transactions in relation to Corporate Social Responsibility:</b>	-	-	-
<b>D</b>	<b>Provision movement during the year 2018-19</b>			
	Opening provision	-		
	Addition during the year	-		
	Utilised during the year	-		
	<b>Closing provision</b>	-		

### Note 44 : Expenditure in foreign currency

Particulars	31 March 2019	31 March 2018
Travelling and conveyance	28.30	14.59
Business promotion	-	12.76
	<b>28.30</b>	<b>27.35</b>

### Note 45 : 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 2019	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	3,031.24	43.91	4,545.63	-	3,031.24	43.91	3,075.14
Loans	7 & 17	-	-	1,400.36	-	-	-	-
Other financial assets	8 & 18	-	-	10,050.42	-	-	-	-
Trade receivables	14	-	-	3,458.29	-	-	-	-
Cash and cash equivalents	15	-	-	198.77	-	-	-	-
Bank balances other than Cash and cash equivalents	16	-	-	175.82	-	-	-	-
		3,031.24	43.91	19,829.29	-	3,031.24	43.91	3,075.14
Financial liabilities								
Borrowings	21	-	-	33,257.24	-	33,257.24	-	33,257.24
Other financial liabilities	22 & 26	-	-	9,399.44	-	3,346.63	-	3,346.63
Trade payables	25	-	-	2,152.65	-	-	-	-
		-	-	44,809.33	-	36,603.87	-	36,603.87



## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

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	200.41	4,528.19	-	1,647.68	200.41	1,848.08
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	200.41	22,176.80	-	1,647.68	200.41	1,848.08
Financial liabilities								
Borrowings	21	-	-	33,193.99	-	33,193.99	-	33,193.99
Other financial liabilities	22 & 26	-	-	6,297.72	-	1,415.14	-	1,415.14
Trade payables	25	-	-	2,304.87	-	-	-	-
		-	-	41,796.58	-	34,609.13	-	34,609.13

### 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 and preference shares	The fair value of investment has been determined by external, independent valuer, having appropriate recognised professional qualifications and relevant experience the field.	Not applicable	Not applicable

## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

#### B) Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

##### Risk management framework

The Holding Company'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 finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance 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 Holding Company'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 Holding Company'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 ₹ 198.77 lakhs; ₹ 380.56 lakhs as at 31 March 2019 ; 31 March 2018 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 ₹ 239.40 lakhs (31 March 2018: ₹ 442.37 lakhs)

The allowance for impairment in respect of loans and other financial assets during the year was ₹ 3,776.78 lakhs (31 March 2018: ₹ 6,591.23 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 31 March 2019 and 31 March 2018 is as follows:

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

Particulars	As at 31 March 2019	As at 31 March 2018
Financial assets for which loss allowances are measured using 12 months Expected Credit Losses (ECL):		
Trade Receivables	239.40	442.37
Loans and Other financial assets	3,476.78	6,591.23

A summary of the Company's exposure to credit risk by age of the outstanding balance from various customers is as follows:

Particulars	Carrying Amount	31 March 2019 Weighted Average Loss Rate	Loss Allowance
Neither past due nor impaired	-	0.00%	-
Past due but not impaired *	1,588.30	0.00%	-
Upto 90 days	5.27	0.50%	0.03
90-180 days	36.55	1.00%	0.37
180-360 days	18.47	2.00%	0.37
360-450 days	850.16	5.00%	42.51
450-540 days	100.44	13.84%	13.90
540-720 days	31.82	100.00%	31.82
720-810 days	43.58	100.00%	43.58
810-900 days	16.86	100.00%	16.86
900-1080 days	3.47	100.00%	3.47
More than 3 yrs	86.50	100.00%	86.50
	<b>2,781.41</b>		<b>239.40</b>

Particulars	Carrying Amount	31 March 2018 Weighted Average Loss Rate	Loss Allowance
Neither past due nor impaired	-	0.00%	-
Past due but not impaired *	3,697.32	0.00%	0.00
Upto 90 days	436.80	0.50%	2.18
90-180 days	138.37	1.00%	1.38
180-360 days	115.68	2.00%	2.31
360-450 days	73.83	5.00%	3.69
450-540 days	36.94	13.84%	5.11
540-720 days	36.40	100.00%	36.40
720-810 days	9.44	100.00%	9.44
810-900 days	5.67	100.00%	5.67
900-1080 days	40.55	100.00%	40.55
More than 3 yrs	335.62	100.00%	335.62
	<b>4,926.63</b>		<b>442.37</b>

\* 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
<b>Balance as at 1 April 2017</b>	<b>6,990.57</b>
Impairment loss recognised	43.03
<b>Balance as at 31 March 2018</b>	<b>7,033.60</b>
Impairment loss recognised	140.16
Amount written off during the year	(3,457.57)
<b>Balance as at 31 March 2019</b>	<b>3,716.19</b>

### 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.

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

Particulars	Note	Contractual cash flows			
		One year or less	1 - 5 years	More than 5 years	Total
As at 31 March 2019					
Non - derivative financial liabilities					
Borrowings	21	-	12,136.87	21,120.37	33,257.24
Trade payables	25	2,152.65	-	-	2,152.65
Other financial liabilities	22 & 26	4,049.09	5,350.35	-	9,399.44
		6,201.74	17,487.22	21,120.37	44,809.33
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	2,717.99	-	6,297.72
		5,884.60	13,236.77	22,675.21	41,796.58

### 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.

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 2019	31 March 2018
Fixed-rate instruments:		
Financial asset (Bank deposits)	1,083.45	1,159.35
Financial liabilities (Borrowings)	(6,191.05)	(5,489.22)
	<b>(5,107.60)</b>	<b>(4,329.87)</b>
Variable-rate instruments:		
Financial liabilities (Borrowings)	(30,308.68)	(29,119.87)

#### 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 2019	As at 31 March 2018
Increase in basis points	50 basis points	50 basis points
Effect on loss before tax, increase by	151.54	145.60
Decrease in basis points	50 basis points	50 basis points
Effect on loss before tax, decrease by	151.54	145.60

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.

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

### 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 Holding Company's Board of Directors reviews and approves all equity investment decisions.

### Commodity Risk

The Group is not exposed to any commodity risk.

## Note 46 : Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders; if any.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

The Company's adjusted net debt to equity ratio at 31 March 2019 was as follows :

Particulars	As at 31 March 2019	As at 31 March 2018
Total Borrowings	35,366.74	34,055.81
Less : Cash and cash equivalent	(198.77)	(380.56)
<b>Adjusted net debt</b>	<b>35,167.97</b>	<b>33,675.25</b>
<b>Adjusted equity</b>	<b>82,743.02</b>	<b>86,599.74</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.30</b>	<b>0.28</b>

## Note 47 : Airport Authority of India matter

Airport Authority of India, Nagpur ('AAIN') has arbitrarily cancelled maximum permissible height NOC issued to one of the subsidiary of the Company for its project in Nagpur. The subsidiary of the company has followed due process as per rules & regulation and contesting case for revalidation of NOC. Based on aviation consultants study report and legal opinion, chances of revalidation of NOC are high hence no provision has been considered necessary on inventory as at 31 March 2019.

## Note 48 : Project Advance legal matter

The one of the subsidiary of the Company has provided the project advance of ₹ 4,000.00 lakhs ( ₹ 6,419.20 lakhs including interest ) for various real estate projects with fixed and variable returns. The said amount is secured against allotment of flats, deposit of title deed of land and guarantee of investee (including its promoters). Investee has failed to perform on agreed obligations, hence the subsidiary of the company had filed petition in the Hon'ble High Court at Bombay, seeking performance of contract and Status quo on the projects etc. As per the interim order dated 17<sup>th</sup> July, 2018, Hon'ble High court has directed investee to maintain status quo and not to create any third party right on the respective projects and flats till further order. Further, as per the legal opinion, the Company would get an award / decree in its favour at least for recovering money together with interest from the investee. Accordingly, the Company has considered the said facility amount as good and continued to accrue interest thereon.

## Note 49 : Operating leases

### Leases as lessee

- 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 ₹ 36.00 lakhs (31 March 2018: ₹ 36.00 lakhs).

## Notes to the consolidated financial statements...(Continued)

### for the year ended 31 March, 2019

- ii) The step down subsidiary company has taken residential premises situated at Aurangabad on operating lease for its employee. The Company has entered into a leave and license agreement for using of its office premises for 11 months, with an option to renew the lease after this period. The lease payments recognised in the statement of profit and loss is ₹ 4.07 lakhs (31 March 2018: ₹ 1.57 lakhs).

- iii) The future minimum lease payments for cancellable operating lease are as follows:

Particulars	31-Mar-19	31-Mar-18
Not later than one year	36.00	36.00
Later than one year and not later than five years	21.00	57.00
Later than five years	-	-

#### Amounts recognised in profit or loss

Particulars	31-Mar-19	31-Mar-18
Lease expense	36.00	36.00
Contingent rent expense	-	-
<b>Total</b>	<b>36.00</b>	<b>36.00</b>

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 license. The cancellable leases are renewable by mutual consent on mutually agreeable terms. The lease income recognised in the statement of profit and loss is ₹ 4,904.09 lakhs (31 March 2018: 3,137.73 lakhs)

- ii) The future minimum lease payments for non-cancellable operating lease are as follows:

Particulars	31-Mar-19	31-Mar-18
Within less than 1 year	2,508.82	3,168.29
Between one and five years	2,533.80	4,519.01
Later than five years	571.01	506.85

- iii) 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 ₹ 15.00 lakhs (31 March 2018: ₹ 7.50 Lakhs). There is no future minimum lease payments under non-cancellable operating lease.

## Note 50 : First time adoption of Ind AS 115- Revenue from contracts with customers

- (a) The Group is engaged in the business of developing, owning and operating of shopping malls, commercial and residential premises. Ind AS 115 Revenue from contracts with customer has been notified by Ministry of Corporate Affairs (MCA) on 28 March 2018 and is effective from accounting period beginning on or after 1 April 2018, replace existing revenue recognition standard. The application of Ind AS 115 has impacted the Group's accounting for recognition of revenue from real estate projects in SPVs. The Group had applied the modified retrospective approach to its real estate contracts that were not completed as on 1 April 2018 and has given impact of adoption of Ind AS 115 by debiting retained earning as at the said date by ₹ 4,345.77 lakhs (net of deferred tax). Accordingly, the comparatives have not been restated and hence, the current period figures are not comparable to the previous period figures. Due to the application of Ind AS 115 in the current year, revenue from real estate projects is higher by ₹ 1,962.34 lakhs for the year ended 31 March 2019 and profit after tax is higher by ₹ 1,442.04 lakhs for year ended 31 March 2019, than what it would have been if the replaced standard were not applicable. Similarly, the basic and diluted EPS is ₹ 0.16 per share which would have been ₹ (0.12) per share for the year ended 31 March 2019.

#### Explanation of transition to Ind AS 115:

- (i) Reconciliation of each financial statement line item affected in the current period as a result of adopting the standard.

Particulars	Note	As at 31 March 2019		
		Before adoption of Ind AS 115	Adjustments on account of adoption of Ind AS 115	Post adoption of Ind AS 115
<b>Assets</b>				
<b>Non-current assets</b>				
Deferred tax assets (net)	9	8,040.95	1,381.24	9,422.20
<b>Current assets</b>				
Inventories	12	16,817.98	10,704.34	27,522.32



## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

Particulars	Note	As at 31 March 2019		
		Before adoption of Ind AS 115	Adjustments on account of adoption of Ind AS 115	Post adoption of Ind AS 115
Financial assets				
Trade receivables	14	7,017.94	(3,559.65)	3,458.29
<b>Equity and liabilities</b>				
<b>Equity</b>				
Other equity				
Retained earnings	20.1	(1,401.83)	(1,750.10)	(3,151.93)
Non controlling interest		33,976.71	(1,153.60)	32,823.10
<b>Liabilities</b>				
<b>Current liabilities</b>				
Other current liabilities	27	2,728.46	11,429.86	14,158.32

- (ii) Reconciliation of significant changes between the reported results under Ind AS 115 and under the previous revenue requirement - i.e; Ind AS 11 and Ind AS 18

Particulars	As at 31 March 2018
<b>Reconciliation of Equity as reported earlier:</b>	
Net worth as reported	52,290.65
<b>Summary of adjustments on account of adoption of Ind AS 115:</b>	
(Decrease) in Profit before tax on account of adoption of Ind AS 115	(6,020.74)
Increase in deferred tax (credit) on account of adoption of Ind AS 115	1,674.97
<b>Total adjustments on account of adoption of Ind AS 115</b>	<b>(4,345.77)</b>
Less Adjustment attributed to Non controlling interest	2,175.52
<b>Net adjustments on account of adoption of Ind AS 115</b>	<b>(2,170.25)</b>
<b>Net worth post adoption of Ind AS 115</b>	<b>50,120.40</b>

### b) Disaggregation of revenue from contracts with customers

The Group believes that the information provided under Note 26- Revenue from operations and Note 39 best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by industry, market and other economic factors.

### c) Reconciliation of contract assets and contract liabilities and its significant changes

Particulars	As at 31 March 2019
<b>Due from contract customers (trade receivables)</b>	
At the beginning of the reporting period	6,510.44
Cumulative catch up adjustments to revenue affecting trade receivables	(3,052.15)
At the end of the reporting period	<b>3,458.29</b>
<b>Advance from contract customers (contract liability)</b>	
At the beginning of the reporting period	1,491.91
Cumulative catch up adjustments to revenue affecting contract liability	12,666.41
Significant financing component	-
At the end of the reporting period	<b>14,158.32</b>

### d) Reconciliation of revenue as per contract price and as recognised in the Statement of profit and loss:

Particulars	As at 31 March 2019
Income from sale of services	5,273.30
Adjustments towards discount, rebates, refunds, credits, price concessions, etc	369.21
<b>Total</b>	<b>4,904.09</b>
Other operating revenue	3,072.55
Adjustments towards discount, rebates, refunds, credits, price concessions, etc	30.03
<b>Total</b>	<b>3,042.52</b>

## Notes to the consolidated financial statements...(Continued)

for the year ended 31 March, 2019

### e) Reconciliation of unearned revenue are as follows:

Particulars	As at 31 March 2019
At the beginning of the reporting period	-
Revenue recognised that was included in the unearned revenue balance at the beginning of the reporting period	-
Unearned revenue recognised however invoice for the same is not raised during the reporting period	119.25
At the end of the reporting period	<b>119.25</b>

### f) Performance obligation

The Group is engaged in the business of developing, owning and operating of shopping malls, commercial premises and residential premises.

All the contracts entered with the customers consists of a single performance obligation thereby the consideration allocated to the performance obligation is based on standalone selling prices.

Revenue is recognised upon transfer of control of retail and commercial units to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those units. The trigger for revenue recognition is normally completion of the project or receipt of approvals on completion from relevant authorities or intimation to the customer of completion, post which the contract becomes noncancellable by the parties.

The revenue is measured at the transaction price agreed under the contract. In certain cases, the Group has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group adjusts the transaction price for the effects of a significant financing component.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognises the entire estimated loss in the period the loss becomes known.

### g) Transaction price allocated to remaining performance obligation

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at March 31, 2019 is ₹15,176.74 lakhs, which will be recognised as revenue over a period of 2-3 years.

The Group applies practical expedient of Ind AS 115 and does not disclose information about the amount of the transaction price allocated to the remaining performance obligation and an explanation of when the entity expects to recognise that amount as revenue for all reporting periods presented before the date of initial application.

The accompanying notes form an integral part of these Consolidated 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

#### Mansi Pardiwalla

Partner

Membership No: 108511

**Mr Bipin Gurnani**  
President

**Place :** Mumbai  
**Date :** 29 May 2019

**Place :** Mumbai  
**Date :** 29 May 2019

#### For and on behalf of the Board of Directors of Prozone Intu Properties Limited

CIN: L45200MH2007PLC174147

#### Nikhil Chaturvedi

Managing Director

DIN : 00004983

#### Anurag Garg

Chief Financial Officer

#### Salil Chaturvedi

Dy. Managing Director

DIN : 00004768

#### Ajayendra Jain

Company Secretary & CCO

## 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

Sr. No.	Subsidiary Company	Note	Reporting Currency	Exchange Rate	Capital and other equity	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 shareholding	Country
1	Alliance Mall Developers Co Private Limited		INR	1.00	443.72	18,790.19	45,094.68	25,860.77	42.90	4,251.68	(488.05)	-	(117.18)	(117.18)	(370.87)	61.50	India
2	Royal Mall Private Limited		INR	1.00	1.00	(1.57)	2.36	2.93	-	6.33	(0.34)	(0.27)	-	(0.27)	(0.07)	100.00	India
3	Kruti Multitrade Private Limited		INR	1.00	1.00	(39.35)	5.87	44.22	-	-	(3.50)	-	(0.72)	(0.72)	(2.78)	100.00	India
4	Prozone Liberty International Limited	2	USD	69.17	26,318.38	1,081.29	27,511.41	111.75	27,498.57	-	(16.27)	-	-	-	(16.27)	100.00	Singapore
5	Omni Infrastructure Private Limited	1	INR	1.00	4.00	7,261.02	11,533.47	4,268.45	-	4.42	(5.15)	-	(57.58)	(57.58)	52.43	60.00	India
6	Hagwood Commercial Developers Private Limited	1	INR	1.00	1,541.50	23,738.39	42,008.69	16,728.80	9,034.85	38.54	(412.83)	93.81	(174.94)	(81.12)	(331.70)	61.50	India
7	Prozone Developers and Realtors Private Limited (Formerly known as Classique Creators Private Limited) (PDRPL)	1	INR	1.00	5.00	98.87	7,540.12	7,436.24	-	1,267.37	54.29	18.11	-	18.11	36.18	100.00	India
8	Prozone Intu Developers Private Limited (PIDPL) (Formerly known as Jaipur Festival City Private Limited (JFCPL))		INR	1.00	1.00	(82.11)	1,547.23	1,628.34	1,514.47	43.65	23.32	4.49	(4.49)	-	23.32	100.00	India
9	Empire Mall Private Limited	1	INR	1.00	13,602.25	6,044.82	30,978.30	11,331.24	459.20	7,939.04	1,382.52	-	375.82	375.82	1,006.70	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 31.03.2019

**PART- B - Joint Venture**

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		Network 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		Considered in consolidation	Not considered in consolidation	
1	Moontown Trading Company Private Limited	31-Mar-19	20,02,500	200.25	144.75	0.74	(0.24)	Note 1
2	Emerald Build Home Private Limited	31-Mar-18	50,00,000	4,077.97	2,506.73	16.69	30.30	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

**Bipin Gurnani**  
President

# Notice

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting of the members of Prozone Intu Properties Limited will be held on Monday, 30<sup>th</sup> September 2019 at 2:00 p.m. at Esquire 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 31<sup>st</sup> March 2019 including audited Balance Sheet as at 31<sup>st</sup> March, 2019 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. Dushyant Singh Sangar (DIN: 07347397), who retires by rotation and being eligible, offers himself for re-appointment.

## Special Business

3. To approve and ratify the revision in remuneration of Mr. Nikhil Chaturvedi, Managing Director of the Company with effect from 1<sup>st</sup> October 2018:

To consider and, if thought fit, to pass the following resolution as a Special Resolution

**"Resolved that** in partial modification of earlier resolution passed by the members in their Annual General Meeting held on 28<sup>th</sup> September 2017 and further to approval of Nomination and Remuneration Committee and Board of Directors and pursuant to provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and all other applicable circulars, notifications and guidelines issued by the Ministry of Corporate Affairs or any other authorities from time to time and other necessary approvals, permissions and sanctions, as may be required, and such conditions and modifications as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions as are agreed to by the Board of Directors (hereinafter referred to as 'the Board'; which term shall be deemed to include any 'Committee' thereof and any person authorized by the Board in this behalf), the consent of the Members of the Company be and is hereby accorded for increase in remuneration of Mr. Nikhil Chaturvedi, Managing Director with effect from 1<sup>st</sup> October 2018 for the remaining period of his tenure on such terms and conditions as set out below:

- a. Salary and allowances: ₹ 15,00,000/- per month
- b. Commission: Such amount for each accounting year

as may be decided by the Board subject to the overall limit(s) as stated in point no. C

- c. The total aggregate remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule V to the Companies Act, 2013.
- d. His appointment shall be subject to superintendence, control and direction of the Board. He shall perform such duties and functions as would be commensurate with his position as the Managing Director of the Company and as may be delegated by the Board from time to time.

**Resolved further that** not with standing anything contained herein above, whenever where in any financial year during the currency of his whole current tenure (whether retrospective or prospective), if the Company has/ had no profit or its profits are/ were inadequate, the remuneration as stated above shall be or deemed to have been paid/ payable as minimum remuneration, subject to the maximum ceiling of remuneration prescribed under Schedule V read with other applicable provisions of the Companies Act 2013 and the approval/waiver by members of the Company be and is hereby granted to the remuneration paid to him as per above para during any period of his current tenure and no further or separate approval of members would be required to ratify or validate the remuneration paid/ payable to him during his current tenure.

**Resolved further that** the Board of Directors be and is hereby authorised to do all such acts, deeds, things and matter, as may be considered necessary, proper and expedient to give effect to this resolution."

4. To approve and ratify the revision in remuneration of Mr. Salil Chaturvedi, Deputy Managing Director of the Company with effect from 1<sup>st</sup> October 2018:

To consider and, if thought fit, to pass the following resolution as a Special Resolution

**"Resolved that** in partial modification of earlier resolution passed by the members in their Annual General Meeting held on 28<sup>th</sup> September 2017 and further to approval of Nomination and Remuneration Committee and Board of Directors pursuant to provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and all other applicable circulars, notifications and guidelines issued by the Ministry of Corporate Affairs or any other authorities from time to time and other necessary

## Notice...(Continued)

approvals, permissions and sanctions, as may be required, and such conditions and modifications as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions as are agreed to by the Board of Directors (here in after referred to as 'the Board', which term shall be deemed to include any 'Committee' thereof and any person authorized by the Board in this behalf) the consent of the members of the Company be and is hereby accorded for increase in remuneration of Mr. Salil Chaturvedi, Deputy Managing Director with effect from 1<sup>st</sup> October 2018 for the remaining period of his tenure on such terms and conditions as set out below:

- a. Salary and allowances: ₹ 10,00,000/- per month
- b. Commission: Such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point no. C
- c. The total aggregate remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule V to the Companies Act, 2013.
- d. His appointment shall be subject to superintendence, control and direction of the Board. He shall perform such duties and functions as would be commensurate with his position as the Deputy Managing Director of the Company and as may be delegated by the Board from time to time.

**Resolved further that** notwithstanding anything contained herein above, whenever where in any financial year during the currency of his whole current tenure (whether retrospective or prospective), if the Company has/ had no profit or its profits are/ were inadequate, the remuneration as stated above shall be or deemed to have been paid/ payable as minimum remuneration, subject to the maximum ceiling of remuneration prescribed under Schedule V read with other applicable provisions of the Companies Act 2013 and the approval/waiver by members of the Company be and is hereby granted to the remuneration paid to him as per above para during any period of his current tenure and no further or separate approval of members would be required to ratify or validate the remuneration paid/ payable to him during his current tenure.

**Resolved further that** the Board of Directors be and is hereby authorised to do all such acts, deeds, things and matter, as may be considered necessary, proper and expedient to give effect to this resolution."

5. To appoint Mr. Umesh Kumar, (DIN: 01733695) as an Independent Director.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution

**"Resolved that** pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Reg. 25 of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations, 2015), Mr. Umesh Kumar, (DIN: 01733695) who was appointed as an Additional Director of the Company by the Board of Director with effect from 23<sup>rd</sup> May 2019, in terms of Section 161 of the Act, and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Umesh Kumar as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 years up to 22<sup>nd</sup> May 2024 and whose office shall not be liable to retire by rotation

6. To re-appoint Mr. Nikhil Chaturvedi, (DIN:00004983) as Managing Director of the Company for a further period of 3 years with effect from 27<sup>th</sup> February 2020

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"Resolved that** pursuant to provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and all other applicable circulars, notifications and guidelines issued by the Ministry of Corporate Affairs or any other authorities from time to time and other necessary approvals, permissions and sanctions, as may be required, and such conditions and modifications as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions are agreed to by the Board of Directors (hereinafter referred to as 'the Board', which term shall be deemed to include any 'Committee' thereof and any person authorized by the Board in this behalf) and, further to the recommendation of Nomination and Remuneration Committee the consent of the members be and is hereby accorded for the re-appointment of Mr. Nikhil Chaturvedi, as Managing Director for a further period of three years with effect from 27<sup>th</sup> February 2020 on such terms and conditions as set out below:

- a. Salary: ₹ 15,00,000/- per month
- b. Commission: Such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point no. C



## Notice...(Continued)

- c. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule V and/or otherwise approved in terms of other provisions of the Companies Act, 2013.
- d. His appointment shall be subject to superintendence, control and direction of the Board. He shall perform such duties and functions as would be commensurate with his position as the Managing Director of the Company and as may be delegated by the Board from time to time.

**Resolved further that** the Board of Directors (which term shall always be deemed to include any Committee of the Board thereof) be and is hereby authorized to make any variation in the remuneration specified above from time to time to the extent as the Board of Directors may deem appropriate, provided that such variation, as the case may be, is within the overall limits specified under the relevant provisions of the Companies Act, 2013 and/ or approved by the members in their meeting and/or as approved by the Central Government or any such other competent authority, as applicable.

**Resolved further that** notwithstanding anything contained herein above, where in any financial year during the currency of his tenure, if the Company has no profit or its profits are inadequate, the remuneration stated above shall be paid as minimum remuneration, subject to the maximum ceiling of remuneration prescribed under Schedule V read with other applicable provisions of the Companies Act 2013 and/ or the approval of the Central Government wherever required or applicable.

**Resolved further that** the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

7. To re-appoint Mr. Salil Chaturvedi, as Dy. Managing Director w.e.f 27<sup>th</sup> February, 2020 for period of 3 years:

To consider and, if thought fit, to pass the following resolution as a Special Resolution

**"Resolved that** pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) from time to time or any re-enactment

thereof for the time being in force) read with Schedule V to the said Act, and all other applicable circulars, notifications and guidelines issued by the Ministry of Corporate Affairs or any other authorities from time to time and other necessary approvals, permissions and sanctions, as may be required, and such conditions and modifications as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions and are agreed to by the Board of Directors (hereinafter referred to as 'the Board', which term shall be deemed to include any 'Committee' thereof and any person authorized by the Board in this behalf) and, further to the recommendation of Nomination and Remuneration Committee the consent of the members be and is hereby accorded for the re-appointment of Mr. Salil Chaturvedi, as Dy. Managing Director for a further period of three years with effect from 27<sup>th</sup> February 2020 on such terms and conditions as set out below:

- a. Salary: ₹ 10,00,000/- per month
- b. Commission: Such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point no. C
- c. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule V and/or otherwise approved in terms of other provisions of the Companies Act, 2013.
- d. His appointment shall be subject to superintendence, control and direction of the Board. He shall perform such duties and functions as would be commensurate with his position as the Deputy Managing Director of the Company and as may be delegated by the Board from time to time.

**Resolved further that** the Board of Directors (which term shall always be deemed to include any Committee of the Board thereof) be and is hereby authorised to make any variation in the remuneration specified above from time to time to the extent as the Board of Directors may deem appropriate, provided that such variation, as the case may be, is within the overall limits specified under the relevant provisions of the Companies Act, 2013 and/ or approved by the members in their meeting and/or as approved by the Central Government or any such other competent authority, as applicable.

**Resolved further that** notwithstanding anything contained herein above, where in any financial year during the currency

## Notice...(Continued)

of his tenure, if the company has no profit or its profits are inadequate, the remuneration stated above shall be paid as minimum remuneration, subject to the maximum ceiling of remuneration prescribed under Schedule V read with other applicable provisions of the Companies Act 2013 and/ or the approval of the Central Government wherever required or applicable.

**Resolved further that** the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

By Order of the Board of Directors  
**Prozone Intu Properties Limited**

Date: 30<sup>th</sup> August 2019  
Place: Mumbai

**Ajayendra P. Jain**  
CS and Chief Compliance Officer

### 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 10<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September 2017 to hold office from the conclusion of 10<sup>th</sup> AGM to the conclusion of 15<sup>th</sup> 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

## Notice...(Continued)

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 2018-19 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, 23<sup>rd</sup> August 2019.
  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](http://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 12<sup>th</sup> 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.

## Notice...(Continued)

- b. The facility for voting through polling paper shall be made available at the meeting and the members 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 Friday, 27<sup>th</sup> September 2019 from 10.00 a.m. and ends on Sunday, 29<sup>th</sup> September 2019 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. Monday, 23<sup>rd</sup> September 2019 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. Monday, 23<sup>rd</sup> September 2019, 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](http://www.evotingindia.com).
- iii. Click on Shareholders.
- iv. Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 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](http://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) <ul style="list-style-type: none"> <li>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.</li> </ul>
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. <ul style="list-style-type: none"> <li>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).</li> </ul>
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

## Notice...(Continued)

Resolution and option NO implies that you dissent to the Resolution.

- 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](http://www.prozoneintu.com) and on the website of CDSL, i.e. [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the resolutions at the 12<sup>th</sup> AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

### DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN 12<sup>TH</sup> 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. Dushyant Sangar	Mr. Nikhil Chaturvedi	Mr. Salil Chaturvedi	Mr. Umesh Kumar
Date of Birth	04.01.1982	01.04.1969	22.04.1971	18.04.1958
Date of first appointment	08.02.2016	27.02.2012	27.02.2012	23.05.2019
Qualification	Bachelor of Science	B.com	B. Sc	<ul style="list-style-type: none"> <li>• B.Sc. Electrical (Electronics) Engineering from Delhi College of Engineering, Delhi University (Now Delhi Technical University) in 1979 with Honours</li> <li>• Post Graduate Diploma in International Business from Symbiosis Centre of Distance Learning in 2008</li> </ul>

## Notice...(Continued)

Name of the Director	Mr. Dushyant Sangar	Mr. Nikhil Chaturvedi	Mr. Salil Chaturvedi	Mr. Umesh Kumar
Shareholding of directors	Nil	5000 equity shares	Nil	Nil
Directors Inter-se relationship	N.A.	Brother of Mr. Salil Chaturvedi	Brother of Mr. Nikhil Chaturvedi	N.A.
Years of experience	15 +	20 +	20+	30+
No. of Board Meeting attended in FY	4	4	4	0
Area of expertise	Mr. Dushyant Singh Sangar is an experienced corporate financier and real estate investment professional. He is the Chief Investment Officer of Intu Properties plc ("Intu") and is a member Intu's Executive Committee which is responsible for the day to day operations of the business. Prior to Intu, Mr. Dushyant worked for MGPA & UBS.	Mr. Nikhil Chaturvedi is a Managing Director of the Company. He is a visionary and hands-on leader, who inspires the organisation with a passion for excellence and single-mindedness to build shareholder value, which is his driving force	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	Mr. Umesh Kumar is Retd. IAS officer having 35 years of diverse experience in different fields. He is superannuated from his services in April 2018 and empanelled for appointment as Secretary to Government of India.  His special skills and expertise <ul style="list-style-type: none"> <li>• Policy and strategic planning</li> <li>• Organisational reforms, business process re-engineering, e-governance.</li> <li>• Investment promotion, implementation and facilitation.</li> <li>• Financing by Financial institutions, both domestic and multi-lateral, for sovereign as well as private sector operations.</li> <li>• Infrastructure sector including the restructuring of the State Electricity Board, transportation and urban development.</li> </ul>

Directorships held 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)

Name of Company	Details of Committee and position
Name of Director: Mr. Dushyant Singh Sangar	
Prozone Intu Properties Limited	Nil
Name of Director: Mr. Nikhil Chaturvedi	
Provogue (India) Limited	Nil
Prozone Intu Properties Limited	Member- Stakeholders' Relationship Committee
Name of Director: Mr. Salil Chaturvedi	
Prozone Intu Properties Limited	Member- Stakeholders' Relationship Committee and Audit Committee
Provogue (India) Limited	Chairman- Stakeholders' Relationship Committee



**Notice...(Continued)**

Name of Company	Details of Committee and position
Brightland Developers Private Limited	Nil
Flowers, Plants & Fruits Pvt. Ltd	Nil
Provogue Personal Care Private Limited	Nil
Name of Director: Mr. Umesh Kumar	
Prozone Intu Properties Limited	Chairman-Audit Committee

By Order of the Board of Directors  
**Prozone Intu Properties Limited**

**Ajayendra P. Jain**  
 CS and Chief Compliance Officer

Date: 30<sup>th</sup> August 2019  
 Place: Mumbai

**Explanatory statement pursuant to section 102  
 of the Companies Act 2013**

**1. Explanatory Statement to agenda item Nos.  
 3,4,6 & 7.**

- ❖ Increase in remuneration of Managing Director and Deputy Managing Director (Item No. 3 & 4)

The Company in their Annual General Meeting held on 28<sup>th</sup> September 2017 vide passing special resolutions approved the appointments of Mr. Nikhil Chaturvedi, Managing Director and Mr. Salil Chaturvedi, Dy. Managing Director of the Company for a period of 3 years effective from 27<sup>th</sup> February 2017.

In terms of provisions prescribed under section II of Schedule V of the Companies Act, 2013, any subsequent revision or modification in the remuneration of executive directors were to be in compliance with Schedule V of the Companies Act, 2013. The Nomination and Remuneration Committee and the Board of Directors of the Company on 30<sup>th</sup> September 2018 and 14<sup>th</sup> November 2018 respectively considered various factors like their contribution to the Company, maximum permissible remuneration limits, managerial remuneration in the same industry etc. and after due deliberation approved the increase in the remuneration of managerial personnel i.e., Mr Nikhil Chaturvedi, Managing Director and Mr Salil Chaturvedi, Deputy Managing Director from ₹10 lac per month to ₹ 15 Lac per month and from ₹5 lac to ₹10 lac per month respectively.

Pursuant to the notification dated 12<sup>th</sup> September 2018 the Company can pay the remuneration in the excess of the limits given in section II of Schedule V of the Companies Act, 2013, if

approved by the members by passing special resolution. In view of the above, it is proposed to pass above resolutions as Special resolutions.

- ❖ Reappointment of Managing Director and deputy Managing Director for a further period of 3 years w.e.f. 27<sup>th</sup> February 2020 (item No. 6 & 7)

The members of the Company in their Annual General Meeting held on 28<sup>th</sup> September 2017 appointed Mr. Nikhil Chaturvedi as Managing Director and Mr. Salil Chaturvedi as Deputy Managing Director for a period of five years effective from the same date. Accordingly, their offices expired on 26<sup>th</sup> February 2020.

Considering the rich and varied experience and knowledge of the business coupled with sound understanding of the Industry possessed by the appointees, the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meetings held on 12<sup>th</sup> August 2019 recommended the re-appointments of Mr. Nikhil Chaturvedi as Managing Director and Mr. Salil Chaturvedi as Deputy Managing Director for a further period of 3 years w.e.f. 27<sup>th</sup> February, 2020. The said appointments were made subject to the approvals/ confirmations of members of the Company in their General Meeting and in compliance with provisions of sections 149 and 196 read with Schedule V of the Companies Act, 2013 and rules made thereunder, as the profit of the Company calculated in terms of the provisions of section 197 of the Companies Act 2013 was found inadequate for payment of remuneration proposed to be paid to the appointees during their tenure.

## Notice...(Continued)

The terms and conditions of the proposed appointments in terms of proviso of section 196(4) of the Companies Act 2013 are as under;

Appointee: Mr. Nikhil Chaturvedi		Appointee: Mr. Salil Chaturvedi	
a.	Salary: ₹ 15,00,000/- per month	a.	Salary: ₹ 10,00,000/- per month
b.	Commission: Such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point no. C	b.	Commission: Such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point no. C
c.	The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule V to the Companies Act, 2013.	c.	The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule V to the Companies Act, 2013.
d.	His appointment shall be subject to superintendence, control and direction of the Board. He shall perform such duties and functions as would be commensurate with his position as Managing Director of the Company and as may be delegated by the Board from time to time.	d.	His appointment shall be subject to superintendence, control and direction of the Board. He shall perform such duties and functions as would be commensurate with his position as the Deputy Managing Director of the Company and as may be delegated by the Board from time to time.

**Statement of information as required under proviso to section II of part II of Schedule V of the Companies Act 2013 is as under (For item no.s. 3,4,6 & 7**

### I. General Information:

1	Nature of Industry	The Company is mainly engaged in the business of designing, developing, owning and operating of shopping malls, commercials and residential premises through its various subsidiaries. The Company is also providing management related consultancy services to its SPVs.		
2.	Date or expected date of commencement of commercial production	Not applicable		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions in the prospectus	Not applicable		
4	Financial performance based on given indicators; (₹ In lakhs)			
	Indicators	FY 2018-19	FY 2017-18	FY 2016-17
	Income from Operations	829.64	678.24	717.55
	Other income	769.43	854.99	1031.23
	<b>Total income</b>	<b>1599.07</b>	<b>1524.23</b>	<b>1748.78</b>
	Less: Total expenses	1262.73	1065.54	1773.83
	Less: Exceptional items	-	-	-
	<b>Profit/ (loss) before tax</b>	<b>336.34</b>	<b>458.69</b>	<b>(25.05)</b>
	Less: Tax expenses	94.16	231.89	(129.54)
	<b>Profit/ (loss) after tax</b>	<b>242.18</b>	<b>226.18</b>	<b>104.49</b>
5	Financial investments and collaborations, if any	As on 31 <sup>st</sup> March 2019, 37.93% equity shares of the Company is held by foreign shareholders		

## Notice...(Continued)

### II. Information about the appointee:

Particulars		Mr. Nikhil Chaturvedi	Mr. Salil Chaturvedi
Background details		Mr. Nikhil Chaturvedi is a Managing Director of the Company has over 20 years experience in Retail and Real Estate sphere. He is a visionary and hands-on leader, who inspires the organisation with a passion for excellence and single-mindedness to build shareholder value, which is his driving force	Mr. Salil Chaturvedi is a Deputy Managing Director of the Company. He leads corporate strategy of the Company from a track record of spear-heading successful business development across sectors. He is also responsible for the new asset class initiatives in the residential and commercial sectors
Past remuneration (₹ in lakhs)	2018-19	1,50	90
	2017-18	1,20	60
	2016-17	1,20	60
Recognition or awards		NA	NA
Job Profile and his suitability		Mr. Nikhil Chaturvedi and Mr. Salil Chaturvedi are co-promoters and involved in the business of the Company since inception. During their tenure, Company progressed manifolds and achieved as good market share and recognition. Their contribution is beneficial for further growth and development of the Company. Additionally looking into inadequacy of profit of the Company, the appointees have not sought any increment in their remuneration	
Remuneration proposed		₹ 15 lakh per month	₹ 10 lakh per month
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person		Considering the responsibility shouldered by them of the enhanced business activities of the Company, proposed remuneration is Commensurate with Industry standards and Board level positions held in similar sized and positioned businesses.	
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any		The appointees are brothers. They do not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel besides their shareholding in the Company and remuneration as set out in resolution nos. 3,4,6 & 7	

### III. Other Information:

Reasons of loss or inadequate profits	<p>As the Company is mainly engaged in the business of designing, developing, owning and operating of shopping malls, commercial and residential premises through its various subsidiaries and provisioning of management consultancy services to its SPVs, the Company is mainly dependent upon operations and developments of its subsidiaries and SPVs for generation of its revenue.</p> <p>The revenue of the Company was affected as the retail sector has been hit hard by the emergence of e-commerce marketplaces offering consumers deeply discounted prices with convenient drop shipping at their home. This has put pressure on the more unviable shopping centres and many have been forced to close as their retailers failed. This bottom slicing of mall is leaving a void of quality retail infrastructure in the market.</p>
---------------------------------------	---

## Notice...(Continued)

Steps taken or proposed to be taken for improvement	<p>The Government has taken several steps to accelerate the retail sector by providing greater access funding and extending liquidity and tax credits to the end user to strengthen affordability. Both these initiatives should lead to an improved balance of demand and supply.</p> <p>FDI is also now permitted upto 100% under automatic route for housing, townships, commercial, residential and industrial constructions which is designed to boost the infrastructure activities in the Country. This should especially help in urbanization of tier- II and tier-III cities, which are struggling to develop large projects.</p>
Expected increase in productivity and profits in measureable terms	Barring unforeseen circumstances, the Company hopes to increase the revenue and profits by improved margins in coming year. However those are not measurable at this point of time.

### IV. Disclosures:

All necessary information has been given under the section of Corporate Governance Report forming part of this report.

Mr. Nikhil Chaturvedi and Mr. Salil Chaturvedi are brothers hence both of them and their respective relatives are deemed to be directly or indirectly concerned or interested in the resolution nos. 3,4,6 & 7 and are not entitled to vote on the resolutions. Further, no voting done by any members of the Company, if such member is a related party, shall be counted for the purpose of passing of these resolutions.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the above resolutions.

Your Directors propose to pass resolution no. 3,4,6 & 7 as Special resolutions.

### 2. Explanatory statement to Agenda item No. 5

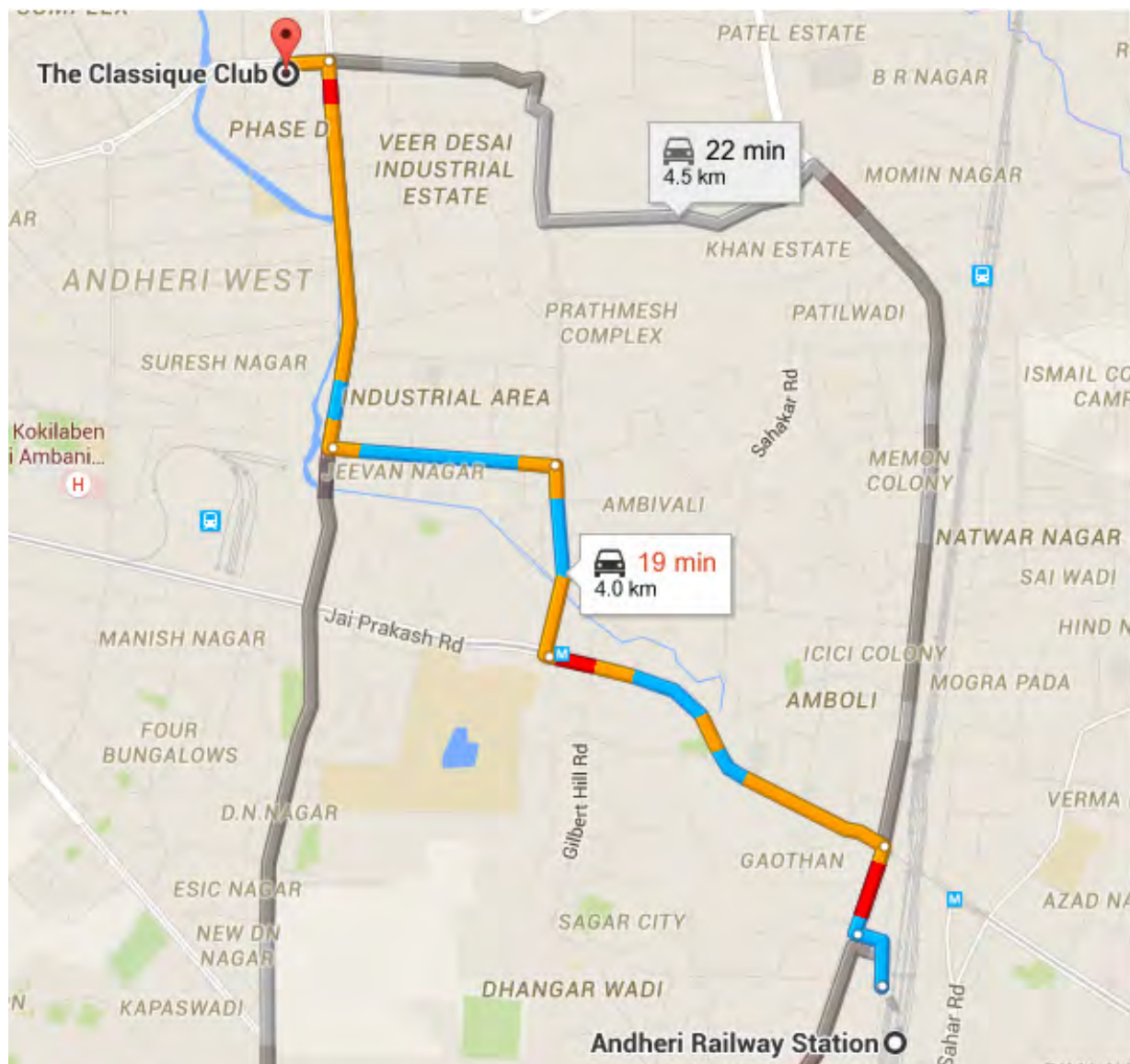
In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. ('NRC') and the the Board of Directors ("Board") have appointed Mr. Umesh Kumar, as an Independent Director with effect from 23<sup>rd</sup> May 2019 subject to the approval of members of the company. Mr. Umesh Kumar is Retd. IAS officer having 35 years of diverse experience in different fields. He is superannuated from his services in April 2018 and empanelled for appointment as Secretary to Government of India. A brief about his academics and carrier is as under:

- B.Sc. Electrical (Electronics) Engineering from Delhi College of Engineering, Delhi University (Now Delhi Technical University) in 1979 with Honours
- Post Graduate Diploma in International Business from Symbiosis Centre of Distance Learning in 2008

Mr. Umesh Kumar fulfils the conditions specified in the Section 149(6) and other applicable provisions of the Companies Act, 2013 read with Schedule IV, the rules made there under and SEBI (LODR) Regulations, 2015 to be appointed as an Independent Director of the company. As per the provisions of Section 149 (10) of the Companies Act, 2013 an Independent Director can be appointed for a term upto five consecutive years. Mr. Umesh Kumar does not hold any shares of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Umesh Kumar as an Independent Director. Accordingly, NRC and Board recommend the resolution, for the approval by the shareholders of the Company as an ordinary resolution.

Except Mr. Umesh Kumar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

**Notice...(Continued)****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: +91-22-6823 9000/9001 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 12<sup>th</sup> Annual General Meeting of members of the Company, to be held on Monday, 30<sup>th</sup> September 2019 at Esquire Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West), Mumbai - 400053 at 2.00 p.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 31 <sup>st</sup> March 2019 including audited Balance Sheet as at 31 <sup>st</sup> March, 2019 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 <b>Mr. Dushyant Singh Sangar (DIN: 07347397)</b> , who retires by rotation and being eligible, offers himself for re-appointment.
3	To approve and ratify the revision in remuneration of <b>Mr. Nikhil Chaturvedi</b> , Managing Director of the Company with effect from 1 <sup>st</sup> October 2018
4	To approve and ratify the revision in remuneration of <b>Mr. Salil Chaturvedi</b> , Deputy Managing Director of the Company with effect from 1 <sup>st</sup> October 2018
5	To Appoint <b>Mr. Umesh Kumar (DIN: 01733695)</b> as an Independent Director
6	To re-appoint <b>Mr. Nikhil Chaturvedi (DIN:00004983)</b> as Managing Director of the Company for a further period of 3 years with effect from 27 <sup>th</sup> February 2020
7	To re-appoint <b>Mr. Salil Chaturvedi (DIN:00004768)</b> as Managing Director of the Company for a further period of 3 years with effect from 27 <sup>th</sup> February 2020

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
Signature of Shareholder\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**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: +91-22-6823 9000/9001 Email: investorservice@prozoneintu.com

Website: www.prozoneintu.com

**12<sup>th</sup> Annual General Meeting****ATTENDANCE SLIP**

Folio/ DP &amp; Client ID No. ....

No. of shares held .....

Mr. / Ms./Mrs. ....

Address: .....

I hereby record my presence at the 12<sup>th</sup> Annual General Meeting of the Company held at Esquire Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (W) Mumbai - 400 053 at 2.00 p.m. on Monday, 30<sup>th</sup> September 2019.

(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 20<sup>th</sup> April 2018 & BSE, vide its Circular No. LIST/COMP/15/2018-19 dated 5<sup>th</sup> 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](http://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](http://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](http://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: \_\_\_\_\_  
Registered holder

Sign: \_\_\_\_\_  
Joint holder 1

Sign: \_\_\_\_\_  
Joint holder 2

Sign: \_\_\_\_\_  
Joint holder 3

**Name & Address of the Registered Shareholder**

Name : Mr/Ms/Mrs \_\_\_\_\_

Address : \_\_\_\_\_

City \_\_\_\_\_ PIN \_\_\_\_\_











### **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](http://www.prozoneintu.com)  
[investorservice@prozoneintu.com](mailto:investorservice@prozoneintu.com)