

Date: 28th September 2017

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051
Scrip: PROZONINTU

BSE Limited
Listing Department
P.J. Towers, Dalal Street, Fort
Mumbai 400 001
Scrip: 534675

Dear Sir,

Subject: Annual Report 2017-18 – Reg. 34 (1) of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 34 (1) of the SEBI (LODR) Regulations 2017, we enclose herewith the Annual Report of the Company for the financial year 2017-18 as approved and adopted at the 10th Annual General Meeting of the Company held on Thursday, the 28th September 2017.

Kindly take this on your record and oblige

Thanking you,

Yours truly,
For Prozone Intu Properties Limited




Ajayendra P. Jain
CS & Chief Compliance Officer

Encl: as above

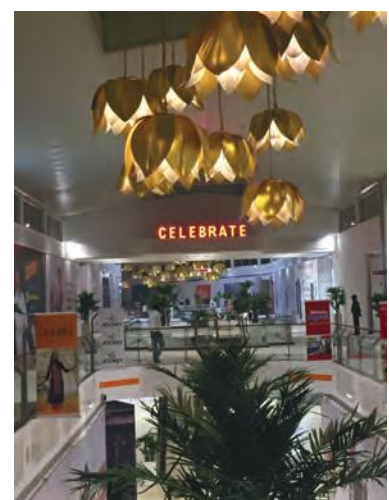
BUILDING
MOMENTUM

prozone
intu 

Annual Report 2016-17



Coimbatore Mall Grand Opening, July 2017



Building Momentum

We have entered an exciting new phase of consistent long-term growth and value creation. With a deep project pipeline and a large fully owned land bank our strategic focus is on persistent, timely execution.

During the year, we made significant progress across all our projects. The key accomplishment was the successful completion of our Coimbatore Mall, which was successfully launched in July 2017. We have received impressive response to leasing of the retail space and are confident of its future operating performance. We expect to begin construction of our 3rd mall in Nagpur this year.

Rental Revenue from the Aurangabad mall has stabilised and remains strong. With two malls now fully operational, we have the critical mass in retail assets that will allow us to leverage further efficiencies.

We have also organised the soft launch of our Coimbatore residential township and construction is now also in full swing at our Nagpur residential and Aurangabad PTC commercial projects. All of this will unlock additional cash flows during the coming year.

This combination of strong operating assets and a relentless focus on next phase execution is expected to translate into sustainable revenue growth. This will accelerate the speed of our returns and in turn the value creation for our stakeholders. Looking ahead, we have now built momentum and we are well on our way towards attaining the performance excellence our Company set out to achieve.

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Corporate Information

Board of Directors

Mr. Punit Goenka
Chairman and Independent Director

Ms. Deepa Misra Harris
Independent Director

Mr. Nikhil Chaturvedi
Managing Director

Mr. Salil Chaturvedi
Deputy Managing Director

Mr. David Andrew Fischel
Non-executive Director

Mr. Dushyant Singh Sangar
Non-executive Director

Mr. Rajiv Singh
Independent Director upto 24th April 2017

Chief Financial Officer

Mr. Anurag Garg

Company Secretary & Chief Compliance Officer

Mr. Ajayendra Pratap Jain

Statutory Auditors

Existing Auditors (Retiring)
M/s. SGCO & Co LLP
Chartered Accountant
4A, Kaledonia HDIL, 2nd Floor,
Sahar Road, Near Andheri Station
Andheri (East) Mumbai – 400 069

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

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: +91-22-30680560,
Fax: +91-22-30680570
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



PROZONE INTU PROPERTIES LIMITED

(Erstwhile "Prozone Capital Shopping Centres Limited")

Regd. Office: 105/106, Ground floor, Dream Square, Dalia Industrial Estate, off. New Link Road, Andheri (West), Mumbai: 400053

Ph: +91-22-30680560 Fax: +91-22-30680570 Email: investorservice@prozoneintu.com

Corporate Identification Number: L45200MH2007PLC174147, Website: www.prozoneintu.com

NOTICE

Notice is hereby given that the 10th Annual General Meeting of the members of **Prozone Intu Properties Limited** will be held on Thursday, 28th September 2017 at 1.00 p.m. at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West), Mumbai - 400053 to transact the following business:

As ordinary business:

1. To receive, consider and adopt the audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended 31st March 2017 including audited Balance Sheet as at 31st March, 2017 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. David Andrew Fischel (DIN: 01217574)**, who retires by rotation and being eligible, offers himself for re-appointment.
3. **To appoint statutory Auditors of the company and fix their remuneration**

"Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time and pursuant to the recommendation made by the Audit Committee of the Board, M/s B S R & Co LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/100022), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 15th AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the said period.

As Special Business:

4. **Re-appointment of Mr. Nikhil Chaturvedi, (DIN:00004983) as Managing Director of the Company for a further period of 3 years with effect from 27th February 2017**

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 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. Nikhil Chaturvedi, as Managing Director for a further period of three years with effect from 27th February 2017 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 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 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 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."

5. **Re-Appointment of Mr. Salil Chaturvedi DIN:00004768, as Dy. Managing Director w.e.f 27th February, 2017 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 27th February 2017 on such terms and conditions as set out below:

- a. Salary: ₹ 5,00,000/- 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 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 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 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 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**

**sd/-
Ajayendra P. Jain
CS and Chief Compliance Officer**

**Date: 22nd August 2017
Place: Mumbai**

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. **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.
3. All documents referred to in the accompanying notice and the explanatory statement 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
4. 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
5. 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.
6. 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.
7. 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

NOTICE *(Contd.)*

Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

8. The notice of AGM along with Annual Report for 2016-17 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.
9. 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.
10. 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.
11. 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, 25th August 2017.
12. 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.
13. All members are requested to support Green Initiative of the Ministry of Corporate Affairs, Government of India and register their email addresses to receive all these documents electronically from the Company in accordance with Rule 18 of the Companies (Management & Administration) Rules 2014 and Rule 11 of the Companies (Accounts) Rules 2014. All the aforesaid documents have been uploaded on and are available for download from the Company's website, being www.prozoneintu.com. Kindly bring your copy of Annual Report to the meeting.
14. 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.
15. No gifts shall be provided to members before, during or after the AGM.
16. 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.

17. Members are requested to notify change of address and update bank accounts details to their respective depository participants directly.
18. A route map showing direction to reach the venue of the 10th AGM is given at the end of this notice as per the requirement of Secretarial Standards -2 on General Meeting.

19. Voting through electronic means ("Remote E-voting"):

- a. Pursuant to the provisions of section 108 of the Companies Act, 2013, rule 20 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 exercise their right to vote at the AGM. The business at the AGM may be transacted through e-voting services provided by the Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/ her/ its discretion, subject to compliance with the instructions prescribed below.
- b. The facility for voting through polling paper shall be made available at the meeting and the members 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 Monday, 25th September 2017 from 10.00 a.m. and ends on Wednesday, 27th September 2017 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. Thursday, 21st September 2017 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. Thursday, 21st September 2017, may obtain their user ID and password for e-voting from Company's registrar and transfer Agent, Link Intime India Private Limited or from CDSL. However,

if the person is already registered with CDSL for remote e-voting then the existing User ID and Password can be used for remote e-voting.

- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	- Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address sticker pasted on envelope of this report.
Dividend Bank Details OR DOB	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the PROZONE INTU PROPERTIES LIMITED.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 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 by using mobile application**
Shareholders can also cast their vote using CDSL's mobile app M-voting available for android based mobiles. The M-voting application can be downloaded from Google Playstore, Apple and Windows phone. Please follow the instructions as prompted by the mobile application while voting on your mobile.
- xix. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

NOTICE (Contd.)

- xx. In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy of the Notice of AGM:

Members holding shares in either Demat or physical mode who are in receipt of Notice of AGM in physical form may opt for e-voting. Please follow steps from sr. no. (i) to (xix) under the heading "A" above to vote through e-voting platform.

In the event a member casts his votes through both processes i.e. e-voting and Polling Paper, the votes casted through the e-voting system would be considered, and the Polling Paper would be disregarded.

The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.prozoneintu.com and on the website of CDSL, i.e. www.evotingindia.com within two days of the passing of the resolutions at the 10th 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 10 th ANNUAL GENERAL MEETING			
Name of the Director	Mr. David Andrew Fischel	Mr. Nikhil Chaturvedi	Mr. Salil Chaturvedi
Date of Birth	01.04.1958	01.04.1969	22.04.1971
Date of first appointment	20.04.2012	27.02.2012	27.02.2012
Qualification	Post graduate	B.com	B. Sc
Shareholding of directors	Nil	5000 equity shares	Nil
Directors Inter-se relationship	N.A.	He is brother of Mr. Salil Chaturvedi	He is brother of Mr. Nikhil Chaturvedi
Years of experience	30+	17+	17+
No. of Board Meeting attended in FY	2	4	3
Area of expertise	Mr. David Andrew Fischel is a Chief Executive of Intu Properties Plc. He converted the business into a Real Estate Investment Trust (REIT) to make Intu one of the top 20 REITs in the world operating business on three continents and today he is one of the most respected retail property professionals of his generation.	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
The details of Directorships as on 31 st March 2017, 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. David Fischel			
Prozone Intu Properties Limited		Nil	
Name of Director: Mr. Nikhil Chaturvedi			
Provoque (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	
Provoque (India) Limited		Chairman- Stakeholders' Relationship Committee	
Provoque Personal Care Private Limited		Nil	

**By Order of the Board of Directors
Prozone Intu Properties Limited**

sd/-
Ajayendra P. Jain
CS & Chief Compliance Officer

Date: 22nd August 2017
Place: Mumbai

Explanatory Statement under Section 102 of the Companies Act, 2013

Item No 3 (Non Mandatory)

M/s. SGCO & Co LLP, Chartered Accountants (ICAI registration No.112081W), were appointed as the Statutory Auditors of the Company at 7th Annual General Meeting (AGM) of the Company held on 30th September, 2014 to hold office until the conclusion of 10th Annual General Meeting (Subject to ratification of their appointment at every AGM).

M/s. SGCO & Co LLP, the retiring Statutory Auditor has been a Statutory Auditor of the Company for more than 10 years, being the maximum period permitted under Section 139 of the Companies Act, 2013. Therefore, in compliance with the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and based on recommendation of the Audit Committee, the Board of Directors at its meeting held on 10th August, 2017, recommended the appointment of, M/s B S R & Co LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/100022), to hold office for a period of five years from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 15th AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), on such remuneration as may be fixed by the Board of Directors of the Company.

M/s B S R & Co LLP, have provided their respective consent, certificates and declarations as required under Section 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommends the ordinary resolution set forth at item no.3 of the Notice, for the approval of the members of the Company.

None of the Directors, KMPs of the Company or their relatives, is in any way concerned or interested in this resolution except to the extent of their shareholding in the Company, if any.

Item No 4

The members of the Company in their Extra-ordinary General Meeting held on 27th February 2012 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 26th February 2017.

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 13th February, 2017 recommended the re-appointments of Mr. Nikhil Chaturvedi as Managing Director, Mr. Salil Chaturvedi as Deputy Managing Director for a further period of 3 years w.e.f. 27th February, 2017. 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 & 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.

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: ₹ 10,00,000/- per month	a.	Salary: ₹ 5,00,000/- 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 the 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 informationas required under proviso to section II of part II of schedule V of the companies Act, 2013 is as under

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 appearing in the prospectus	Not applicable

NOTICE (Contd.)

4	Financial performance based on given indicators; (₹ In lakhs)			
	Indicators	FY 2016-17	FY 2015-16	FY 2014-15
	Income from Operations	717.55	752.01	807.48
	Other income	678.74	800.05	701.88
	Total income	1396.29	1552.06	1509.36
	Less: Total expenses	997.24	953.52	1104.61
	Less: Exceptional items	-	-	39.09
	Profit/ (loss) before tax	399.05	598.54	365.66
	Less: Tax expenses	10.67	150.32	111.11
	Profit/ (loss) after tax	388.38	448.22	254.55
5	Financial investments and collaborations, if any	As on 31 st March 2017, 37.79% equity shares of the Company is held by foreign shareholders		

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 17 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)	2016-17 2015-16 2014-15	120 90 84
Recognition or awards	Nil	Nil
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	₹ 10 lakh per annum	₹ 5 lakh per annum
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. 4 and 5.	

III. Other Information:

Reasons of loss or inadequate profits	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. The revenue of the Company was affected as the retails 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.
Steps taken or proposed to be taken for improvement	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. 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.
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.

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.

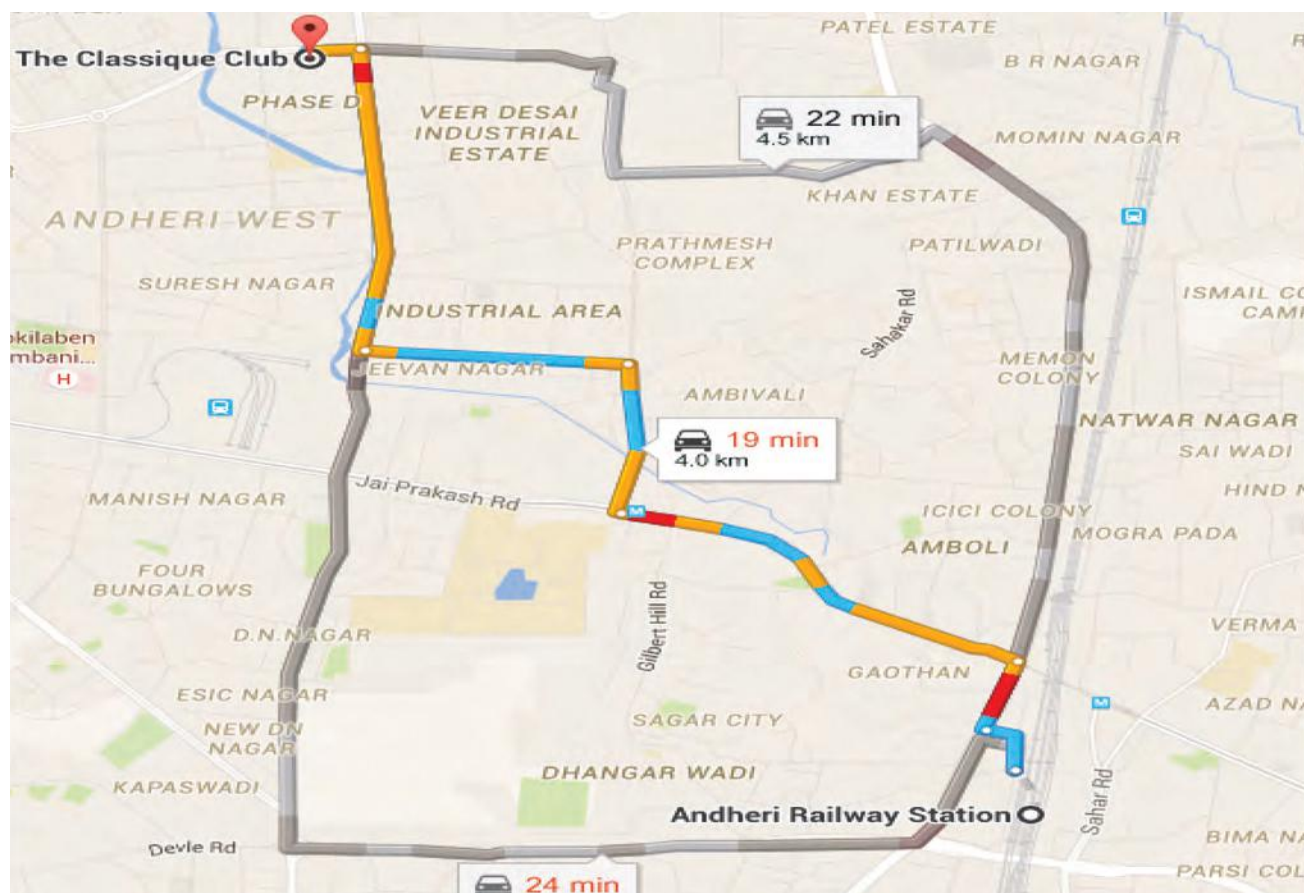
**By Order of the Board of Directors
Prozone Intu Properties Limited**

**sd/-
Ajayendra P. Jain
CS & Chief Compliance Officer**

Date: 22nd August 2017

Place: Mumbai

ROUTE MAP TO THE VENUE OF THE AGM



Message from the Managing Director

“

We now have the momentum and the critical mass required to accelerate growth and value creation in the business.

Dear Shareholders

It's my pleasure to share with you our annual review and highlight the key fundamentals of our business plan that I believe will optimize the valuation of Prozone Intu Properties Ltd. In the 10 years of our joint venture with our UK partner, Intu Properties plc, we have carefully put in place a solid asset base and have timed our project launches to be aligned with the right market conditions.

The combined effects of three key policy initiatives, namely RERA, Demonetisation and the introduction of GST has left a positive impression on the global community. India is now better placed for efficient physical movement of goods and overall business transparency, which will encourage further investment and fuel general business development.

During the year, we made significant progress across all our projects. The launch of the Coimbatore mall in July 2017 is a landmark and we have received impressive response to leasing of the retail space and are confident of its future operating performance. We now have the momentum and the critical mass required to accelerate growth and value creation in the business.

Our focus remains clearly on timely execution of the existing asset base. Moreover, a favourable market backdrop is presenting additional opportunities for growth, especially of our retail portfolio. I look forward to an exciting year ahead defined by monetization of our remaining projects and additions to our asset base that will build an even stronger business portfolio.

Strategy aligned with market conditions

Retail

Within the retail space, the organised sector is increasing its market share and continues expansion at around 20% per annum, fueled further by the high growth online market place. It is clear that omni channel retailing is the way forward and that quality shopping malls will play a key role in the expansion plans of brands and retailers.

As a result, demand for high quality organised retail space continues to exceed the supply, fuelled further by the influx of international players vying for market share in India due to its growing consumption story and strong demand for brands from younger consumers.

Against this scenario, we will begin construction of our 3rd mall in Nagpur this year. We will also be examining select opportunities for inorganic growth in retail assets, where our global experience can leverage value, in cities such as Mumbai and other major markets.

Residential & Commercial

In the residential sector the introduction of the Real Estate Regulatory Act (RERA) is seen as an initiative that will increase confidence of home buyers and clear out a number of marginal projects. Following the past few years of depressed demand, delayed start-ups and squeezed prices in the residential sector, when we were well

funded and able to ride the down cycle, we are now poised to embrace a more confident market and ramp up execution phases of our projects.

We have aligned the Company with RERA, are fully compliant, and execution is geared up at our residential township projects in Coimbatore and Nagpur. We expect to see a much stronger off-take and financial performance in the coming year.

We will complete our commercial project in Aurangabad this year. Demand for completed commercial spaces remains strong so we will also expect to initiate further opportunities for office complexes on our existing land banks.

Investment Initiatives

Global confidence in India continues to be high spurred by a pro growth Government with favourable investment policy incentives. India's strong economic fundamentals over the long term, primarily rapid urbanization, a high youth population driving consumption and a savings-driven economy are encouraging inward investments and the financial markets continue to surge.

We are therefore examining additional investment opportunities into the Company at this inflection point in our growth trajectory.

Operations Update

Our mall management experience, not just in India, but importantly from the more than 35 years of global operational experience of our partner, Intu Properties Limited, is proving invaluable as we leverage efficiencies now that we have two malls open for business.

Development is in full swing across the rest of our portfolio. The focus is on timely execution and cash flow management. We are now at the point where monetization

of our assets will begin to flow and I'm optimistic of delivering strong financial results in the coming year.

In 2016-17, the Company achieved total consolidated operational revenue of Rs. 628 million, EBITDA of Rs. 297 million and PAT of Rs. 75 million. The overall growth was lower than expected owing to the short term impact of demonetization and general softening of the residential real estate market. The Company however maintained a healthy balance sheet, with low leverage at Debt/Equity ratio of 0.45x on a consolidated basis.

The Future – a year of additions

In the coming year we are expecting strong asset realisations and potential additions and I feel we're well positioned for an exciting future. Our cautious approach to time our developments aligned to market conditions has put us in a position of strength and we are poised to reap the benefits as we go forward.

My sincere thanks go to our Board and our strategic investors, the Triangle Fund and the Lewis Trust Group, 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

20%

Growth of Organised Retail
Sector per annum



Review by the Deputy Managing Director

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Our overarching resolution is to build a high quality real estate business that will deliver excellent returns over the long term.

Dear Shareholders

I'm delighted to have the opportunity to address you again in the 10th year of our joint venture with Intu Properties Plc, UK. It's been an exciting year for our Company led by the launch of our Coimbatore Mall in July 2017 and rigorous focus on the execution of other projects in the existing pipeline.

Market conditions last year were challenging for both the retail and real estate sectors, which made for a more sluggish performance financially than expected, but we're already seeing a greater pick-up in activity for the coming year due to improved market forces and this leads us to expect a much stronger year to come.

Our overarching resolution is to build a high quality real estate business that will deliver excellent returns over the long term and to be recognised as a leader in quality, transparency and efficiency in both execution and on-time delivery to our customers.

The right mix of long term and short term assets in the portfolio is key to our strength as a business and provides us the platform for growth. Retail assets deliver long term yields of high value. The residential and commercial assets are the engines that can release cash to fund investment into more retail infrastructure and fuel further inorganic growth.

Residential and Commercial Real Estate Sector

India's rapid urbanization is the key long term driver for residential and commercial market expansion. Over 300 million more people are expected to move into urban centres by 2020 and as the major metros are already overcrowded and high priced this will lead to the emergence of major new cities in the Tier II and Tier III sectors.

2016-17 was a tough year for the Residential sector and prices remained subdued in most markets due to low demand from depressed consumer sentiment. However, there are now signs of a general pick up with stronger market conditions returning, lower interest rates on home loans and the impact of the introduction of the Real Estate Regulatory Act. RERA is seen as an initiative that will increase confidence of home buyers and clear out a number of unprofessional developers. We are completely RERA complaint at our active residential projects in Coimbatore and Nagpur and there is a rigorous focus on execution that we expect to deliver a strong performance this coming year.

Following a long-drawn lull in demand for office space, the continued improvement in economic activities ensures commercial space requirement is expected to further improve in future. The outlook for next year is likely to be more robust demand and we expect to see completion of our Aurangabad PTC scheme this year that will further enhance our bottom line.

“

The right mix of long term and short term assets in the portfolio is key to our strength and provides us the platform for growth.

Development Strategy

Our residential strategy is to fully develop the land infrastructure, clubhouse and gardens before we go to market to sell homes. Residential and Commercial can unlock cash flows to enable us to build debt free retail assets on the same site and hence create a community. Once a community has been established, it's a natural next step to see these as new city micro-hubs that people want to work and live within convenient distances. As this scenario builds momentum we can then launch addition project phases at stronger prices on the residual land banks.

Even when all our present projects are completed we will still have significant residual balance FSI primed for further development at scarce land values. Our patience on the timing of our existing projects is carefully aligned with market conditions and this has protected our asset values for optimal realization.

In appreciation

We highly value the experience and confidence of our partners and investors. Our partners, Intu Properties plc, UK allow us to harness their more than 35 years of international experience across real estate sectors and a proven track record of solid financial performance and consistent delivery.



We also benefit greatly from the hands-on relationships with Triangle Real Estate India Fund and LTG International.

I'm grateful for our loyal, 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 ensure we deliver and manage the quality, scheduling and cost of materials of our business.

In closing I want to thank every one of our shareholders for their support, loyalty and trust in our company. After 10 years of hard work together we are ready to see the benefits of the sound business model that we've put in place.

We are on course for a great future and I look forward to a strong and exciting year ahead on that journey.

Sincerely,

Salil Chaturvedi
Dy Managing Director

The Aurangabad Consumption Story





8.04 mn

Mall Footfall, FY 2017

India has got what it takes to become the largest economy in the world. It has a billion-strong population and a GDP of a trillion dollars, which is growing at 7.1%. But it's the low per capita consumption that provides an impressive growth opportunity. This per capita consumption is on steady rise and as a mall operator we are ready to capitalise on this consumption boom.

The transformation in the consumption pattern of the Indian consumer is well underway. Per capita income is increasing, income distribution is improving, dependency ratios are falling and aspirations are rising—all of which are being catalysed by an unprecedented boom in consumer spending. India is at an inflection point with a large share of growth coming from the Tier II and Tier III cities.

The city of Aurangabad is amongst the million plus metro club of India. The city has a population of over 1.5 million and ranks fifth in terms of the population of metro cities of Maharashtra. What makes Aurangabad attractive is that 52.5% of Aurangabad's population falls under the age bracket of 15–59 years. Our mall is located in the prime area of the city and recorded annual footfall of over 8 million during FY2017, which is more than half the population of Aurangabad.

We, at Prozone Intu will continue to capitalise on rising consumption of India. We have built modern day multi-purpose leisure-time destination that appeals to all. This helped us report stronger consumption growth at our Aurangabad mall every year. Retailer sales is continuously growing and the footfall grew at a 3 year CAGR of 11%.

A World-Class Modern Shopping Centre at Coimbatore

Prozone Intu has played a significant role in changing the retail landscape of Tier II cities of India. We have launched our Coimbatore Mall in July, 2017 and have been successful in bringing leading global brands to the city.

Prozone Intu was amongst the very few companies who believed in the retail growth story coming from the smaller cities, much ahead of its time. In particular, we banked on the growth in Tier II cities, as they are driven by cost advantages in terms of lower land prices and therefore rentals. Evolving consumer spending patterns and lower rentals are making these cities a preferred destination for many branded retailers. This shift to the smaller cities has only been possible because



the markets in metro cities are maturing and retailers are moving into non-metros to make the most of the changing behavioural and consumption patterns.

We have launched our second mall in Coimbatore on 21st July, 2017. Coimbatore is one of the fastest growing cities in south India. Referred as the industry and employee friendly destination in India, Coimbatore is a major textile, industrial, educational, information technology, healthcare and manufacturing hub of Tamil Nadu. Coimbatore, today, has a higher appetite for luxury segment when compared to the other Tier II cities because of high per capita income and purchasing power of the people. With a population of 3 million, Coimbatore has a high literacy rate with relatively larger brand conscious population.

We have successfully built a shopping mall to attract the large section of customers for experiencing modern shopping pleasure. The

Coimbatore Mall has drawn from the world's best to create a distinctive shopping and entertainment experience. The Mall comes with a fresh interior, which is influenced by modern international shopping centres. With a large central atrium, this Ground + 1 shopping centre is designed with horizontal spread for improved customer experience and retailer's convenience. A race-track like design with no dead ends will give every store a prime visibility.

The Coimbatore mall is the smartest mall in the city, with right mix of national and international brands along with quality entertainment and leisure options. The Mall has 5 lakh sq. ft. of retail space, with ample parking facility for four-wheelers and two wheelers. It is already home to anchor brands like Lifestyle, H&M, Spar, Max, Pantaloons, Reliance Trends, Unlimited, Reliance Digital, Hamley's, Fun unlimited, Inox and Westside. The Mall also houses a large entertainment

area and food court, along with one of the largest multiplex in the region with nine screens from Inox. Approximately 85% of the area is leased and balance is in advance stages of discussion. Once fully occupied, the Mall will be home to 130+ retail stores including 30+ F&B outlets including casual and fine dining restaurants.

Prozone's Coimbatore Mall not only houses the best mix of retailers, but is also setting up new standards and procedures in mall management for differentiating itself. It emphasises on the finest details, right from the tenant mix to the creation of the right ambience, enhancing customer satisfaction. With a Mall infrastructure of global standards that houses leading retail brands, Prozone Intu has created an iconic landmark in Coimbatore.



Enduring Relationship with Retailers

At Prozone Intu, we understand that to make malls operationally successful, we must forge strong relationships with the top brand retailers from within India and globally. Over the years, we have developed a deep understanding of Indian consumers and their evolving brand tastes.

110+

Retail Brand Presence in Aurangabad Mall

To offer our consumers a world-class experience, we have succeeded in attracting superior retailers with recognised and globally appreciated brands. This in turn has helped us lift the profile of our malls to be beyond the ordinary, and has led to the steady growth in consumption across all categories.

The Aurangabad Mall commenced operations in October 2010 and houses 110+ leading retailers. Today, it is an iconic landmark within the city and has witnessed healthy rental income and improving EBITDA margins over the last three years. Similarly, the Coimbatore Mall, which was launched in July 2017, is already home to 130+ leading brands.

During the year, we witnessed a positive shift in rental income as a majority of the occupiers in our Aurangabad Mall are now reaching levels where revenue share rentals start to kick in. Furthermore, a well-balanced mix of national and international brands, has helped us attract growing footfalls to our mall. This has in turn improved the trade density of the mall.

We expect a similar growth story from our Coimbatore Mall, going forward.

We are taking our key learnings from the Aurangabad Mall experience to our Coimbatore Mall, and replicating the same success more expeditiously than before. Our mall management capability and project development credentials demonstrated through our Aurangabad Mall is helping us win the trust of many leading brands. As a result of this, many of the prominent brands have already opened their first-time store in the Coimbatore.

For Prozone Intu, building partnership with retailers has been the key to drive the business. The Coimbatore Mall is already receiving positive response from retailers as well as customers. It already houses anchor brands like Lifestyle, H&M, Spar, Max, Pantaloons, Reliance Trends, Unlimited, Reliance Digital, Hamley's, Fun unlimited, Inox and Westside. Besides these, other premium brands which have agreed to open stores are Calvin Klein, GANT, ONLY, Allen Solly, Tissot, Arrow, Vero Moda and Jack & Jones, among others.



130+

Retail Brand Presence in Coimbatore Mall



Surging Demand for Quality Retail Infrastructure

With increasing urbanisation and an influx of foreign retailers and brands, against a backdrop of positive policy initiatives, India is witnessing a shift in consumption patterns towards a more mature consumer who is reliant on the omni channel retail model. In general, the demand for quality, well-managed malls has improved and will be further fuelled by the advent of REIT's in the near future.



It is difficult to predict the buying patterns of Indian consumers today due to the diversification in shopping options available, such as shopping malls, Hypermarkets, online stores and high street shopping. Though India is projected to become one of the world's fastest growing e-commerce markets globally, and this phenomenon will have its impact on offline retailers, it is clear that malls offering diverse retail shopping and a strong retail experience are here to stay and will play a key role in the retail channel mix long into the future.

According to a recent report by Cushman & Wakefield on the Indian Retail Industry it has been assessed that going forward, the retail market would witness retail companies adopting the hybrid model as they integrate online and offline channels of retailing. Driven by investment and rapid increase in the number of internet users the retail market is also maturing to a stage where brands are looking to amalgamate their online and offline (brick-and-mortar) presence, attempting to enrich customers' shopping experience.

Mall Culture offers several benefits one of which is several brands under one roof, diversity and uniqueness in the overall shopping-entertainment experience. Multiple brands under same roof can create lucrative deals for the customer who is the ultimate winner as he gets to pick and choose from a multitude of options. Recently Malls have graduated towards providing a complete entertainment and family outing platform to their customers with a right mix of shopping with dining and family fun making them the most preferred spot

on weekends. At the same time online shopping offers the convenience of choice along with delivery and payments options, all at the customers' convenience and time.

The future of retail shopping depends on the adoption of right omni channel model. International brands like H&M, GAP, and Aeropostle ventured into India creating a niche market for the Indian buyers. The consumer is getting increasingly indifferent to only discount pricing strategies with the online players and opting for a 360 degree shopping experience.

According to a report published in Business Insider, 90% of the shopping is still done offline due to consumer mind set, as they still prefer to personally select the products rather than ordering the products online. So, growth rates of online shopping in the times to come is likely to slow down and demand for quality offline retail experiences likely to climb.

Approximately 3.4 million sq.ft. of new retail supply entered the market in 2016, with a majority of the supply (more than 40%) concentrated in Delhi NCR, followed by Bengaluru and Pune. The upward movement of rentals in these select micromarkets was due to constrained availability of retail space, amidst a scenario of robust demand.

In 2017-18, we expect further positive movement for the segment. Close to 7 million sq. ft. of Grade A supply, is expected to enter the market. With this, we are likely to see global and national brands execute their entry and expansion

strategy in cities where quality retail space is provided, leading to a more uniform development of retail space across India in the future. Even with this stronger supply pipeline, the demand for organised retail space will continue to exceed the supply in most leading markets.

Demand for retail space during 2017 is expected to be dominated by fashion and F&B. While international retailers such as H&M, Zara and others are likely to dominate the fashion segment, the F&B segment, is likely to be a healthy mix of domestic and global operators across the QSR, café, brewery and casual dining formats. Besides these categories, Family Entertainment Centers (FECs) and multiplex operators are also going to be active in leasing space focused on quality existing and upcoming malls.

For organised supply (shopping malls), the most prominent developments are likely to witness a steady rental growth in 2017, however the rate of growth will likely be stronger for malls having a higher bargaining power than others due to their brand mix, footfalls and catchment areas.

Prozone Intu, from its inception, has had a long term strategy to provide retail infrastructure to the highest international standards. This vision, which has already been executed in our malls in Aurangabad and Coimbatore has proven to be a perfect fit with the emerging market conditions and we are well positioned to create value from the emerging omni channel retail model that will be driven by well focused major International and domestic brands and retailers.



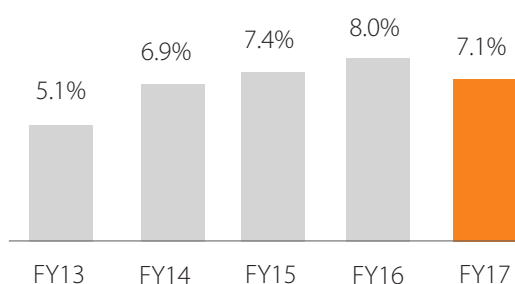
Management Discussion & Analysis

Indian Economy

The Indian economy witnessed robust growth and remains a bright spot in the global landscape. The decline of global oil prices has enhanced economic activity in India, further improved the external current account and fiscal positions, and helped to

lower inflation. In addition, continued fiscal consolidation, resulting from government deficits and an anti-inflationary monetary policy stance, has helped foster macroeconomic stability.

GDP Growth Rate (%)

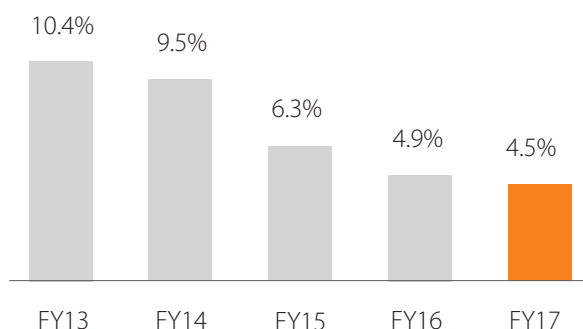


India's economy grew by 7.1% in fiscal 2017, compared to the growth rate of 8% in FY 2016. India's overall outlook remains positive, although growth slowed temporarily as a result of disruptions to consumption and business activity from the recent withdrawal of high-denomination banknotes from circulation. As India's economy is dependent upon cash to a large extent, the economic activity within the country slowed down in the third quarter.

After weathering demonetisation in FY 2017, the Indian economy is seeing another paradigm shift from the implementation of the Goods and Services Tax (GST), which became effective in July FY2018. India's GVA (Gross Value Added) growth is expected to expand from 6.7% in FY 2017 and increase in the range of 7.4% in FY 2018 (RBI estimates) due to accelerated pace of remonetisation, stepping up capital expenditure, the resurgence of the rural economy, easing of crude oil prices, a normal monsoon and the successful roll-out of GST.

Inflation, both Wholesale Price Index (WPI) and Consumer Price Index (CPI), remained under control throughout FY 2017. The CPI inflation declined significantly from a high of 9.9% in FY 2013 to 4.5% in FY 2017.

Inflation



Indian Retail Sector

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10% of the country's Gross Domestic Product (GDP) and around 8% of the employment.

The Retail segment has seen consistent growth in last few years due to rising disposable income, increasing urbanisation, burgeoning middle class, growing workforce - especially due to increasing women's participation and changing spending habits of the young generation. India's retail market is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015 (Source: IBEF).

Within the retail space, the organised sector is increasing its market share in the overall pie, fueled further by the high growth online market place. International players are vying for market share in India due to its growing consumption story and strong demand for brands from younger consumers.

India's retail market is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015.

10%

India's retail industry's contribution to GDP

8%

Contribution to the country's employment by India's retail industry

Management Discussion & Analysis

India is the fifth largest preferred retail investment destination globally.

Growth of Organised Retail – Rising Penetration Across India

India's young population, increasing affluence, changing lifestyle, their attitude towards spending and the increasing availability of organised retail in smaller towns, is expected to spur consumption further and drive growth of the retail market over the next 10 years (according to a report titled "The Indian Retail Medley" by Confederation of Indian Industry (CII) and Wazir Advisors). In this period, organised retail is expected to grow 7 times and online retail 26 times. However, the unorganised retail segment is still expected to be prolific even by then, and combined, a total of 10-12 million new jobs (direct and indirect) are expected to be created. In summary, the organised segment is expected to grow at a compounded annual growth rate (CAGR) of 22%, much faster than traditional retail, which is expected to grow at a CAGR of 13%. By 2025 the organised sector is expected to reach about 15% share of the total retail market, up from 8% in 2016.

Foreign Brands entering India

India stands as one of the larger contributors to the global economy. The Government of India (GOI) has been consistent in supporting market development, be it through trade liberalisation, tax ratification or open approach towards foreign investments. With the rollout of the recent Union Budget, India has now allowed 100 percent FDI (Foreign Direct Investment) in single brand retailing. This is expected to help fuel growth opportunities for both foreign retailers as well as the domestic players. India is among the largest markets in the world in terms of its sheer size, which accounts for an approximate 14.2% of the overall global population. It is also one of the most promising and progressively growing economies in the world, and houses sizeable populations with

considerable spending power. Hence, with the increasing globalisation and international trade, the nation has emerged as a land of opportunities for numerous global brands.

Opportunities in the retail sector

Rural and semi-urban opportunities:

India is the fifth largest preferred retail investment destination globally. The sector is experiencing exponential growth, with retail developments not just in major cities and metros, but also in Tier-II and Tier-III cities. FMCG players are putting more focus on the rural market as it constitutes over 33% of FMCG consumer base in India. As investment in infrastructure increases, retailers would be able to increase their access to the high-growth potential in the rural and semi-urban markets.

Private Label opportunities:

The organised Indian retail industry has begun experiencing an increased level of activity in the private label space. Private label strategy is likely to play a dominant role going forward. Its share in the US and the UK markets is 19% and 39%, respectively, while its share in India is currently only 6%. Further, growth of online retail is also augmenting the growth of private label brand in India.

Sourcing base: India's price competitiveness is attracting large retail players to set up sourcing bases in India. Global retailers such as Walmart, GAP, Tesco and JC Penney are increasing their sourcing from India. They are also moving away from third-party buying offices to establishing their own wholly-owned/wholly-managed sourcing and buying offices in India.

Luxury retailing: Luxury retailing is gaining importance in India, with the Indian consumer increasingly ready to spend on luxury items. The domestic luxury market is estimated around US\$ 1.16 billion, with yearly growth rate of the luxury market at

8%

Share of organised sector in the total retail market.

13%. This pace of growth is expected to make India the 12th largest luxury retail market in the world by 2020.

Real Estate Segments

The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30% over the next decade.

The Indian real estate market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6% to the country's Gross Domestic Product (GDP).

In the period FY2008-2020, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2%. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

Retail Real Estate Sector

The year 2017-18 is likely to be positive for the retail real estate sector which is expected to witness an increased quality supply. 7 million sq. ft. of additional Grade A retail infrastructure is expected to hit the market; to be led by Southern cities. Demand for high quality organised retail space will continue to exceed the supply.

Consumption patterns are likely to mature due to increasing urbanisation with upcoming retail developments to allow entry points for global retailers beyond the traditional epicenters of Delhi NCR and Mumbai.

REITs will enable development of better quality malls and discourage strata-sale of properties. Implementation of Goods and Service Tax (GST) is expected to lead to rationalisation of tax at different levels with expected improvement in ease of doing business and movement of retail goods.

Residential Real Estate Sector

India is ranked fourth within developing AsiaPac economies for FDI inflows (as per the World Investment Report 2016 by the United Nations Conference for Trade and Development). The real estate sector saw equity investments on a visible return journey during the year 2016. Indian real estate has attracted US\$32 billion through private equity so far with global capital inflows into Indian real estate at US\$5.7 billion in 2016.

Though the historic high of 2007 (in terms of total PE inflows) was not breached, last year proved to be the second-best year so far. Despite Brexit and uncertainty around the new US President's outsourcing and visa-related policies, private equity activity also looks healthy in 2017. This can be attributed to the strengthening and modernising of the Indian economy, and the growing reputation of India as an attractive investment destination.



Indian real estate has attracted US\$32 billion through private equity so far with global capital inflows into Indian real estate at US\$5.7 billion in 2016.

US \$ 180 Bn

Expected Indian real estate market size by 2020

Management Discussion & Analysis

India recorded 41.6 million sq ft (3.9 million sq metres) of gross commercial leasing transactions for the year ended December 2016.

Affordable Housing

Affordable housing in India is finally set to get the much-coveted infrastructure status, which will enable this vital segment to attain cheaper sources of finance. Further, the Government is planning a massive push to build housing across rural India by 2019.

A new Credit Linked Subsidy Scheme (CLSS) for mid-income housing with a provision of ₹ 1,000 crore in 2017-18 was announced even before the current Budget 2017-18. Extension of loan tenure under the CLSS of Pradhan Mantri Awas Yojana (PMAY) has been increased from 15 to 20 years. In addition, the Budget also increased allocation to PMAY from ₹ 15,000 crore to ₹ 23,000 crore in the rural sector.

Residential Sector: Outlook

Real estate is one of the major employment providers as well as a key player in driving infrastructure development and connectivity. The strong economic growth of the country will be one of the important factors behind the growth of the real estate sector. Strong Government support and with the state of infrastructure having picked up momentum, foreign investors are now seen to be accelerating investing in the sector. While residential markets have been sluggish in FY2017, some of the factors that will lead to improvement in the segment are mentioned as follows:

RERA Act: The introduction of the Real Estate Regulatory Act is seen as an initiative that will increase confidence of home buyers and clear out a number of unprofessional developers. According to RERA, builders now have to deposit 70% of project finance in bank accounts before sales can commence. This will place the onus on builders to focus on finishing up projects, and in time will positively impacting the number of project launches. As such, this Act is expected to bring in more transparency and enforce timely completion of projects.

Lower Cost of Borrowing: The Reserve Bank of India has announced interest rate reductions, which will reduce cost of borrowing for the end consumers. This will in turn attract buyers more favourably to home loans, thereby reviving demand. **Unsold Inventory:** Unsold inventory acts as drag on the entire industry. However, the inventory is now showing signs of reduction as builders are announcing fewer projects and concentrating on completing existing projects. Overall the Residential real estate sector is expected to pick up once unsold inventory comes down to a reasonable level.

Unsold Inventory: Unsold inventory acts as drag on the entire industry. However, the inventory is now showing signs of reduction as builders are announcing fewer projects and concentrating on completing existing projects. Overall the Residential real estate sector is expected to pick up once unsold inventory comes down to a reasonable level.

Commercial Real Estate Sector

India recorded 41.6 million sq ft (3.9 million sq metres) of gross commercial leasing transactions for the year ended December 2016. With a modest increase of 3.5% over previous year, the data indicates a robust occupier market. The technology sector continued to drive the market with a 58% share of total leasing volume. Bengaluru remained on a high growth trajectory and maintained its leading status among the key cities by retaining a 31% share followed by Delhi-NCR, which represented 18% of the total occupier demand. Hyderabad and Chennai stood on 13% each while Mumbai, Pune and Kolkata accounted for 14%, 9% and 2% respectively of the overall leasing volume. In 2016, 27.2 million sq ft (2.53 million sq metres) of new supply was released into the market. This was insufficient to cope with the very strong demand especially in markets such as Bengaluru, Hyderabad, and Pune and

resulted in a significant fall in vacancy levels and an increase in office rents in most of the micro-markets in these cities. In the technology-driven markets like Hyderabad, Bengaluru, Pune and Chennai, it is expected that the demand-supply gap will remain a concern in coming quarters. While a few Grade A office buildings are likely to see completion towards the end of 2017, an upward pressure on rents is expected at least over the first half in these markets. Tenant appetite for higher quality offices has been reflected in new leases being executed at above-market rates in select Grade A buildings in all the cities. Expecting a similar trend in 2017 as well, there will be a slight shift in demand to cities such as Gurgaon and Noida due to the availability of quality supply. As more and more companies realise the importance of adopting a flexible working strategy at the core of their business plans, use of co-working space is gaining popularity in India as well. Now large occupiers have also started exploring this option for their transitional office requirements. We believe this trend will pick up further in 2017.

Commercial Sector: Outlook

Following a long-drawn lull in demand for office space, the continued improvement in economic activities ensures commercial space requirement is expected to further improve in future.

The outlook for next year is likely to be robust with demand from manufacturing, logistics and consumer goods besides the information technology and outsourcing sectors. A strong shift to commercial space leasing is likely to enhance demand, as firms that historically bought space prefer leasing to accommodate changing needs.

Regulatory Developments

The Real Estate industry is the second-largest employment generator in India, contributing 9% towards the country's

Gross Domestic Product (GDP). It is also the fourth-largest sector in India in terms of FDI inflows. About 5% of India's GDP is contributed by the housing sector, which is expected to rise further over the coming years. The sector is also responsible for the development of over 250 other ancillary industries such as cement, steel, and paints, among others. In 2017-18 the Government is ushering in a series of reforms designed to enhance the economic growth of the country:

- Goods and Services Tax (GST) implemented from July 1, is expected to transform India into single market with one national tax structure. Until now, India had multiple levies for different States and the Union Territory. This is expected to transform India into a seamless market, simplify inter State taxation and accelerate overall demand.
- Insolvency and Bankruptcy Code of 2016 ensures timely resolution of non-performing assets. Currently the high level of NPAs (₹ 9.6 lakh crore in 2017) is a drag on the economy hindering its full potential growth. This code enables banks to take strict actions, initiate insolvency against languid management, resulting in more timely resolution of bad loans.
- The Government has also empowered Assets Reconstruction Company (ARC) for timely resolution of bad loans. The new vigour under ARC to timely resolve NPAs and relieve banks' balance sheets is expected to augur credit growth.
- The Constitution of a National Company Law Tribunal as a dedicated Court for quick resolution of corporate matters. State High Courts are under pressure from pending court cases and this will enable more swift resolution of corporate legal cases.

- As mentioned in the previous section, the RERA Act 2016 is aimed to eliminate unscrupulous players from the tainted residential real estate sector. It may bring initial volatility, but is expected to have a positive impact over the long term by reinforcing customer faith in the sector, and thereby advancing demand.

The continued improvement in economic activities is expected to increase commercial space requirement further in future.

Management Discussion & Analysis



The Company has vast experience in successfully operating and creating value-generating realty assets.

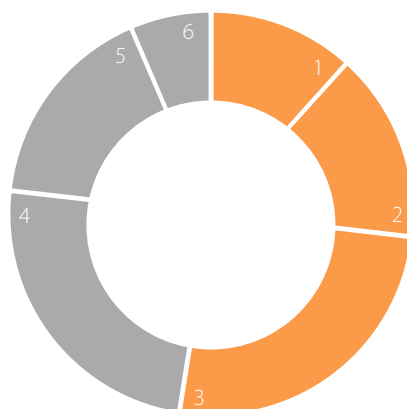
Company Overview

Prozone Intu Properties Ltd is a focused Retail and Residential-led mixed-Use Real Estate Development Company. It harnesses the domain expertise and ingrained experience of Intu Properties Plc, UK's largest retail real estate developer, combined with in-depth knowledge of the domestic markets. The Company has a strong focus in Tier II and Tier III cities in India.

Intu Properties Plc. is a FTSE-100 Company listed in the UK, owning and managing assets worth more than GBP 9.9 billion. It is UK's largest Retail Real Estate Company owning 19 properties across UK and Spain. Of these 19 properties, 9 are among the top 20 shopping centres in the UK, representing approximately 38% of the market share in the country. Intu Properties Plc. has more than 21 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. The partnership results in the 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 fully paid-up land bank with maximum saleable area of approximately 17.8 million sq. ft. The land bank is in prime locations in major upcoming Tier II cities such as Aurangabad, Nagpur, Indore, Coimbatore, Jaipur and Mysore. Of its 17.8 million sq. ft. land bank, about 1.2 million sq. ft. has been developed till date. More than 16.5 million sq. ft. of the balance land bank is yet to be monetised as the projects are being developed there and are under different stages of completion. Currently, the Company has construction going on in three locations, namely Aurangabad, Coimbatore and Nagpur.



TOTAL LAND BANK (IN ACRES)

1. Aurangabad, **19.8**
2. Coimbatore, **25.7**
3. Indore, **43.5**
4. Nagpur, **41.1**
5. Jaipur, **28.3**
6. Mysore, **11.0**

Over the next 3-4 years, we plan to develop and monetize significant portion of balance land bank.

Our Sustainable Competitive Advantages

We believe our competitive advantages help us to stand out as an established real estate company in the marketplace. It also helps us create long-term value for our customers and investors. Our sustainable competitive advantages are listed below:

Strong Experienced Partners and Investors

Our international Partner Intu Properties UK Plc. is UK's largest Retail Real Estate developer. It owns 19 retail properties with a combined market value of GBP 9.9 billion. Notably, 9 of UK's top 20 shopping centres belong to Intu Properties. Its centres record aggregate footfall of 400 million every year. Intu properties Plc has appointed three of their most Senior Directors on the Board of Prozone Intu properties Ltd. Mr. David Fischel, Chief Executive and Mr. Dushyant Sangar, Director Business Development and Mr John Abel, Director, act as advisor to company. This allows us to harness more than three decades of their invaluable experience across real estate sectors. Presence of such established players on the Board as our business partners is of vital importance for the Company. Their valuable strategic inputs

and guidance greatly benefits us and inspires us to constantly persevere and keep moving towards achieving our vision of becoming one of India's top real estate developers of high quality shopping centres in emerging urban cities.

Fully Paid-up Land Bank

The Company owns six land banks aggregating 169 acres in strategic city locations of six cities in India. All the land parcels are fully paid-up and debt-free, thereby placing us at an advantageous position to build, develop and manage world-class mixed-use development properties.

We have also received investments from major institutional investors – Triangle Fund (Co-Promoted by ICS Realty Group India and the Old Mutual Group, South Africa), who have developed large real estate projects globally over the last 50 years; and the Lewis Trust Group UK, an investment company that operates retail stores and hotels globally.

Healthy Financial Position with Low Leverage

We have a healthy balance sheet with a low leverage of 0.45x and net debt of ₹ 252 crore, as on 31st March 2017. With all our land parcels being fully paid up and debt free, we have only construction debt and Lease Rental Discounting loan (LRD) on our Balance Sheet. Having a healthy balance sheet enables us to focus better on project

execution and to capitalise on future growth opportunities.

Strong Association with Leading National and International Retail Brands

Our existing strong association with leading national and international brands greatly benefits us as we continue to develop retail centres in the future. At the Prozone Mall in Aurangabad, there are 11 anchor tenants and approximately 90 stores currently operational. These include Shoppers Stop, Westside, Croma, Globus, Pantaloon, Big Bazaar, Reliance Trendz, Inox Multiplex and Stellar, among others. The Prozone Mall at Coimbatore has seen strong traction with various international brands such as H&M, Lifestyle, Hamleys, Pantaloons, Unlimited, Westside, Fun Unlimited, Max, Inox multiplex, SPAR, FBB, Reliance Trends and Reliance Digital, who are the anchor brands at the mall. Shoppers Stop, Westside, Croma, Globus, Pantaloon, Big Bazaar, Reliance Trendz, Inox Multiplex and Stellar, among others. The Prozone Mall at Coimbatore has seen strong

0.45x

Leverage Ratio as on
31st March, 2017

Management Discussion & Analysis

traction with various international brands such as H&M, Lifestyle, Hamleys, Pantaloons, Unlimited, Westside, Fun Unlimited, Max, Inox multiplex, SPAR and Reliance Digital, who are the anchor brands at the mall.

Understanding our Business Model

Business Strategy

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, which further facilitates the Retail 'Build & Lease' model, thus resulting in Debt Free Annuity Assets and free cash flows for future developments.

Mall Development Strategy

For 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 in a Ground+1 floor horizontal model with a racetrack circulation. We build strong supporting infrastructure, such as large

parking spaces, well ahead of time, to cater to future growth. Also, our focus is to plan the right tenant mix with the right category mix to augment overall consumption for the local consumer communities.

Residential Projects Strategy

For the Residential projects, the Company first builds the required site infrastructure and facilities. It also makes sure to have all the approvals in place prior to the launch of the project. This builds strong brand credibility and improves the overall sales velocity for the project, resulting into better cash flows. This facilitates us in exhibiting the quality of our project to potential customers and in-turn increasing their confidence in the project. This strategy has been proven to be successful and has been validated by the response of our Residential project launches in Nagpur and Coimbatore.

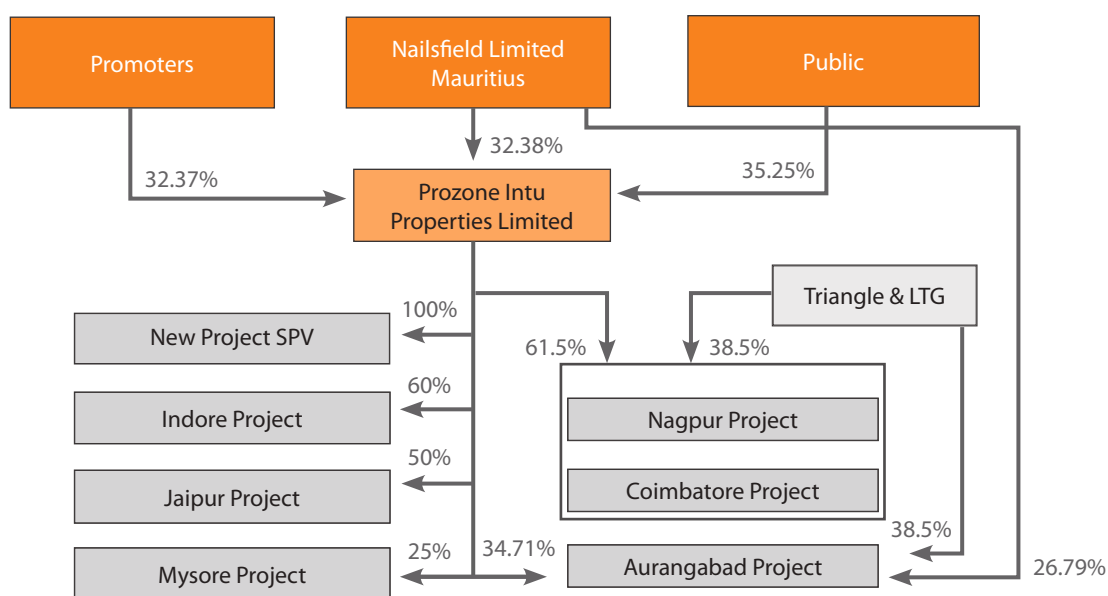
Our Business Model



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

Company Holding Structure

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



169 acres

Fully paid up land bank across six cities

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.

Management Discussion & Analysis

Segment-wise Performance - Project Portfolio Summary

Sr. No.	SPV	Ownership (%)	Residential	Commercial	Retail
1	Aurangabad	34.71%		PTC Phase 1 Launched PTC Phase 1 - 117 units (190,318 sft) - 97% booked at average rate of ₹ . 3,222 psf Development Status: Civil work completed and finishing in progress , Project to be completed by Q3 FY2018 Sales Status: Total Sales Value - ₹ 595.4 mn, Amount Collected - ₹ 215.5 mn	Mall Leasing Status: GLA - ~514,000 sft - 86% Area Leased - 111 stores signed Financial Performance (FY 2016-17): Net Revenue - ₹ 320 mn, EBITDA - ₹ 186 mn Operational Performance: Footfalls - 8 mn Key Tenants - Shoppers Stop, Croma, Westside, FBB, Big Bazaar, Max ,Globus, Pantaloon, Inox, Reliance trends Saral Bazar Project Launched - Total Carpet Area - 17,893 sft - 66% booked at average rate of ₹ 12,964 psf Development Status: Completed – 91 units have already commenced operations Sales Status: Total Sales Value - ₹ 154 mn, Amount Collected - ₹ 109 mn
2	Nagpur	61.50%	Residential Project Phase 1 - Launched 334 Units - 79% sold Development Status: : Phase wise completion of towers by Q4 FY 18.		Retail design finalised and government approvals awaited
3	Indore	60.00%	Initiate the launch of plotted development and focus on faster monetisation Construction of Initial Infrastructure has been completed		
4	Coimbatore	61.50%	Phase 1 Soft Launch Initiated - 96 units already booked at ₹ 4000 psf Development Status: Construction of Initial Infrastructure completed, Residential Tower construction expected to start by Q3 18		Mall launched in July 2017 and operational now. Leasing Status: Strong traction in Leasing over 85% leased signed and balance are on finalization stage Key Brands: H&M, Lifestyle, Hamleys, Pantaloons, Unlimited, Westside, Fun Unlimited, Max, Inox multiplex, SPAR, FBB, Reliance Trends and Reliance Digital

Sr. No.	SPV	Ownership (%)	Residential	Commercial	Retail
5	Jaipur	50.00%	To Be Monetised in Future	To Be Monetised in Future	To Be Monetised in Future
6	Mysore	25.00%	To Be Monetised in Future	To Be Monetised in Future	To Be Monetised in Future



Management Discussion & Analysis



We expect our financial performance to register significant improvement during the medium term, as we ramp up our efforts to execute and deliver on-going projects on time and receive residual cash flows.

Company Outlook – Roadmap for the Future

We continue to remain positive about our business prospects over the medium term. Our key focus area over the next 3-4 years is that of effective execution and monetisation of existing developments and utilisation of cash flows to create long term debt-free annuity assets (retail centres) and drive future growth by developing the balance land bank.

Future Business Strategy

Creating Debt-free Long-term Annuity Assets

Our Aurangabad Mall has been operational for around six years. We have been able to significantly reduce debt at the SPV level in this asset. We came out with a Rights Issue of ₹ 1,600 million to the existing shareholders of EMPL (Aurangabad SPV) to bring down our debt levels to ₹ 950 million. Going forward, we will continue to repay the debt as we keep generating cash flows, going by our business strategy of becoming debt-free over the next few

years. Our Coimbatore retail mall becomes operational in July 17. We have already soft launched our residential project at Coimbatore and are already receiving bookings. We are hoping to commence construction of this project in Q3 FY2018. As cash flows from the residential project pick up, they will be utilised to repay our retail construction debt at the SPV level.

Focus on Asset Monetisation

In Aurangabad, the Saral Bazar and PTC Phase 1 are witnessing positive developments. At Saral Bazar, about 91 stores have already commenced operations. The operational shops are witnessing good pick-up in business, encouraging other buyers. We expect our collections to pick up this year as more stores get operational. In PTC Phase 1, we have raised funds to complete the project faster, and are expecting to complete by the Q-3 FY 18. We are hoping to hand over the possession and draw in the residual cash flows over the next one year. This will help us accelerate our debt repayment at the Aurangabad SPV in a move to become debt-free.

At Nagpur, we have 334 units of residential phase 1 under development. We are currently working towards completion of project, our aim is to deliver the project in the forth quarter of FY2017-18. In addition we expect to begin construction of the mall sector within this fiscal year.

At Indore, our strategy is to launch sales of plots to enable faster asset monetisation. Prozone Palms township is being developed in 2 phases and Phase 1 of the same is spread over 11 acres of land.

Utilising Remaining Land Bank for Future Monetisation

Our primary focus is on the execution of the existing on-going projects over the next couple of years. Post execution of these projects, we plan to launch our new projects on our undeveloped land bank for effective monetisation.

Our key aim is to achieve effective monetisation of our assets over the next 3-4 years. We expect our financial performance to register significant improvement during the medium term as we ramp up our efforts to execute and deliver on-going projects on time and receive residual cash flows. By doing so, we plan to make both our retail centres debt-free assets and generate strong annuity income streams. We are optimistic of our future business prospects as the efforts of the last few years now begin to bear fruit. We are confident that the Company is moving in the right direction towards achieving its long-term objectives and creating value for its stakeholders.

Risks and Concerns

Economic Risk

A slowdown in India's economic growth can affect the Company's performance. The Company's business is highly dependent on economic growth as it leads to a rise in disposable incomes

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

Business Risk

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

Shopping Mall Risk

Large scale retail infrastructure's success is subject to well designed architecture and services to meet the needs of retailers and consumers over the long term. The population numbers in the catchment areas in our Tier II cities are constantly growing, and therefore, it should present no major long-term risk to the business. In addition, the Company is guided by the advice and expertise of Intu Properties Plc's Representative Directors on the Board. This ensures that the architecture and services have been designed with a

long-term perspective in mind to meet the needs of retailers and consumers alike, and therefore, do not represent significant risk to the business.

Brand Risk

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

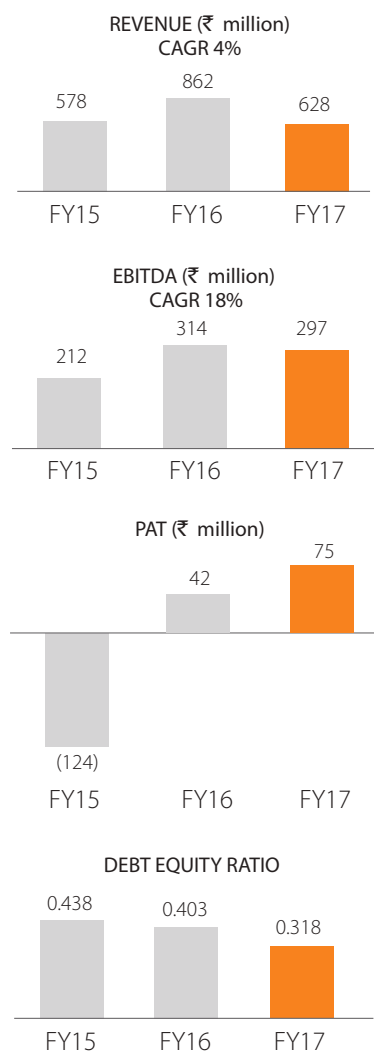
Internal Control System and Adequacies

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

Management Discussion & Analysis

Financial Performance

The Company recorded Operational Revenues of ₹ 628 million, EBITDA of ₹ 297 million and PAT of ₹ 75 million during the year under review. The overall growth has been sluggish in FY2017, largely owing to the impact of demonetisation and general softening of the residential real estate market. The Company however maintained a healthy balance sheet, with low leverage at Debt/Equity ratio of 0.45x on a consolidated basis.



Human Resource Management

The Company regards its human resources as its most valuable assets and proactively invests in processes towards creating an encouraging work environment. The Company provides challenges and opportunities to its employees and recognises their performance and potentials. As on 31st March 2017, the Company had a team size of 102 employees.

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

Employee Welfare

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

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 significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of PROZONE INTU PROPERTIES LIMITED's Annual Report, 2016-17.

100+

Team Size

Directors' Report

DIRECTORS' REPORT

To the Members,
Prozone Intu Properties Limited

Your Directors are delighted to present their 10th Annual Report on the business and operations of your Company for the year ended March 31, 2017.

FINANCIAL RESULTS & OPERATIONS

Particulars	₹ in Lakhs			
	Standalone		Consolidated	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Income from Operations	717.55	752.01	6279.08	8621.19
Other Income	678.74	800.06	1012.40	841.97
Total Income	1396.29	1552.07	7291.48	9463.16
Total Expenditure	997.24	953.53	6354.33	8656.80
Exceptional item	-	-	-	16.69
Profit/ (loss) before Tax	399.05	598.54	937.15	789.67
Less: Tax expenses	10.67	150.32	187.88	372.21
Minority Interest	-	-	151.20	(320.60)
Profit/ (loss) after Tax and minority interest for the year	388.38	448.22	598.07	738.06

STATE OF COMPANY'S AFFAIRS / FINANCIAL PERFORMANCE

Standalone

The Company's gross (total) income for the financial year ended 31st March 2017 decreased to ₹ 1396.29 lakhs as against ₹ 1552.07 lakhs during the previous year. The profit before tax reduced to ₹ 399.05 lakhs from ₹ 598.54 lakhs as recorded during previous year. The profit after tax reduced to ₹ 388.38 lakhs from ₹ 448.22 lakhs in the previous year.

Consolidated

The Company's gross (total) income for the financial year ended 31st March 2017 decreased to ₹ 7291.48 lakhs from ₹ 9463.16 lakhs during the previous year, however, there is a marginal topline growth in profit before tax which is increased to ₹ 937.15 lakhs against profit of ₹ 789.67 lakhs as recorded during previous year. The profit after tax & minority interest of the reporting year stood at ₹ 598.07 lakhs against ₹ 738.06 lakhs reported in previous year.

DIVIDEND

Considering the cash requirement for business growth, your Directors decided, not to propose dividend for the year ended March 31, 2017, 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 2017-18 have been already paid.

SHARE CAPITAL

The paid up Equity Share Capital as at 31st March 2017 stood at ₹ 3,052.06 lakhs. During the year under review, the Company has

not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

SUBSIDIARY AND JOINT VENTURE COMPANIES

The Company has 11 subsidiary companies as on 31st March 2017 including 6 step-down subsidiaries and 2 Joint Venture Companies.

Direct Subsidiaries:

1. Alliance Mall Developers Co. Private Limited
2. Kruti Multitrade Private Limited
3. Royal Mall Private Limited
4. Prozone Developers & Realtors Private Limited w.e.f. 25th April 2016
5. Prozone Liberty International Limited, Singapore

Step-down subsidiaries:

6. Empire Mall Private Limited
7. Hagwood Commercial Developers Private Limited
8. Omni Infrastructure Private Limited
9. Prozone Intu Developers Private Limited w.e.f. 18th March 2017
10. Prozone Overseas Pte. Limited, Singapore
11. Prozone International Coimbatore Limited, Singapore

Joint Venture Companies

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

The Board of Directors ('the Board') regularly reviews the affairs of the subsidiaries. In compliance with section 129 (3) of the

Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statements of subsidiaries in the prescribed form AOC-1 is appended to this Report. The Statement also provides the details of performance, financial positions of each of the subsidiaries.

The annual accounts of the subsidiary companies and related detailed information are made available to the members of the Company and of the subsidiary companies seeking such information. The annual accounts of the subsidiary companies are also made available for inspection by any member at the registered office of the company during business hours.

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

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate issued by Practicing Company Secretary confirming compliance, forms an integral part of this Report.

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 the deposit from public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 amended from time to time.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

• Directors

During the year, Mr. John Abel, Alternate Director to Mr. David Fischel, Non Executive Director of the Company has resigned from the Board with effect from 24th November 2016. The Board places on record its sincere appreciation for the valuable service rendered by Mr. John Able during his entire tenure.

The Board of Director designated Mr. John Abel as the 'Director Emeritus' in recognition of his service as mentor to the management and nurturing the organization over the past years by his advises.

During the year, Ms Deepa Misra Harris and Mr. Dushyant Singh Sangar Additional Directors of the Company were regularized as an Independent Director and Non-executive Director respectively of the Company, in the last Annual General Meeting held on 22nd September, 2016.

Pursuant to the provisions of section 152 of the Companies Act, 2013, the office of Mr. David Fischel, Director is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment for consideration of the Meeting of the Company at the forthcoming Annual General Meeting.

A brief resume of directors seeking appointment/re-appointment consisting nature of expertise in specific functional areas and name of companies in which they hold directorship and/or membership/ chairmanships of committees of the respective Boards, shareholding and relationship between directorship inter-se as stipulated under Reg. 36(3) of the SEBI (LODR) Regulations, 2015, are given in the section of notice of AGM forming part of the Annual Report.

• Appointment and Remuneration of Directors

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

The Nomination & Remuneration Committee and Board of Directors in their respective meetings held on 13th February, 2017 recommended the reappointment of Mr. Nikhil Chaturvedi as Managing Director and Mr. Salil Chaturvedi as Dy. Managing Director, for members approval, for the term of 3 years.

DIRECTORS' REPORT *(Contd.)*

• Declaration by Independent Directors

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

• Annual Familiarisation 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/investor/policies>

• Key Managerial Personnel

The following are the Key Managerial Personnel of the Company as on 31st March 2017

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

During the year under review, Mr. Salil Chaturvedi was reappointed as Dy. Managing Director of the Company for a term of three years with effect from 27th February 2017 and he was also designated as Key Managerial Personnel of the Company.

• 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 Board 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'.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed alongwith 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 2017 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
- 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

M/s. SGCO & Co LLP, the retiring Statutory Auditor has been a Statutory Auditor of the Company for more than 10 years, being the maximum period permitted under Section 139 of the Companies Act, 2013. Therefore, in compliance with the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and based on recommendation of the Audit Committee, the Board of Directors at its meeting held on 22nd August, 2017, recommended the

appointment of M/s B S R & Co LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/100022), to hold office for a period of 5 years from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 15th AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee.

M/s B S R & Co LLP, have provided their respective consent, certificates and declarations as required under Section 139 and 141 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014.

The observations and comments given by the retiring 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 does not contain any qualification, reservation or adverse remark and 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 had 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.

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

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

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

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

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014

for the year ended March 31, 2017 is given below and forms part of the Directors' Report

A. Conservation of Energy

- i) The steps taken or impact on conservation of energy: Nil
- ii) The steps taken by the Company for utilizing alternate sources of energy: Nil
- iii) The capital investment on energy conservation equipments: Nil

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

B. Technology Absorption

- i) The efforts made towards technology absorption : Nil
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution : Nil
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable
 - (a) Details of Technology Imported;
 - (b) Year of Import;
 - (c) Whether the Technology has been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.
- iv) Your Company has not incurred any expenditure on Research and Development during the year under review.

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
Foreign Exchange Outgo: ₹ 23.96 lakhs

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.

DIRECTORS' REPORT *(Contd.)*

- Committees of the Board:**

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

A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report. The composition of the Committees as on 31st March 2017 as per the applicable provisions of the Act, Rules and SEBI (LODR) Regulations, 2015 are as under:

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

- Vigil Mechanism/ Whistle Blower Policy:**

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

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

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

- Particulars of loans, guarantees and investments:**

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

- Particulars of contracts or arrangements entered into with related parties:**

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

- Particulars of employees:**

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

The ratio of remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as '**Annexure 6**' and forms part of this Report.

- Transfer to Reserves:**

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

- Material changes and commitments:**

No material changes and commitments affecting the financial position of your Company have occurred between 31st March 2017 and the date of the report.

- **Corporate Social Responsibility:**

During the financial year 2016-17, the Profit of the Company was raised to the limit stipulated under section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 hence in pursuance of this, the Board of Directors of the Company in their meeting held on 4th August 2016, had constituted the "Corporate Social Responsibility Committee" to carry out and to monitor CSR activities by the Company and designated Mr. Nikhil Chaturvedi, Managing Director as 'Chairman', and Mr. Salil Chaturvedi Dy. Managing Director and Mr. Rajiv Singh, Independent Director and Ms. Deepa Misra Harris, Independent Director respectively, as its members. Further on 14th November 2016 the Board in its meeting approved the CSR policy to implement sustainable initiative which will have maximum societal impact by identifying the critical needs and gaps in the society.

The CSR Policy of the Company and the details about the development of CSR Policy and initiatives taken by the Company on Corporate Social Responsibility during the year as per the Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as 'Annexure 7' attached to this report. The CSR committee met once during the financial year 2016-17 the details of

which are given in the Corporate Governance Report that forms part of this Annual Report

REMOTE E-VOTING FACILITY TO MEMBERS:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Reg. 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote at the 10th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote E-Voting Services provided by Central Depository Securities (India) Limited (CDSL).

ELECTRONIC FILING:

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

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

Pursuant to SEBI (LODR) Regulations 2015 the details of the shares lying with the Company in Unclaimed Suspense Account as on March 31 2017, are as under:

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

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

APPRECIATION:

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

For and on behalf of Board of Director

sd/-
Nikhil Chaturvedi
Managing Director
DIN: 00004983

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

Date: 22nd August 2017
Place: Mumbai

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 on annual basis, appropriate skills, characteristics and experience required by the Board as a whole and its individual member. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the company's operations.

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

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

Criteria for evaluation of performance of Independent Directors:

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

- ii. Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed
- iii. Accountability under the Directors' Responsibility Statement
- iv. Overseeing the maintenance of Corporate Governance standards of the Company and ethical conduct of business

2. Criteria for other executives:

- a. The Committee shall actively liaise with the relevant departments of the company to understand the requirement of management personnel and produce a written document thereon.
- b. The Committee may conduct a wide ranging search for candidates for the positions of employees.
- c. The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the candidates shall be complied as written documents.
- d. The committee may examine the qualifications of the candidates on the basis of the conditions for appointment of the employees.
- e. The Committee may carry out other follow up tasks based on the decisions and feedback from the Board of Directors, if any.

COMPENSATION STRUCTURE

a. Compensation to non-executive directors including Independent Directors

The non-executive directors shall be eligible for remuneration by way of payment of sitting fees only for attending the meetings of the Board of Directors and its committees. The amount of sitting fees 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 fees 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.

ANNEXURE 2

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017.

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

To,
The Members,
PROZONE INTU PROPERTIES LIMITED,

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit covering the financial period year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017, 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 (effective from 15th May, 2015)
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.

- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company during the financial year ended 31st March 2017 as given below.
- Shop & Establishment Act, 1948;
 - Various Tax regulations including but not limited to Service Tax, VAT, TDS, etc
 - Industries (Development & Regulation) Act, 1951;
 - Labour Laws and other incidental laws related to labour and employees appointed by the company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;

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

- i. Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards and maintained the statutory registers including the register pursuant to section 186 of the Companies Act 2013 to the best possible extent considering the volume and nature of transactions in the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year under audit Mr. John Abel, Alternate Director to Mr. David Fischel resigned from the office of the

director w.e.f. 24th November 2016. Ms. Deepa Harris and Mr. Dushyant Sangar appointed on 8th February 2016 were regularized in the Annual General Meeting of the Company held on 22nd September 2016 as an Independent Director and Non-Executive Director respectively. Except as above there was no change in the Composition of the Board.

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

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

**For HS Associates
Company Secretaries**

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

**Date :- 22nd August, 2017
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.

ANNEXURE A

To,
The Members,
Prozone Intu Properties Limited

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

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

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

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

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

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

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

**For HS Associates
Company Secretaries**

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

**Date :- 22nd August, 2017
Place:- Mumbai**

ANNEXURE 3

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2017

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 th 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"
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

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	86.12%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SL No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares Held	Applicable Section
1	Alliance Mall Developers Co. Pvt Ltd	U70101MH2007PTC173672	Subsidiary	61.50%	2(87)(ii)
2	Empire Mall Pvt Ltd	U52110MH2006PTC159594	Step Down Subsidiary	-	2(87)(ii)
3	Hagwood Commercial Developers Pvt. Ltd.	U45201MH2006PTC164110	Step Down Subsidiary	-	2(87)(ii)
4	Prozone Developers & Realtors Private Limited	U70100MH2011PTC221037	Subsidiary	100%	2(87)(ii)
5	Kruti Multitrade Pvt. Ltd.	U51909MH2006PTC159476	Subsidiary	100%	2(87)(ii)
6	Royal Mall Pvt Ltd.	U45202MH2007PTC174144	Subsidiary	100%	2(87)(ii)
7	Prozone Intu Developers Private Limited	U45201MH2007PTC174150	Step Down Subsidiary	-	2(87)(ii)
8	Omni Infrastructure Pvt. Ltd.	U45202MP2007PTC019196	Step Down Subsidiary	-	2(87)(ii)
9	Prozone Liberty International Ltd.	NA	Foreign Subsidiary	100%	2(87)(ii)
10	Prozone Overseas Pte Ltd.	NA	Foreign Step Down Subsidiary	-	2(87)(ii)
11	Prozone International Coimbatore Limited	NA	Foreign Step Down Subsidiary	-	2(87)(ii)
12	Moontown Trading Company Pvt Ltd	U51900MH2005PTC157787	Joint Venture Company	25%	2(6)
13	Emerald Buildhome Pvt. Ltd.	U45201RJ2006PTC023431	Joint Venture Through Subsidiary	50%	2(6)

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

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
a)	Individual/HUF	874,671	0	874,671	0.57%	874,671	0	874,671	0.57%	0.00%
b)	Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c)	Bodies Corporates	250,000	0	250,000	0.16%	250,000	0	250,000	0.16%	0.00
d)	Bank/FI	0	0	0	0	0	0	0	0	0
e)	Any other	49,626,968	0	49,626,968	32.52%	48,279,272	0	48,279,272	31.64%	-0.88%
SUB TOTAL:(A) (1)		50,751,639	0	50,751,639	33.26%	49,403,943	0	49,403,943	32.37%	-0.88%
(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)		50,751,639	0	50,751,639	33.26%	49,403,943	0	49,403,943	32.37%	-0.88%
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a)	Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b)	Banks/FI	53,628	0	53,628	0.04%	0	0	0	0.00%	-0.04%
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	272,665	0	272,665	0.18%	172,665	0	172,665	0.11%	-0.07%
g)	FIs/FPI	13,993,591	0	13,993,591	9.17%	12,443,591	0	12,443,591	8.15%	-1.02%
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):		14,319,884	0	14,319,884	9.38%	12,616,256	0	12,616,256	8.27%	-1.12%
(2) Non Institutions										
a) Bodies corporates										
i)	Indian	8,372,188	0	8,372,188	5.49%	6,013,971	0	6,013,971	3.94%	-1.55%
ii)	Overseas	0	0	0	0.00%	0	0	0	0	0.00
b) Individuals										
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakhs	13,918,065	11,267	13,929,332	9.13%	18,261,358	11,267	18,272,625	11.97%	2.85%
ii)	Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	17,974,202	52,875	18,027,077	11.81%	14,951,564	52,875	15,004,439	9.83%	-1.98%
c) Others										
	Hindu Undivided Family	1,455,654	0	1,455,654	0.95%	2,240,390	0	2,240,390	1.47%	0.52%
	Foreign Companies	43,995,788	0	43,995,788	28.83%	43,995,788	0	43,995,788	28.83%	0.00%
	Foreign Nationals	0	0	0	0.00%	7,000	0	7,000	0.00%	0.00%
	Non Resident Indians (Non Repat)	165,295	0	165,295	0.11%	200,512	0	200,512	0.13%	0.02%
	Non Resident Indians (Repat)	865,032	0	865,032	0.57%	1,028,940	0	1,028,940	0.67%	0.10%
	Clearing Member	720,994	0	720,994	0.47%	3,819,019	0	3,819,019	2.50%	2.03%
SUB TOTAL (B)(2):		87,467,218	64,142	87,531,360	57.36%	90,518,542	64,142	90,582,684	59.36%	2.00%
Total Public Shareholding (B)= (B)(1)+(B)(2)		101,787,102	64,142	101,851,244	66.74%	103,134,798	64,142	103,198,940	67.63%	0.88%
C. Shares held by Custodian for GDRs & ADRs		0	0	0	0.00%	0	0	0	0	0.00%
Grand Total (A+B+C)		152,538,741	64,142	152,602,883	100.00%	152,538,741	64,142	152,602,883	100.00%	0.00%

ANNEXURE 3 (Contd.)

(ii) Share Holding of Promoters

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Nikhil Chaturvedi (In his capacity as Trustee of Nikhil Chaturvedi Family Trust)	14,050,955	9.21%	0.00	14,050,955	9.21%	0.00	0.00%
2	Nikhil Chaturvedi And Shital Chaturvedi	5,000	0.00%	0.00	5,000	0.00%	0.00	0.00%
3	Salil Chaturvedi (In his capacity as Trustee of Salil Chaturvedi Family Trust)	13,732,991	9.00%	0.00	13,732,991	9.00%	0.00	0.00%
4	Rakesh Rawat (In his capacity as Trustee of Rakesh Rawat Family Trust)	4,111,750	2.69%	0.00	4,111,750	2.69%	0.00	0.00%
5	Deep Gupta (In his capacity as Trustee of Deep Gupta Family Trust)	7,061,173	4.63%	0.00	7,061,173	4.63%	0.00	0.00%
6	Nigam Patel (In His Capacity As Trustee Of Nigam Patel Family Trust)	2,257,801	1.48%	0.00	1,697,445	1.11%	0.00	-0.37%
7	Akhil Chaturvedi (In his capacity as Trustee of Akhil Chaturvedi Family Trust)	4,051,457	2.65%	0.00	3,264,117	2.14%	0.00	-0.52%
8	Anisha Chaturvedi	166,260	0.11%	0.00	166,260	0.11%	0.00	0.00%
9	Veena Gupta	70,005	0.05%	0.00	70,005	0.05%	0.00	0.00%
10	Vandana Vaidh	1,620	0.00%	0.00	1,620	0.00%	0.00	0.00%
11	Ghanshyam Rawat	20,000	0.01%	0.00	20,000	0.01%	0.00	0.00%
12	Pushplata Rawat	36,501	0.02%	0.00	36,501	0.02%	0.00	0.00%
13	Bala Chhabra	100,000	0.07%	0.00	100,000	0.07%	0.00	0.00%
14	Sushant Chhabra	67,300	0.04%	0.00	67,300	0.04%	0.00	0.00%
15	Virendra Chhabra	392,300	0.26%	0.00	392,300	0.26%	0.00	0.00%
16	Meerut Festival City Llp	4,360,841	2.86%	0.00	4,360,841	2.86%	0.00	0.00%
17	Provogue (India) Limited	250,000	0.16%	0.00	250,000	0.16%	0.00	0.00%
18	Santosh Subhash Gupta	10,000	0.01%	0.00	10,000	0.01%	0.00	0.00%
19	Subhash Gupta	5,685	0.00%	0.00	5,685	0.00%	0.00	0.00%
	Total	50,751,639	33.26%	0.00	49,403,943	32.37%	0.00	-0.88%

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

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year		Reason
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company	
1	Nigam Patel Family Trust					
	At the beginning of the year	2,257,801	1.48%	2,257,801	1.48%	NA
	30.06.2016	(8,416)	-0.01%	2,249,385	1.47%	Market sale
	01.07.2016	(46,176)	-0.03%	2,203,209	1.44%	
	08.07.2016	(173,824)	-0.11%	2,029,385	1.33%	
	15.07.2016	(80,000)	-0.05%	1,949,385	1.28%	
	23.12.2016	(73,897)	-0.05%	1,875,488	1.23%	
	30.12.2016	(26,103)	-0.02%	1,849,385	1.21%	
	20.01.2017	(50,000)	-0.03%	1,799,385	1.18%	
	27.01.2017	(48,200)	-0.03%	1,751,185	1.15%	
	03.02.2017	(51,800)	-0.03%	1,699,385	1.11%	
	10.02.2017	(1,940)	0.00%	1,697,445	1.11%	
	At the end of the year	-	-	1,697,445	1.11%	NA

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	
	Akhil Chaturvedi Family Trust					
	At the beginning of the year	4,051,457	2.65%	4,051,457	2.65%	NA
	08.04.2016	(8,000)	0.01%	40,43,457	2.65%	
	15.04.2016	(9,000)	-0.01%	4,034,457	2.64%	
	22.04.2016	(12,000)	-0.01%	4,022,457	2.64%	
	29.04.2016	(5,100)	0.00%	4,017,357	2.63%	
	13.05.2016	(12,100)	-0.01%	4,005,257	2.62%	
	03.06.2016	(5,000)	0.00%	4,000,257	2.62%	
	10.06.2016	(16,744)	-0.01%	3,983,513	2.61%	
	17.06.2016	(8,256)	-0.01%	3,975,257	2.60%	
	24.06.2016	(1,721)	0.00%	3,973,536	2.60%	
	30.06.2016	(29,824)	-0.02%	3,943,712	2.58%	
	01.07.2016	(45,153)	-0.03%	3,898,559	2.55%	
	08.07.2016	(5,000)	0.00%	3,893,559	2.55%	
	15.07.2016	(14,000)	-0.01%	3,879,559	2.54%	
	22.07.2016	(7,000)	0.00%	3,872,559	2.54%	
	29.07.2016	(15,000)	-0.01%	3,857,559	2.53%	
	12.08.2016	(4,000)	0.00%	3,853,559	2.53%	
	19.08.2016	(9,641)	-0.01%	3,843,918	2.52%	
	26.08.2016	(10,903)	-0.01%	3,833,015	2.51%	
	02.09.2016	(53,000)	-0.03%	3,780,015	2.48%	
	09.09.2016	(12,000)	-0.01%	3,768,015	2.47%	
	16.09.2016	(25,000)	-0.02%	3,743,015	2.45%	
	23.09.2016	(25,000)	-0.02%	3,718,015	2.44%	
	07.10.2016	(63,601)	-0.04%	3,654,414	2.39%	
	14.10.2016	(28,000)	-0.02%	3,626,414	2.38%	
	21.10.2016	(177,000)	-0.12%	3,449,414	2.26%	
	09.12.2016	(100,000)	-0.07%	3,349,414	2.19%	
	23.12.2016	(22,560)	-0.01%	3,326,854	2.18%	
	03.02.2017	(25,737)	-0.02%	3,301,117	2.16%	
	03.03.2017	(20,000)	-0.01%	3,281,117	2.15%	
	10.03.2017	(7,000)	0.00%	3,274,117	2.15%	
	24.03.2017	(10,000)	-0.01%	3,264,117	2.14%	
	At the end of the year	-		3,264,117	2.14%	Market Sale

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

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

Sl. No.	Top 10 Shareholders	Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Nailsfield Limited	49,410,788	32.38%	49,410,788	32.38%
2	Rakesh Jhunjhunwala	3,750,000	2.46%	3,750,000	2.46%
3	Krant Narain Agnani	0	0.00%	2,489,600	1.63%
4	Rajesh R Narang	2,324,160	1.52%	2,324,160	1.52%
5	Acacia Partners, LP	2,243,375	1.47%	2,243,375	1.47%
6	Cavendish Asset Management Ltd	1,797,065	1.18%	1,797,065	1.18%
7	Fairprice Traders (India) Pvt Ltd	1,525,195	1.00%	1,525,195	1.00%
8	Gopikishan Shivkishan Damani	1,400,000	0.92%	1,400,000	0.92%
9	Lakshon Electronics Private Limited	1,350,000	0.88%	1,350,000	0.88%
10	Sandeep G Raheja	4,489,600	2.94%	1,000,000	0.66%

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

ANNEXURE 3 (Contd.)

(v) Shareholding of Directors & KMP

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

Note: except above none of the other Director and KMPs hold any shares in the company as on 31.03.2017

V. INDEBTEDNESS

(INR in Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	20.71	1,729.49	-	1,750.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	20.71	1,729.49	-	1,750.20
Change in Indebtedness during the financial year				
Additions	100.00	-	-	100.00
Reduction	36.54	-	-	36.54
Net Change	63.46	-	-	63.46
Indebtedness at the end of the financial year				
i) Principal Amount	84.17	1,729.49	-	1,813.66
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	84.17	1,729.49	-	1,813.66

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(INR in Lakhs)

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

B. Remuneration to other directors:

(INR in Lakhs)					
SN	Particulars of Remuneration	Name of the Directors			
		Total Amount paid/payable			
1	Independent Directors				
(a)	Fee for attending board committee meetings				
(b)	Commission	-	-	-	-
(c)	Others, please specify	-	-	-	-
	Total (1)				
2	Other Non Executive Directors				
(a)	Fee for attending board committee meetings	-	-	-	-
(b)	Commission	-	-	-	-
(c)	Others, please specify.	-	-	-	-
	Total (2)				
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-

C. Remuneration to key Managerial Personnel other than MD/Manager/WTD

(INR in Lakhs)				
SN	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	23.49	21.79	45.28
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others (reimbursement, PF & other contribution)	8.4	4.56	12.96
	Total	31.89	26.35	58.24

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

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
1	Alliance Mall Developers Co. Pvt. Ltd	Subsidiary Companies	Rendering of management consultancy services	On continuous basis uptil completion of project.	As per the agreement entered into between the parties	08.02.2016*	NIL
2	Empire Mall Pvt Ltd						
3	Hagwood Commercial Developers Pvt. Ltd.						

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 turnover of the Company as per latest audited financial statement.

*Date of Omnibus approval granted by Audit Committee and Board of Director to transaction(s) for the financial year 2016-17

For and on behalf of Board of Director

Date: 22nd August 2017
Place: Mumbai

sd/-
Nikhil Chaturvedi
Managing Director
DIN: 00004983

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

ANNEXURE 5

Statement of particulars of employees pursuant to the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration) Rules, 2014 and forming part of Directors' Report for the year ended 31st March 2017

A. Top 10 employees in term of remuneration drawn

Sr. No.	Name of Employee	Age	Designation	Qualification	Experience (In years)	Gross Remuneration / CTC (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	46	Director	B. Com	24+	12,000,000	27.02.2012	Prozone Enterprises Pvt. Ltd	Managing Director	5000 (0.003%)	Brother of Salil Chaturvedi
2	Mr. Salil Chaturvedi	44	Director	B.Sc	19+	6,000,000	27.02.2012	Prozone Enterprises Pvt. Ltd	Dy. Managing Director	NIL	Brother of Nikhil Chaturvedi
3	Mr. Bipin Gurnani	44	President	Associate Degree in Management	25+	6,535,092	01.04.2008	Piramyd Retail	Chief Executive Officer	NIL	-
4	Mr. Sudhanshu Chaturvedi	52	Vice President Operations	M.Com	20+	2,124,000	01.12.2010	Indian Army	Lt. Colonel	NIL	-
5	Mr. Anurag Garg	41	Chief Financial Officer	C.A.	20+	3,500,004	21.04.2014	Future Consumer Enterprise Limited	Finance Controller	NIL	-
6	Mr. Ajayendra Jain	41	Company Secretary and Chief Compliance Officer	C.S.	20+	2,700,000	01.12.2015	Provogue India Limited	CS & Compliance Officer	NIL	-
7	Ms. Shakuntala S. Shetty	38	A.G.M Accounts & Taxation	Inter C.A.	15+	2,000,004	01.10.2011	Provogue India Limited	Senior Executive - Taxation	-	-
8	Ms. Anica Chaturvedi	23	Head - Marketing	MBA - Mgt Studies	-	1,200,000	14.02.2017	-	-	NIL	-
9	Mr. Pratik Shah	34	Assistant General Manager HR & Admin	MBA - HR	10+	1,200,000	15.11.2014	RNA Corp	Manager - HR & Admin	NIL	-
10	Mr. Deepak Chaturvedi	54	Manager - Liaison	M.A. - Economics	20+	304,920	23.06.2008	Indian Army	Officer	NIL	-

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

Sr. No.	Name of Employee	Age	Designation	Qualification	Experience (In years)	Gross Remuneration (In ₹)	Date of commencement of employment	Last Employment		% of Equity Shares held by employee in the Company	Relation with Director/ Manager of the Company
								Name of Employer	Position held		
1	Mr. Nikhil Chaturvedi	46	Managing Director	B. Com	24+	12,000,000	27.02.2012	Prozone Enterprises Pvt. Ltd	Managing Director	5000 (0.003%)	Brother of Salil Chaturvedi

ANNEXURE 5 (Contd.)

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 (In years)	Gross Remuneration (In ₹)	Date of commencement of employment	Last Employment		% of Equity Shares held by employee in the Company	Relation with Director/ Manager of the Company
								Name of Employer	Position held		
Not Applicable											

Notes:

- 1 Other terms and conditions as per Company's rules/ schemes and terms of individual appointment letter.
- 2 Detail required to be given under rule 5(2) (iii) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable

For and on behalf of Board of Director

Date: 22nd August 2017
Place: Mumbai

sd/-
Nikhil Chaturvedi
Managing Director
DIN: 00004983

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

ANNEXURE 6

PARTICULARS OF EMPLOYEES AND RELATED DETAILS

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

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

No.	Requirements	Disclosures
1	The ratio of remuneration of each Director to the median remuneration of employees for the financial year	Mr. Nikhil Chaturvedi, MD 6 : 1
		Mr. Salil Chaturvedi, Dy MD 3 : 1
		Mr. Punit Goenka, ID Nil
		Ms. Deepa Misra Harris, ID Nil
		Mr. Rajiv Singh, ID* Nil
		Mr. David Fischel, NED Nil
		Mr. John Abel, NED Nil
2	Percentage increase in Remuneration of each director, CFO, CEO, CS in the Financial Year	Mr. Nikhil Chaturvedi, MD No increase
		Mr. Salil Chaturvedi, Dy MD No increase
		Mr. Anurag Garg, CFO No increase
		Mr. Ajayendra P Jain, CS No increase
3	The Percentage increase in the median remuneration of employees in the financial year	16.14%
4	The Number of permanent employees on the rolls of the Company	There were 13 employees as on 31 st March 2017
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 : 2.35%
		Increase in managerial personnel –No increase
6	Affirmation that the remuneration is as per the remuneration policy of the Company	It is confirmed that the remuneration is paid as per the remuneration policy of the Company.

*Up till 24th April 2017

For and on behalf of Board of Director

Date: 22nd August 2017
Place: Mumbai

sd/-
Nikhil Chaturvedi
Managing Director
DIN: 00004983

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

ANNEXURE 7

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Corporate Social Responsibility Policy ("Policy") of the Company is in line with the provisions of Section 135 of the Companies Act 2013 ("Act") read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Policy lays down the guiding principles that shall be applicable to the CSR projects / programme / activities of the Company. The Board of Directors approved this Policy, on the basis of the recommendations of the CSR Committee. The summary of the CSR policy is available at www.prozoneintu.com					
2	The Composition of the CSR Committee.	The CSR Committee consists of following members: a. Mr. Nikhil Chaturvedi, Chairman b. Ms. Deepa Misra Harris, Member c. Mr. Rajiv Singh, Member upto 24 th April 2017 d. Mr. Salil Chaturvedi, Member					
3	Average net profit of the company for last three financial year	₹ 533.39 lakhs					
4	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	₹ 10.67 lakhs					
5	Details of CSR spent during the financial year.						
(a)	Total amount to be spent for the financial year	Nil					
(b)	Amount unspent, if any	₹ 10.67 lakhs (Refer note No. 6)					
(c)	Manner in which the amount spent during the financial year	As below					

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs wise	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Directly or through implementing agency (give details of impementing agency)
Nil							
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	This year was the first year requiring the Company to spend on CSR activities. Though the Company made its best efforts to spend the amount as per the recommendations of CSR Committee, Company is still under process of evaluating the projects to be undertaken. Thus, the Company couldnot spend the allocated amount. The Company has plans for meeting out the objectives and completing the identification of projects during the financial year 2017-18.					
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 Company has not spent any amount during 2016-17. However the projects are under the process of evaluation, in line with CSR policy.					

For and on behalf of Board of Director

sd/-
Nikhil Chaturvedi
Managing Director
DIN: 00004983

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

Date: 22nd August 2017
Place: Mumbai

CORPORATE GOVERNANCE REPORT

The Board present the Company's Report on Corporate Governance for the year ended 31st March 2017, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to achieve highest standards of Corporate Governance in the overall interest of all the stakeholders. One of the core missions of the Company is to achieve excellence in all spheres, be it profitability, growth in market share, superior quality of services to the satisfaction of the stakeholders through an efficient and effective code of governance. Company believes that sound Corporate Governance is critical to enhance and retain investors trust and faith in the Company.

The Corporate Governance Report of the Company for the year ended 31st March 2017 is as follows:

2. BOARD OF DIRECTORS:

a. Composition of the Board and Category of Director:

The Company has a judicious mix of Executive, Non-Executive and Independent Directors to ensure proper governance and management. As on 31st March 2017 the Board comprised of seven Directors of which, two Executive Directors, two Non-Executive Directors and three Independent Directors including one woman director.

Further Mr. Punit Goenka, an Independent Director heading the Board as Chairman. As on 31st March 2017, 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. The circular resolutions are noted at the subsequent Board Meeting.

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

In the financial year 2016-17, the Board met four times. The meetings were held on 19th May 2016, 4th August 2016, 14th November 2016 and 13th February 2017 and the intervening gap between two meetings did not exceed one hundred twenty days.

The constitution of Board of Directors, details of meeting attended by Directors and the information with regard to their directorship in Indian public Companies and membership in Committees are as under:

Name of the Director	Category ¹	No. of Board Meetings attended	Last AGM Attended	No. of Directorships and Committee Memberships and Chairmanships (including the Company) ²		
				Directorship ³	Committee Chairmanship ⁴	Membership ⁴
Mr. Punit Goenka ⁵	C & ID	4	No	4	-	3
Mr. Rajiv Singh ⁵	ID	3	Yes	3	1	2
Ms. Deepa Misra Harris ⁶	ID	3	Yes	2	-	-
Mr. Nikhil Chaturvedi	MD	4	Yes	2	-	1
Mr. Salil Chaturvedi	Dy. MD	3	Yes	3	1	2
Mr. David Fischel	NED	1	No	1	-	-
Mr. Dushyant Singh Sangar ⁶	NED	4	No	1	-	-
Mr. John Abel ⁷	NED	2	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 Chairman & 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.

CORPORATE GOVERNANCE REPORT (Contd.)

2. *None of the Directors is a member of more than 10 Board level Committees of Public Companies in which they are Directors nor is Chairman of more than 5 such Committees.*
3. *Only Directorships in Indian Public Limited Companies (listed or unlisted) have been considered.*
4. *In accordance with Reg. 26 of SEBI (LODR) Regulations, 2015, Membership / Chairmanship only in Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies, have been considered.*
5. *At Board Meeting held on 14th November 2016, Mr. Rajiv Singh was appointed to act as Chairman at all subsequent Audit Committee meetings in place of Mr. Punit Goenka.*
6. *Ms. Deepa Misra Harris and Mr. Dushyant Singh Sangar were appointed as Independent Directors and Non-Executive Directors respectively, w.e.f. 8th February 2016.*
7. *Mr. John Abel an Alternate Director to Mr. David Fischel, resigned from the office of director w.e.f. 24th November 2016.*
8. *Mr. Nikhil Chaturvedi, Managing Director and Mr. Salil Chaturvedi, Dy. Managing Director are brothers.*
9. *No Shares of the Company are being held by any Non Executive Director as on 31st March 2017*

b. Independent Director:

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. 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 during Calendar Year 2016 without the presence of Non-Independent Directors. All the Independent Directors were present at the said meeting, to discuss the following matters:

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

d. Familiarization Programme for Independent Directors:

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which inter alia

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

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

e. Payment of compensation to Non-Executive directors:

During the financial year 2016-17, no amount has been paid to Non-Executive Directors of the Company either as fees, compensation or otherwise.

Committees of the Board:

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

The Board currently has the following Committees:

3. AUDIT COMMITTEE:

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

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

a. Term of Reference:

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

The Audit Committee comprises of two Independent Directors namely Mr. Punit Goenka and Mr. Rajiv Singh, and one executive director Mr. Salil Chaturvedi, Dy. Managing Director of the Company. As on 31st March 2017, Mr. Rajiv Singh, Independent Director of the Company, heads the Audit Committee as Chairman and Mr. Ajayendra P. Jain, Company Secretary acts as Secretary. The members of the Committee are well versed in finance, accounts, company law and general business practices.

c. Meetings and attendance of the Audit Committee:

Audit Committee met four times during the financial year 2016-17 on 19th May 2016, 4th August 2016, 14th November 2016 and 13th February 2017. The gap between two Audit committee meetings was not more one hundred and twenty days.

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

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

Name of the Member	Category ¹	Position	Audit Committee Meetings	
			Held	Attended
Mr. Rajiv Singh ²	ID	Chairman	4	4
Mr. Punit Goenka	ID	Member	4	4
Mr. Salil Chaturvedi	Dy. MD	Member	4	3

1. In above table 'ID' refers to Independent Director and 'Dy. MD' refers to Deputy Managing Director.
2. At Board Meeting held on 14th November 2016, Mr. Rajiv Singh was appointed to act as Chairman at all subsequent Audit Committee meetings in place of Mr. Punit Goenka.

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

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

4. NOMINATION AND REMUNERATION COMMITTEE:

a. Term of Reference:

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

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

b. Composition:

The Committee as on 31st March 2017 comprised of Mr. Rajiv Singh Independent Director as Chairman and Mr. Punit

CORPORATE GOVERNANCE REPORT *(Contd.)*

Goenka, Independent Director and Mr. David Fischel, Non-executive Director as members of the Committee.

During the year under review, Mr. Dushyant Singh Sangar, Non-executive Director of the Company was inducted as a member of the Committee w.e.f. 4th August 2016.

c. Meeting and attendance of the Committee:

The Nomination & Remuneration Committee met once during the financial year, on 13th February 2017. The detail of attendance of the members in meeting is as follows:

Name of the Member	Category ¹	Position	NRC Meeting	
			Held	Attended
Mr. Rajiv Singh	ID	Chairman	Chairman	1
Mr. Punit Goenka	ID	Member	Member	1
Mr. David Fischel	NED	Member	Member	1
Mr. Dushyant Singh Sangar	NED	Member	Member	1

Notes:

1. In above table 'ID' refers to Independent Director, 'NED' refers to Non-Executive Director.

d. Performance evaluation criteria for independent directors:

The Nomination and Remuneration Committee of the Board has laid down the criteria for performance evaluation of all the directors of the Company. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as under;

- a. Knowledge and skills in accounting and finance, business judgement, general management practices, crisis response and management, industry knowledge, strategic planning etc,
- b. Personal characteristics matching the Company's values, such as integrity, accountability, financial literacy, and high performance standards,
- c. Commitment to attend a minimum of 75% of meetings which will include the attendance through audio/video conferencing,

- d. Ability and willingness to represent the Stakeholders' long and short term interests,
- e. Awareness of the Company's responsibilities to its customers, employees, suppliers, regulatory bodies, and the communities in which it operates,
- f. 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 under Chapter II Reg. 4 (2)(f) of SEBI (LODR) Regulations, 2015 and Schedule IV of the Companies Act 2013,
 - 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 Policy

The Board has approved Nomination and Remuneration Policy as recommended by Nomination and Remuneration Committee which forms part of Directors' Report and has been updated on Website of the Company at www.prozoneintu.com

f. 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 2016-17 are as under:

Name of the Director	Salary (₹)	Allowances & perquisites (₹)	Sitting Fees paid (₹)	Total Remuneration (₹)
1 Mr. Punit Goenka	-	-	-	-
2 Mr. Nikhil Chaturvedi **	1,20,00,000	-	-	1,20,00,000
3 Mr. Salil Chaturvedi **	60,00,000	-	-	60,00,000
4 Mr. Rajiv Singh	-	-	-	-
5 Mr. David Fischel	-	-	-	-
6 Mr. John Abel	-	-	-	-

** Directors at serial nos. 2 & 3 are brothers

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

a. Term of Reference:

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

b. Composition:

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

c. Meetings and attendance of the Committee:

During the year 2016-17, the Committee met four times on 19th May 2016, 4th August 2016, 14th November 2016 and 13th February 2017. The details of attendance of the members in meetings are as follows:

Name of the Member	Category ¹	Position	SRC Meeting	
			Held	Attended
Mr. Rajiv Singh	ID	Chairman	4	4
Mr. Punit Goenka	ID	Member	4	4
Mr. Nikhil Chaturvedi	MD	Member	4	4
Mr. Salil Chaturvedi	Dy. MD	Member	4	3

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

d. 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 2016-17	Nil
Number of complaints not resolved to the satisfaction of the shareholders as on 31 st March 2017	Nil
Number of pending complaints as on 31 st March 2017	Nil

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

During the financial year 2015-16, the profit of the Company was raised to the limit stipulated under the section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 in view of the requirements, the Board of Directors of the Company in their meeting held on 4th August 2016, had constituted the "Corporate Social Responsibility Committee" to carry out and to monitor CSR activities by the Company and designated Mr. Nikhil Chaturvedi, Managing Director as 'Chairman' of the Committee and Mr. Salil Chaturvedi, Mr. Rajiv Singh and Ms. Deepa Misra Harris, Dy. Managing Director and Independent Directors respectively, as its members. Further on 14th November 2016 the Board in its meeting approved the CSR policy to implement sustainable initiative which will have maximum societal impact by identifying the critical needs and gaps in the society.

a. Term of Reference:

The CSR Committee:

- 1) Reviews the existing CSR Policy from time to time and the activities to be undertaken by the Company towards CSR activities;
- 2) Recommends the project/ program to be undertaken, amount of expenditure to be incurred, roles and responsibilities of various stakeholders etc., in respect of CSR activities.
- 3) Monitors for ensuring implementation of the projects/ programs undertaken or the end use of the amount spent by the Company towards CSR activities.

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

b. Meetings and attendance of the Committee:

The Corporate Social Responsibility Committee met once during the financial year, on 14th November, 2016. The detail of attendance of the members in meeting is as follows:

Name of the Member	Category ¹	Position	CSR Committee	
			Held	Attended
Mr. Nikhil Chaturvedi	MD	Chairman	1	1
Mr. Salil Chaturvedi	Dy. MD	Member	1	0
Ms. Deepa Misra Harris	ID	Member	1	1
Mr. Rajiv Singh	ID	Member	1	1

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

CORPORATE GOVERNANCE REPORT *(Contd.)*

c. Roles and Responsibilities of the CSR Committee:

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

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

Governance codes

Code of Conduct and Business Ethics

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

Insider Trading Code:

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

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

7. GENERAL BODY MEETING

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

Financial Year	Date	Time	Location	No. of Special Resolutions passed
Annual General Meetings:				
2013-14	30.09.14	11.00 a.m.	Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (W), Mumbai- 400 053	2
2014-15	30.09.15	2.00 p.m.	Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (W), Mumbai- 400 053	3
2015-16	22.09.16	11.00 a.m.	Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (W), Mumbai- 400 053	0

- None of the items transacted at the last Annual General Meeting held on 22nd September 2016 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 2016-2017, no resolution was passed by the Company through postal ballot.

8. MEANS OF COMMUNICATION:

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

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

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

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

SEBI Complaint Redressal Systems (SCORES):

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

Presentations to institutional investors / analysts:

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

9. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting: Date, Time and Venue:

As indicated in the notice accompanying this Annual Report, the Tenth Annual General Meeting of the Company will be held on Thursday, 28th September 2017 at 1.00 p.m. at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West), Mumbai – 400053.

Plant Location: Not Applicable

Financial Year:

The Company follows a period from April 1 to March 31 as the financial year.

Dividend payment date:

The Company has not recommended any dividend for the financial year 2016-17.

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

Un-audited results Q1 ending 30.06.2017*	On or before 14 th September 2017
Un-audited results Q2/half year ending 30.09.2017*	On or before 14 th December 2017
Un-audited results Q3/Nine months ending 31.12.2017	On or before 14 th February 2018
Audited Results for the year ending 31.03.2018	On or before 29 th May 2018

*SEBI vide its Circular dated 5th July 2016 granted extension of one month for first two quarters of financial year of implementation of Indian Accounting Standard

Book Closure Date:

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

CORPORATE GOVERNANCE REPORT *(Contd.)*

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 2017-18.

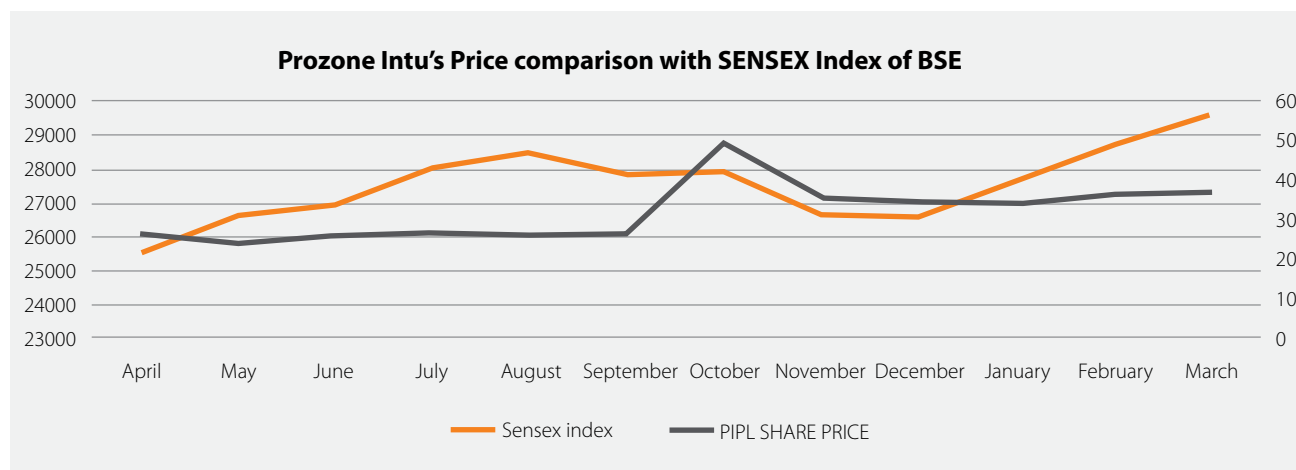
Market Price Data:

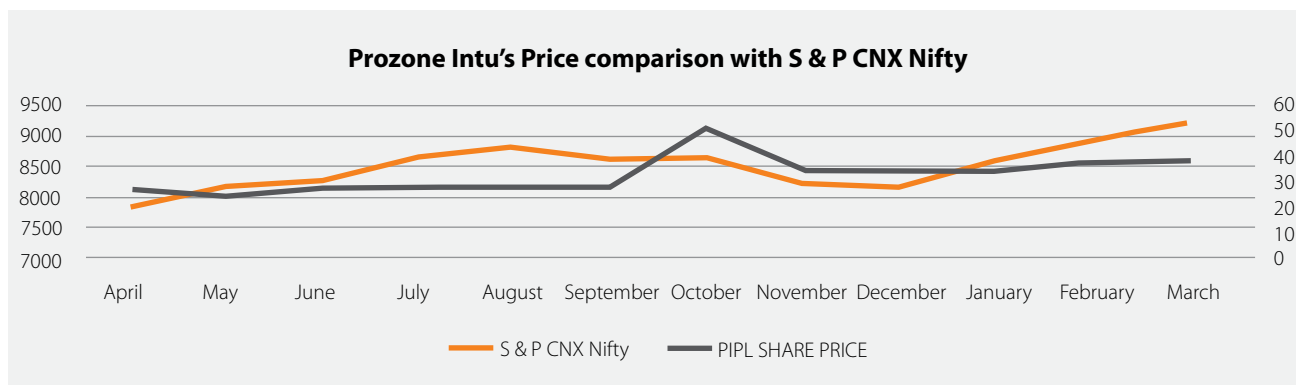
Market Price and Volume of the Company's Shares of face value of ₹ 2 each traded in the Stock Exchanges where Company's shares are listed during the financial year 2016-17:

Month	BSE			NSE				
	Share Price (in ₹)			SENSEX	Share Price (in ₹)			NIFTY
	High	Low	Close	Close	High	Low	Close	Close
Apr 2016	29.15	26.20	26.45	25606.62	28.90	26.15	26.35	7849.80
May 2016	27.30	24.15	24.15	26667.96	27.45	24.15	24.20	8160.10
Jun 2016	30.40	23.50	26.20	26999.72	30.50	23.85	26.25	8287.75
Jul 2016	28.95	24.55	27.15	28051.86	29.00	24.60	27.10	8638.50
Aug 2016	27.50	24.80	26.30	28452.17	27.70	24.85	26.15	8786.20
Sept 2016	32.00	25.70	26.50	27865.96	32.00	25.50	26.55	8611.15
Oct 2016	50.75	26.85	49.60	27930.21	50.70	26.50	49.70	8625.70
Nov 2016	51.90	29.05	35.45	26652.81	51.80	29.00	35.45	8224.50
Dec 2016	37.85	31.30	34.40	26626.46	37.75	31.25	34.70	8185.80
Jan 2017	38.95	33.65	34.60	27655.96	39.25	33.25	34.55	8561.30
Feb 2017	39.70	34.10	36.45	28743.32	39.90	34.00	36.35	8879.60
Mar 2017	37.40	32.80	36.95	29620.50	37.50	32.70	36.95	9173.75

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

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





Share Transfer system:

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

Dematerialization of shares:

The Company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) to provide trading of shares in dematerialized form. As on 31st March 2017, 15,25,38,741 Equity shares of the Company, representing 99.96% of its issued capital, were held in dematerialized form and the balance 0.04% representing 64,142 equity shares were held in physical form.

Distribution of Shareholding as on March 31, 2017:

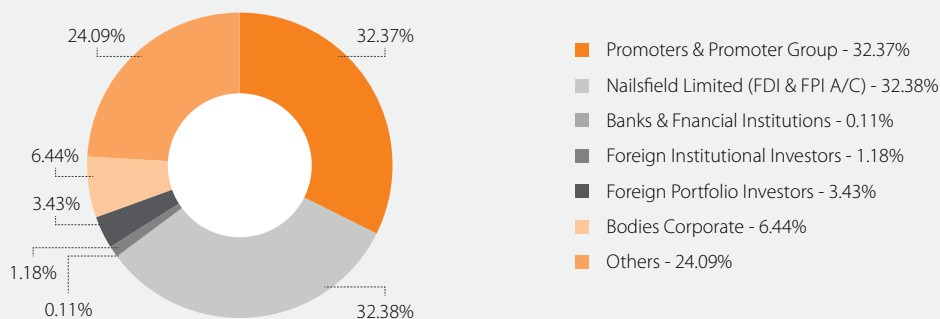
Share holding			Shareholders		Shares	
No. of Shares	Number	% to total share capital	No. of Shares	% to total share capital		
(1)	(2)	(3)	(4)	(5)		
1-1000	24112	79.04%	7806480	2.56%		
1001-2000	2939	9.64%	5107290	1.68%		
2001-4000	1505	4.93%	4896822	1.60%		
4001-6000	593	1.94%	3126396	1.02%		
6001-8000	235	0.77%	1715620	0.56%		
8001- 10000	302	0.99%	2909512	0.95%		
10001- 20000	402	1.32%	6286164	2.06%		
20001- above	417	1.37%	273357482	89.57%		
Total	30505	100.00%	152602883	100.00%		

Categories of Shareholders as on 31.03.2017:

Category	No. of Shares	% of Shareholding
Promoters & Promoter Group	49403943	32.37%
Nailsfield Limited (FDI & FPI a/c)	49410788	32.38%
Banks & Financial Institutions	172665	0.11%
Foreign Institutional Investors	1797065	1.18%
Foreign Portfolio Investors	5231526	3.43%
Bodies Corporate	9832990	6.44%
Others	36753906	24.09%
Total	152602883	100.00%

CORPORATE GOVERNANCE REPORT *(Contd.)*

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments:



Upto 31st March, 2017, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company.

Commodity price risk or foreign exchange risk and hedging activities:

Disclosures on risks are forming part of Management Discussion and Analysis Report which is forming part of this Annual Report.

Address for correspondence:

Registered office:

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

Registrar and Share Transfer Agent:

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

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

10. OTHER DISCLOSURES

Related Party Transactions (RPTs):

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

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

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

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

Statutory Compliance, Penalties and Strictures:

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

Vigil Mechanism and Whistle Blower Policy:

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

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

Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

Risk Management:

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

Management Discussion and Analysis Report:

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

CEO & CFO certification:

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

Code of Conduct:

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

"I, Nikhil Chaturvedi, Managing Director of Prozone Intu Properties Limited, in terms of provisions of Regulation 34 of SEBI (LODR) Regulations 2015, hereby confirm that all Board Members and Senior Management Personnel have affirmed the compliance with the "Code of Conduct and business ethics" of the Company during the financial year ended March 31, 2017."

Nikhil Chaturvedi,
Managing Director
DIN: 00004983

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

As on 31st March 2017, 3,400 Shares held by 17 Equity Shareholders were remained unclaimed in "Prozone (India) Limited – 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.

CORPORATE GOVERNANCE REPORT (Contd.)

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

11. SUBSIDIARY MONITORING FRAMEWORK:

The Company has 11 subsidiary companies as on 31st March, 2017 of which Alliance Mall Developers Co. Pvt. Ltd., has been recognised as a 'Material non listed Indian subsidiary company' Accordingly, on 31st March, 2017, in compliance with the SEBI (LODR) Regulations, 2015. Mr. Rajiv Singh, an Independent Director of the Company held the Position of Director on the Board of Alliance Mall Developers Co. Pvt. Ltd.

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 2016-17. Standard practices and procedures are in place to ensure unqualified financial statements.
4	Separate posts of Chairman and CEO	The Company has appointed Independent Director as Chairman of the Company and Company is not having position of CEO.
5	Reporting of Internal Auditor	The Internal Auditor quarterly places the Internal audit report before the Audit Committee for its review and comments.

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.

12. MANDATORY AND NON-MANDATORY REQUIREMENTS:

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

For and on behalf of Board of Director

Date: 22nd August, 2017
Place: Mumbai

sd/-
Nikhil Chaturvedi
Managing Director
DIN:00004983

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

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 31st March, 2017 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.

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

**For HS Associates
Company Secretaries**

**sd/-
Hemant Shetye
FCS – 2827
COP – 1483**

**Date: 22nd August, 2017
Place: Mumbai**

Financials Standalone

INDEPENDENT AUDITOR'S REPORT

To the Members of Prozone Intu Properties Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Prozone Intu Properties Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material

misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 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 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

INDEPENDENT AUDITOR'S REPORT

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate report in Annexure "B";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note no 12 (a).
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 24J to the financial statements.

For S G C O & Co.LLP

Chartered Accountants

Firm's Registration No. 112081W/W100184

Shyamratan Singrodia

Partner

Mem. No. 49006

Place: Mumbai

Date: 19th May, 2017

Annexure “A” to the Independent Auditors Report

The Annexure “A” referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” in our Independent Auditor’s Report to the members of **Prozone Intu Properties Limited** for the year ended 31st March, 2017.

As required by the Companies (Auditors Report) Order, 2016 and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The Fixed Assets have been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies have been noticed on such physical verification.
- c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties which was vested to the Company as per the Composite Scheme of Arrangement and Amalgamation during the year ended March 31, 2012 are not held in the name of the Company. Details of the same is as below :-

Particulars	Buildings	Remarks
Gross Block	141.73 Lakhs	Held in the name of erstwhile demerged Company.
Net Block	90.09 Lakhs	

- (ii) Since the Company does not have any inventory, the paragraph 3 (ii) of the said Order is not applicable to the Company.
- (iii) The company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013.
- a) In our opinion, the rate of interest and the other terms and conditions of the grant of such loans were not, prima facie, prejudicial to the company’s interest;
- b) The borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii) (b) of the Order is not applicable to the Company in respect of repayment of the principal amount;

- c) There are no overdue amounts in respect of such loans.

- (iv) In our opinion and according to the information and explanation given to us, section 185 of the Act is not applicable, since the Company has not granted any loan and has not provided any guarantees or security to the parties covered under section 185 of the Act. With regards to investments in securities, guarantees and loans provided to other body corporates after enforcement of section 186 of the Act, the Company has complied with the provisions of section 186 of the Act.

- (v) The Company has not accepted any deposits from the public.

- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for the Company.

- (vii) a) Accordingly to the records of the Company, the undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities except delays in some cases of Tax Deducted at Source (TDS) and Professional Tax. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2017 for a period more than six months from the date they became payable.

- b) According to the records of the Company, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax which have not been deposited on account of any dispute with the relevant authorities are given below:

Name of Statute	Amount (₹ In lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax	14.87	A.Y. 2010-11	ITAT (Appeals)

- (viii) The Company has not defaulted in repayment of its dues to banks and financial institutions and has not issued debentures.

- (ix) The company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

Annexure “A” to the Independent Auditors Report

- (x) According to the information & explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with of section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S G C O & Co. LLP
Chartered Accountants
Firm's Registration No. 112081W/W100184

Shyamratan Singrodia
Partner
Mem. No. 49006

Place: Mumbai
Date: 19th May, 2017

Annexure “B” to the Independent Auditor’s Report

of even date on the Standalone financial statements of Prozone Intu Properties Limited for the year ended 31st March 2017.

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

We have audited the internal financial controls over financial reporting of Prozone Intu Properties Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S G C O & Co. LLP

Chartered Accountants

Firm’s Registration No. 112081W/W100184

Shyamratan Singrodia

Partner

Mem. No. 49006

Place: Mumbai

Date: 19th May, 2017

BALANCE SHEET

as at 31st March, 2017

(₹ in Lakhs)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	3,052.06	3,052.06
Reserves and surplus	3	38,283.96	38,205.48
		41,336.02	41,257.54
Non - current Liabilities			
Long - term borrowings	4	1,783.43	1,735.95
Long - term Provisions	5	28.77	20.35
		1,812.20	1,756.30
Current Liabilities			
Trade payables	6	137.60	105.33
Other current liabilities	7	84.05	71.99
Short-term provisions	8	6.63	9.34
		228.28	186.66
		43,376.50	43,200.50
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	9	264.43	220.42
Non - current investments	10	29,714.68	27,229.27
Deferred Tax Assets (Net)	11	94.46	89.11
Long - term loans and advances	12	6,494.44	4,996.47
		36,568.01	32,535.27
Current Assets			
Current Investments	13	2,360.62	5,633.24
Trade receivables	14	58.82	660.97
Cash and cash equivalents	15	456.34	156.76
Short - term loans and advances	16	2,162.71	2,444.26
Other current assets	17	1,770.00	1,770.00
		6,808.49	10,665.23
		43,376.50	43,200.50
Significant Accounting Policies	1		
Accompanying Notes to Accounts	24		

As per our report of even date attached

For **S G C O & Co. LLP**
Chartered Accountants

Shyamratan Singrodia
Partner
Mem. No. 49006

Place : Mumbai
Date : 19th May, 2017

For and on behalf of the Board

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Anurag Garg
Chief Financial Officer

Bipin Gurnani
President

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Ajayendra Jain
Company Secretary & CCO

STATEMENT OF PROFIT & LOSS

for the year ended 31st March , 2017

(₹ in Lakhs)

Particulars	Notes	Year Ended 31.03.2017	Year Ended 31.03.2016
INCOME			
Revenue from operations	18	717.55	752.01
Other income	19	678.74	800.06
TOTAL REVENUE		1,396.29	1,552.07
EXPENSES			
Employee benefits expense	20	385.30	331.12
Finance costs	21	9.87	3.37
Depreciation and amortisation expense	9	84.66	76.79
Other expenses	22	517.40	542.25
TOTAL EXPENSES		997.24	953.53
Profit before tax & exceptional items		399.05	598.54
Exceptional Items		-	-
Profit before tax		399.05	598.54
Less: Tax Expense			
Current Tax		66.78	122.99
MAT Credit Entitlement		(7.48)	-
Deferred Tax Liability/(Assets)		(5.35)	(3.78)
Tax of earlier years		(43.28)	31.11
		10.67	150.32
Profit / (Loss) for the year		388.38	448.22
Earnings per equity share	23		
(Nominal value of share ₹ 2 : Basic		0.25	0.29
: Diluted		0.25	0.29
Significant Accounting Policies	1		
Accompanying Notes to Accounts	24		

As per our report of even date attached

For **S G C O & Co. LLP**
Chartered Accountants

Shyamratan Singrodia
Partner
Mem. No. 49006

Place : Mumbai
Date : 19th May, 2017

For and on behalf of the Board

Nikhil Chaturvedi
Managing Director
DIN : 00004983

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Dy. Managing Director
DIN : 00004768

Ajayendra Jain
Company Secretary & CCO

CASH FLOW STATEMENT

for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
A Cash Flow from Operating Activities:		
Net Profit / (Loss) before tax	399.05	598.54
Adjustments for :		
Depreciation	84.66	76.79
Financing Charges	9.87	3.37
Unrealised loss/(gain) on foreign exchange fluctuations (net)	4.18	(8.39)
Loss on sale of fixed assets	-	1.40
Interest Received	(564.43)	(457.26)
Dividend from Mutual Funds	(71.55)	(236.67)
Operating profit before working capital changes	(138.22)	(22.22)
Adjustments for :		
Increase / (Decrease) in Trade payables	32.27	(158.42)
Increase / (Decrease) in Other current liabilities	12.06	(80.75)
Increase / (Decrease) in long-term provisions	8.42	18.14
Increase / (Decrease) in short-term provisions	(0.03)	(11.75)
Decrease / (Increase) in Trade receivables	602.15	(90.98)
Net Cash from Operations	516.64	(345.97)
Direct Taxes Paid	52.0	198.12
Net Cash from Operating Activities	568.65	(147.85)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(128.67)	(2.39)
Sale of Fixed Assets	-	1.78
Movement in loans and advances	(1,291.31)	5,532.33
Stamp duty on Amalgamation	(309.89)	
Interest Received	564.43	457.26
(Purchase)/ Sale of Current Investments	3,272.61	(5,633.25)
Purchase of Non-current Investments	(2,485.41)	(276.00)
Dividend from Mutual Funds	71.55	236.67
Net Cash used in Investment Activities	(306.69)	316.40

CASH FLOW STATEMENT

for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
C. Cash Flow from Financing Activities:		
Proceeds / (Repayment) of Long Term Borrowings (net)	47.48	(14.25)
Financing Charges	(9.87)	(3.37)
Net Cash used from Financing Activities	37.61	(17.62)
Net increase in Cash and Cash Equivalents	299.57	150.93
Cash and Cash Equivalents (Opening)	156.76	5.83
Cash and Cash Equivalents (Closing)	456.34	156.76

Notes :

- 1 Cash and Cash Equivalents at the end of the year consists of cash in hand and balances with banks are as follows :

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Cash in Hand	3.45	10.73
Cheques in Hand	423.88	36.98
Balances with Banks	29.01	109.05
	456.34	156.76

- 2 The previous year's figures have been regrouped / rearranged wherever necessary in order to conform to current year's presentation.

As per our report of even date attached

For **S G C O & Co. LLP**
Chartered Accountants

Shyamratan Singrodia
Partner
Mem. No. 49006

Place : Mumbai
Date : 19th May, 2017

For and on behalf of the Board

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Anurag Garg
Chief Financial Officer

Bipin Gurnani
President

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Ajayendra Jain
Company Secretary & CCO

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Corporate information:

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

Note 1 : Significant Accounting Policies

a) Basis of Accounting:

- i. The Financial Statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis and in compliance with all the mandatory accounting standards as prescribed under Section 133 of the Companies Act 2013 ('Act') read with Rule 7 of the Companies (Accounts) rules, 2014.
- ii. Financial Statements are based on historical cost convention and are prepared on accrual basis.

b) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period.

Difference between actual results and estimates are recognized in the periods in which the results are known/ materialize.

c) Revenue Recognition :

- i. Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.
- ii. Revenue from management consultancy is recognised on accrual basis as per the terms and conditions of the contract.
- iii. Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv. Dividend income is recognised when the right to receive payment is established.

d) Fixed Assets:

Fixed Assets are stated at actual cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

e) Depreciation and Amortization:

Depreciation on Fixed Assets is provided on 'Written down value method' based on the useful life of assets and in the manner specified in the Schedule II of the Companies Act, 2013.

f) Impairment of Fixed Assets:

As at the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed asset is made for the difference.

g) Miscellaneous Expenditure:

Preliminary expenses are amortised in the year in which they are incurred.

h) Employee Benefits:

- i) Company's Contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
- ii) Liability for Leave Encashment Benefits has been provided on the basis of the actuarial valuation, using the projected unit method, as at the date of the Balance Sheet.
- iii) Retirement benefits in the form of Gratuity are considered as defined benefits obligations and are provided on the basis of the actuarial valuation, using the projected unit method, as at the date of the Balance Sheet.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

i) Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost less any provision for diminution in value other than temporary. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

j) Provision and Contingent Liabilities:

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

k) Foreign Currency Transactions :

- i) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Statement of Profit and Loss.
- iii) Non-monetary items are reported at the exchange rate at the date of transaction.
- iv) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Statement of Profit and Loss.
- v) The premium or discount in respect of forward exchange contract is amortized over the life of contract. The net gain or losses on account of any exchange difference, cancellation or renewal of such forward exchange contracts are recognised in the Statement of Profit & Loss.

l) Accounting for Taxation of Income :

Current taxes

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

Deferred taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred tax assets are reviewed as at each Balance Sheet date.

Minimum Alternate Tax ('MAT')

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will be able to utilise the MAT Credit Entitlement within the period specified under the Income-tax Act, 1961.

m) Earning Per Share:

Earnings per share Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 2 : Share capital

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Authorised		
2,002.50 lakhs Equity Shares of ₹ 2 each	4,005.00	4,005.00
Issued, Subscribed and Fully Paid Up		
1,526.03 lakhs Equity Shares of ₹ 2 each fully paid up	3,052.06	3,052.06
	3,052.06	3,052.06

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

Particulars	As at 31.03.2017		As at 31.03.2016	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
Equity Shares				
At the beginning of the year	1,526.03	3,052.06	1,526.03	3,052.06
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,526.03	3,052.06	1,526.03	3,052.06

(b) Details of shares issued for a consideration other than cash :

During the year 2011-12, the Company has allotted 1,523.53 Lakhs equity shares of ₹ 2 each fully paid up to the Shareholders of Demerged Company and Transferor Company pursuant to the Composite Scheme of Arrangement and Amalgamation.

(c) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Names of Shareholders	As at 31.03.2017		As at 31.03.2016	
	No. in lakhs	% holding	No. in lakhs	% holding
Nailsfield Limited, Mauritius	494.11	32.38	494.11	32.38
Nikhil Chaturvedi (in his capacity as trustee of Nikhil Chaturvedi Family Trust)	140.51	9.21	140.51	9.21
Salil Chaturvedi (in his capacity as trustee of Salil Chaturvedi Family Trust)	137.33	9.00	137.33	9.00

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 3 : Reserves and surplus

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Securities Premium		
At the beginning and end of the year	36,434.05	36,434.05
Amalgamation Reserve (Pursuant to the Scheme of Demerger and Amalgamation)		
Opening Balance	688.75	688.75
Less - Stamp duty on Amalgamation *	309.89	-
Closing Balance	378.86	688.75
Surplus / (Deficit) in the Statement of Profit & Loss		
Opening Balance	1,082.67	634.45
Add: Profit / (Loss) during the year	388.38	448.22
	1,471.05	1,082.67
	38,283.96	38,205.48

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

Note 4 : Long - term borrowings

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Hire Purchase Loans		
(Secured)	84.17	20.71
Less: Current maturities of Long Term Debt (disclosed under other current liabilities)	(30.23)	(14.25)
	53.94	6.46
Loans & Advances from related parties		
(Unsecured)	1,729.49	1,729.49
	1,783.43	1,735.95

- (a) Hire Purchase Loans includes :
- ₹ 6.29 (PY 20.71) lakhs in respect of one vehicle which is secured by hypothecation of vehicle financed. The loan carries interest @ 12.13% p.a. The loan is repayable in 53 equal instalments starting from 1st May, 2013.
 - ₹ 77.88 (PY Nil) 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 15th April, 2016.
- (b) Loan and advances from related parties represents loan received from Emerald Buildhome Private Limited, a step down Joint Venture Company (JVC) vide Joint Venture Agreement (JVA) dated 14th December 2007 entered into with the Co-venturer, Shree Salasar Overseas Private Limited for developing a Mall at Jaipur. The said loan was repayable to the JVC at the time of acquisition of additional land. Since the JVC presently does not have any land proposal in hand, the said loan remains with the Company and no interest is payable as agreed between the JV Partners, till the time any new land is acquired by the JVC.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 5 : Long - term Provisions

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Provision for Gratuity	13.34	6.08
Provision for Leave Encashment	15.43	14.27
	28.77	20.35

Note 6 : Trade payables

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Trade payables		
- Due to Micro, Small & Medium Enterprises (Refer note below)	17.24	13.48
- Others	120.36	91.85
	137.60	105.33

The Company had sought confirmation from the vendors whether they fall in the category of Micro, Small and Medium Enterprises. Based on the information available, the required disclosure for Micro, Small and Medium Enterprises under the above Act is given below :

Particulars	As at 31.03.2017	As at 31.03.2016
The principal amount remaining unpaid to any supplier as at the end of accounting year ;	17.24	13.48
interest due thereon remaining unpaid at the end of accounting year*;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

* Interest paid/payable by the Company on the aforesaid principle amount has been waived by the concerned suppliers.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 7 : Other current liabilities

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Current maturities of long term debt	30.23	14.25
Duties & taxes payable	9.34	10.33
Employee benefits payable	11.35	14.28
Other Liabilities	33.13	33.13
	84.05	71.99

Note 8 : Short-term provisions

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Provision for Leave Encashment	3.32	3.16
Provision for Gratuity	3.31	3.50
Provision for tax (Net of Advance Tax & TDS)	-	2.68
	6.63	9.34

Note 9 : Tangible assets

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Particulars	Gross Block			Depreciation			Net Block			
	As at 01.04.2016	Additions during the year	Deductions during the year	As at 31.03.2017	Upto 31.03.2016	Provided for the year	Adjustments during the year	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Buildings	141.73	-	-	141.73	46.51	5.13	-	51.64	90.09	95.22
Furniture's & Fittings	565.45	0.36	-	565.81	497.44	28.50	-	525.94	39.87	68.01
Motor Vehicles	242.58	118.23	-	360.81	209.41	46.13	-	255.54	105.28	33.18
Office Equipments	75.22	2.28	-	77.50	58.37	0.86	-	59.23	18.27	16.85
Computers	101.09	7.80	-	108.89	93.93	4.04	-	97.97	10.92	7.16
Total	1,126.07	128.67	-	1,254.74	905.66	84.66	-	990.32	264.43	220.42
Previous Year	1,214.55	2.39	90.87	1,126.07	916.56	76.79	(87.69)	905.66	220.42	-

(₹ in Lakhs)

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 10 : Non - current investments

(Valued at cost unless stated otherwise)

		(₹ in Lakhs)
Particulars	As at 31.03.2017	As at 31.03.2016
Trade, Unquoted		
<u>Investment in equity instruments of subsidiaries</u>		
Prozone Liberty International Limited (Singapore) (614.74 lakhs (PY 614.74 lakhs) Ordinary Shares of USD 1/- each fully paid up)	26,193.02	26,193.02
Alliance Mall Developers Co Private Limited (20.1 lakhs (PY 20.1 lakhs) Equity Shares of ₹ 10/- each fully paid up)	557.00	557.00
Prozone Intu Developers Private Limited (Formerly known as Jaipur Festival City Private Limited) (Nil (PY 0.1 lakhs) Equity Shares of ₹ 10/- each fully paid up)	-	1.00
Royal Mall Private Limited (0.1 lakhs (PY 0.1 lakhs) Equity Shares of ₹ 10/- each fully paid up)	1.00	1.00
Kruti Multitrade Private Limited (0.1 lakhs (PY 0.1 lakhs) Equity Shares of ₹ 10/- each fully paid up)	1.00	1.00
Prozone Developers & Realtors Private Limited (Formally Known As Classique Creators Private Limited) (2.5 lakhs (P.Y. Nil) Equity Shares of ₹ 2/- each fully paid up)	5.00	-
<u>Investment in Joint Ventures :</u>		
Moontown Trading Company Private Limited (20.025 lakhs (PY 20.025 lakhs) Equity Shares of ₹ 10/- each fully paid up)	200.25	200.25
Non-trade, Unquoted		
<u>Investment in equity instruments</u>		
Samriddhi Finvest Advisory Services Private Limited (0.05 lakhs (P.Y. 0.05 lakhs) Equity Shares of ₹ 10/- each fully paid up)	1.00	1.00
<u>Investment in Preference Shares</u>		
Samriddhi Finvest Advisory Services Pvt Ltd. (50 lakhs (P.Y. 27.50 lakhs) 9% Non-cumulative, non- Convertible Redeemable Preference shares of ₹ 10/- each fully paid up)	500.00	275.00
Investment in Debenture of Subsidiary Company		
Alliance Mall Developers Co Private Limited (2.16567 lakhs (P.Y. Nil) 0.001% Unsecured Compulsarily Convertible Debenture of ₹ 10 each)	2,256.41	-
	29,714.68	27,229.27
Aggregate Book Value of Unquoted Investment	29,714.68	27,229.27

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 11 : Deferred Tax Assets (Net)

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	82.47	79.97
Impact of Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	11.99	9.14
Deferred Tax Assets	94.46	89.11

Note 12 : Long - term loans and advances

(Unsecured, Considered Good)

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Security deposits	4.45	4.45
Loans and advances given to Related Parties	4,098.75	2,566.71
<u>Advance recoverable in cash or kind (Refer note (a) & (b) below)</u>	2,230.20	2,178.20
Others		
Advance Tax & TDS (Net of Provision for Tax)	152.08	230.27
MAT Credit Entitlement	7.48	
Capital Advances	-	16.18
Balances with Government authorities	1.49	0.66
	6,494.44	4,996.47
Loans and advances given to related parties includes :		
- <u>Subsidiary companies</u>		
Prozone Liberty International Limited (Singapore)	161.98	148.65
Prozone Developers & Realtors Private Limited (Formally Known As Classique Creators Private Limited)	1,493.12	-
Royal Mall Private Limited	3.27	0.34
Kruti Multitrade Private Limited	39.19	36.51
- <u>Step down subsidiary companies</u>		
Omni Infrastructure Private Limited	2,123.39	2,103.40
- <u>Joint Venture Company</u>		
Moontown Trading Company Private Limited (Refer note (c) below)	277.80	277.80
	4,098.75	2,566.71
Advance recoverable in cash or kind to related parties includes :		
Unsecured, Considered Good		
- <u>Subsidiary companies</u>		
Royal Mall Private Limited	0.34	0.34
Kruti Multitrade Private Limited - Subsidiary Company	0.25	0.25

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
- Step down subsidiary companies		
Prozone Intu Developer Pvt Ltd (formally known as Jaipur Festival City Private Limited)	0.25	0.25
- Joint Venture Company		
Moon Town Trading Company Private Limited (Refer note (b) below)	0.30	0.30
	1.14	1.14

- a) Advance Recoverable in Cash or Kind includes a sum of ₹ 150 lakhs (PY ₹ 150 lakhs) due from De Lara Tourism Corporation Limited (DTCL) pursuant to award from a panel of Arbitrators constituted by the Arbitral Tribunal as per the instruction of SC. In view of the Award given by the Arbitral Tribunal, the management had considered ₹ 150 Lacs as good and fully recoverable. Further, DTCL had challenged this award before the Chief Judge, City Civil Court Hyderabad by filing an appeal. The said appeal is pending.
- b) Advance Recoverable in Cash or Kind also includes advance of ₹ 1992.50 lakhs (PY ₹ 1961.50 lakhs) towards Joint construction of real estate projects in Mumbai.
- c) Loan to JVC represents the amount funded by the Company for various initial project expenses. At present there is no significant progress in the said project. However, there is no impairment in the value of the project.

Note 13 : Current Investments

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Quoted		
(Valued at lower of cost and fair value, unless stated otherwise)		
Investments in Mutual Funds		
Nil (PY 51.28 Lakhs) units of Birla Sun Life Enhanced Arbitrage fund - Dividend Regular Plan Payout	-	558.19
Nil (PY 15.43 Lakhs) units of Kotak Treasury Advantage Fund - Daily Dividend Regular Plan	-	2,573.74
Nil (PY 239.27 Lakhs) units of Kotak Equity Arbitrage Fund - Monthly Dividend Regular Plan	-	155.53
30.07 Lakhs (PY 93.37 Lakhs) units of Kotak Treasury Advantage Fund - Daily Dividend - Regular Plan	303.07	1,011.11
12.02 Lakhs (PY Nil) units of Birla Sun Life Plus Daily Dividend - Regular	1,204.39	-
Nil (PY 95.61 Lakhs) units of Reliance Arbitrage Advantage Fund - Monthly Dividend Plan	-	1,004.77
0.85 Lakhs (PY 0.34 Lakhs) units Of Reliance Money Manager Fund - Daily Dividend Plan	853.15	337.57
	2,360.62	5,640.91
Less : Provision For Diminution In Investment Value	-	(7.67)
	2,360.62	5,633.24
Aggregate Value of Unquoted Investments	-	-
Aggregate Value of Quoted Investments	2,360.62	5,640.91
Market Value of Quoted Investments	2,360.62	5,633.24

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 14 : Trade receivables

(Unsecured, Considered Good)

		(₹ in Lakhs)
Particulars	As at 31.03.2017	As at 31.03.2016
Outstanding for a period exceeding six months from the date they are due for payment	0.58	375.05
Other Debts	58.24	285.92
	58.82	660.97
Trade receivable includes debt due from subsidiary / step down subsidiary companies :		
(a) Outstanding for a period exceeding six months from the date they are due for payment		
Empire Mall Private Limited	-	57.26
Hagwood Commercial Developers Private Limited	-	315.68
Omni Infrastructure Private Limited	-	1.52
Royal Mall Private Limited	0.58	0.58
	0.58	375.05
(b) Other Debts		
Alliance Mall Developers Co. Private Limited	29.33	78.43
Empire Mall Private Limited	-	64.65
Hagwood Commercial Developers Private Limited	28.91	142.85
	58.24	285.92

Note 15 : Cash and cash equivalents

		(₹ in Lakhs)
Particulars	As at 31.03.2017	As at 31.03.2016
Balance with Banks		
On Current Accounts	29.01	109.05
Cheques on hand	423.88	36.98
Cash on hand	3.45	10.73
	456.34	156.76

Note 16 : Short - term loans and advances

(Unsecured, Considered Good)

		(₹ in Lakhs)
Particulars	As at 31.03.2017	As at 31.03.2016
<u>Loans and advances</u>		
- To Related Parties	102.15	308.74
- To Others	1,688.94	1,765.23
Advance Recoverable in cash or in kind	364.03	361.63

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Other Loans & Advances		
Prepaid expenses	4.83	2.07
Advances to employees	2.76	6.59
	2,162.71	2,444.26
Loans and advances given to related parties includes :		
- <u>Subsidiary companies</u>		
Alliance Mall Developers Co Private Limited	11.25	-
- <u>Step down subsidiary companies</u>		
Prozone Intu Developers Private Limited (Formerly known as Jaipur Festival City Private Limited)	59.75	-
Empire Mall Private Limited	-	58.35
Hagwood Commercial Developers Private Limited	31.16	250.39
	102.15	308.74

Note 17 : Other current assets

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Others receivables (refer note (a) below)	1,770.00	1,770.00
	1,770.00	1,770.00

- a) 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 March 31, 2016 and option of the conversion was not exercised by the Company.

Note 18 : Revenue from operations

(₹ in Lakhs)		
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Sale of services		
Management Consultancy Charges	717.55	752.01
	717.55	752.01

Note 19 : Other income

(₹ in Lakhs)		
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Interest income on loans & advances	564.43	457.26
Interest income on income tax refund	33.84	97.73
Profit on sale of current investments	1.25	-
Reversal of provision for diminution in value of current investments	7.67	-
Dividend income on current investments	71.55	236.67
Gain on foreign exchange fluctuations (net)	-	8.39
	678.74	800.06

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 20 : Employee benefit expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Salaries and bonus	197.48	173.69
Directors' remuneration	180.00	150.00
Contribution to Provident and other fund	2.37	2.38
Staff welfare expenses	5.45	5.05
	385.30	331.12

Note 21 : Finance costs

(₹ in Lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Interest expenses	9.87	3.37
	9.87	3.37

Note 22 : Other expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Rent	36.00	85.00
Rates and taxes	1.36	2.69
Insurance	11.86	3.89
Repairs & maintenance - others	42.30	45.69
Electricity charges	19.26	18.70
Printing & stationery	4.47	8.52
Communication costs	12.49	11.75
Professional fees	100.94	96.16
Travelling & conveyance	84.90	43.17
Vehicle expenses	47.59	56.86
Housekeeping Expenses	13.48	16.31
Advertisement & business promotion expenses	81.47	67.43
Auditors' remuneration	22.65	24.40
Office expenses	10.98	10.07
Loss on foreign exchange fluctuations (net)	4.18	-
Sundry Balances Written Off	-	4.76
Loss on sale of fixed asset	-	1.40
Loss on sale of current investments	-	7.73
Provision for diminution in value of current investments	-	7.67

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Interest on late payments of statutory dues	0.34	14.85
Miscellaneous expenses	23.13	15.20
	517.40	542.25

Payment to Auditors

(₹ in Lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
- For Audit Fees	12.00	12.00
- For Tax audit Fees	2.40	2.40
- For Taxation Matters	8.25	10.00
	22.65	24.40

Note 23 : Earnings per equity share

In accordance with Accounting Standard 20- Earning Per Share prescribed by The Institute of Chartered Accountants of India, the computation of earning per share is set out below:

(₹ in Lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
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)	388.38	448.22
Basic Earning per share (in ₹)	0.25	0.29
Diluted Earning per share (in ₹)	0.25	0.29

Note 24 : Accompanying Notes to Accounts

A) Contingent liabilities not provided for:

- Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ Nil (PY ₹ 99.32 lakhs).
- Guarantee given to Bank on behalf of subsidiary company ₹ 25,207.81 lakhs (P.Y. 23,592.13 lakhs)
- Disputed demands in respect of Income Tax (Interest thereon not ascertainable at present) ₹ 14.87 Lakhs (PY 14.87 lakhs).

B) In the opinion of the Board, the current assets, loans and advances are approximately of the value stated and are realisable in the ordinary course of business. Further the provisions for all known liabilities are adequately made and not in excess of the amounts reasonably necessary.

C) Loans and advances in the nature of loans given to subsidiaries and associates as required to be disclosed in the annual accounts of the Company pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 :

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

a) Details of Loans to Subsidiaries / Step down Subsidiaries

(₹ in Lakhs)

Name of Subsidiary Company	31 st March, 2017		31 st March, 2016	
	₹ in lakhs	Maximum Amount	₹ in lakhs	Maximum Amount
Alliance Mall Developers Co. Private Limited	11.25	1,428.19	-	-
Royal Mall Private Limited	3.27	3.27	0.34	0.34
Prozone Intu Developers Private Limited (Formerly known as Jaipur Festival City Private Limited)	59.75	1,000.00	-	-
Prozone Liberty International Ltd, Singapore	161.98	161.98	148.65	148.65
Omni Infrastructure Private Limited	2,123.39	2,123.39	2,103.40	2,103.40
Empire Mall Private Limited	-	303.35	58.35	6,829.24
Hagwood Commercial Developers Private Limited.	31.16	250.39	250.39	331.72
Kruti Multitrade Private Limited	39.19	39.19	36.51	36.51
Prozone Developers & Realtors Private Limited (Formally known as Classique Creators Private Limited)	1,493.12	4,062.98	-	-
	3,923.10	9,372.74	2,597.64	9,449.87

b) Details of Investments in Subsidiaries

(No. of shares)

Name of Subsidiary Company	31 st March, 2017	31 st March, 2016
Alliance Mall Developers Co Private Limited	20,10,000	20,10,000
"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)	6,14,74,094	6,14,74,094
"Prozone Developers & Realtors Private Limited (Formally known as Classique Creators Private Limited)"	2,50,000	-
Investments through Prozone Liberty International Limited (Singapore)		
Prozone International Coimbatore Limited (Singapore)	1	1
Prozone Overseas Pte Limited (Singapore)	1	1
Empire Mall Private Limited *	4,72,09,412	4,72,09,412
Hagwood Commercial Developers Private Limited	94,80,235	94,80,235
Omni Infrastructure Private Limited	24,000	24,000
Investments through Royal Mall Private Limited		
"Prozone Intu Developers Private Limited (Formerly known as Jaipur Festival City Private Limited)"	10,000	-

Empire Mall Private Limited (EMPL), a step down subsidiary of company had offered 5,92,59,260 equity shares at a price of ₹ 27/- per share (including premium of ₹ 17/- per share) to its existing shareholders on pro-rata basis by way of a rights issue, aggregating to

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

a total right issue size of ₹ 160 Crore. Prozone Liberty International Limited, Singapore (PLIL - S) (an immediate Holding Company of EMPL and a wholly-owned Subsidiary of the Company) had not subscribed to 3,64,44,445 shares offered to it which resulted into reduction of PLIL-S holding in EMPL to 34.71% from 61.50% (pre-rights issue allotment holding) and PLIL- S ceased to have control in terms of ownership from September 26, 2015 (Being date of allotment of share by EMPL pursuant to right issue). However, EMPL continues to be a step down subsidiary of the Company being PLIL - S continues to control the composition of majority of the directors on the board of directors of EMPL.

- D)** The Company has the following Joint Ventures as on 31st March, 2017 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Ventures is given below:

Name of the Company	Country of Incorporation	% Voting Power held	As on 31.03.2017		FY 2016-17	
			Assets	Liabilities	Income	Expenditure
Emerald Buildhome Private Limited (EBPL)	India	50.00	2,240.15	0.43	-	1.07
Moontown Trading Company Private Limited (MTCPL)	India	25.00	212.51	70.45	-	0.07

Name of the Company	Country of Incorporation	% Voting Power held	As on 31.03.2016		FY 2015-16	
			Assets	Liabilities	Income	Expenditure
Emerald Buildhome Private Limited (EBPL)	India	50.00	2,240.94	0.15	-	0.04
Moontown Trading Company Private Limited (MTCPL)	India	25.00	212.51	70.40	-	0.03

- E)** Disclosure as per AS 15 "Employee Benefits":
The principal assumptions used in the actuarial valuation of Gratuity and leave encashment are as follows :

Particulars	Gratuity		Leave Encashment	
	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Discount rate	7.00%	7.80%	7.80%	7.80%
Expected rate of return on assets	7.00%	9.50%	NA	NA
Expected rate of future salary increase	5.10%	5.10%	5.10%	5.10%
Changes in present value of obligations				
Present value of obligation as at the beginning of the year	22.34	17.85	17.43	12.64
Transfer in / (out) Obligation	-	0.44	-	-
Interest Cost	1.63	1.33	1.24	0.99
Past Service Cost	-	-	-	-
Current Service Cost	3.50	3.85	4.54	4.22
Benefits paid	-	-	-	-
Actuarial loss on obligations	2.94	(1.13)	(4.46)	(0.42)
Present Value of obligation as at the end of the year	30.41	22.34	18.75	17.43
(Assets) / Liability recognized in the Balance Sheet				
Present Value of obligation as at the end of the year	30.41	22.34	18.75	17.43

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year Ended 31.03.2017	Year Ended 31.03.2016	Year Ended 31.03.2017	Year Ended 31.03.2016
Fair Value of plan assets as at the end of the year	13.78	12.78	-	-
Unfunded status	16.63	9.56	18.75	17.43
Unrecognized Actuarial (Gain)/ loss	-	-	-	-
Net (Assets)/ Liabilities recognized in the Balance Sheet	16.63	9.56	18.75	17.43
- Non-Current (Assets) / Liabilities	13.34	6.08	15.43	14.27
- Current (Assets) / Liabilities	3.29	3.48	3.32	3.16
Expenses recognized in the Profit and Loss Account				
Current Service Cost	3.50	3.85	4.54	4.22
Past Service Cost	-	-	-	-
Interest Cost	1.63	1.33	1.24	0.98
Actuarial (Gain) / Loss on obligations	2.94	(1.13)	(4.46)	(0.42)
Actuarial (Gain) / Loss on plan assets	0.03	0.12	-	-
Expected return on Plan Assets	(1.02)	(1.23)	-	-
Total Expenses recognized in the Profit and Loss account	7.08	2.95	1.32	4.78

Amounts of Gratuity for the current and previous four year are as follows:

Particulars	Gratuity				
	Year Ended 31.03.2017	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2013
Defined benefit obligation	30.41	22.34	17.85	10.41	17.79
Plan assets	13.78	12.78	11.67	12.12	17.06
Surplus/(deficit)	16.63	9.56	6.18	(1.71)	0.72
Experience adjustments on plan liabilities	1.74	(1.13)	3.07	(5.25)	2.76
Experience adjustments on plan assets	0.03	0.12	(0.01)	2.54	(0.31)
Actuarial gain/(loss) due to change in assumption	1.19	-	1.36	(0.49)	(0.22)

F) Related Party Disclosure:

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are details of transactions during the year with the related parties of the Company as defined in AS 18:

List of Related Parties :

i) Key Management Personnel

Mr. Nikhil Chaturvedi	Managing Director
Mr. Salil Chaturvedi	Dy. Managing Director
Mr. Anurag Garg	Chief Financial Officer
Ms. Snehal Bansode (Up to 30 th November, 2015)	Company Secretary
Mr. Ajayendra Jain (From 1 st December, 2015)	Company Secretary & CCO

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

ii) 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 International Coimbatore Limited (Singapore)
 Prozone Overseas Pte Limited (Singapore)
 Prozone Developers & Realtors Private Limited (Formally known as Classique Creators Private Limited)

iii) Joint Ventures and Coventurers :-

Emerald Buildhome Private Limited
 Moontown Trading Company Private Limited

iv) Name of the enterprises having same key management personnel with whom the Company has entered into transactions during the year :-

Provogue (India) Limited

Related Party Transactions

Particulars	Year ended 31 st March, 2017		Year ended 31 st March, 2016	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
(I) Transactions				
Sale of services				
Subsidiaries / Step down Subsidiaries	717.55		752.01	
Alliance Mall Developers Co. Private Limited		334.39		347.06
Empire Mall Private Limited		120.68		145.25
Hagwood Commercial Developers Private Limited.		262.47		259.70
Rent Paid				
Enterprises having same key management personnel	36.00		85.00	
Provogue (India) Limited		36.00		85.00
Interest Income				
Subsidiaries / Step down Subsidiaries	421.42		283.06	
Empire Mall Private Limited		15.84		248.44
Prozone Developers & Realtors Private Limited		344.85		

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Particulars	Year ended 31 st March, 2017		Year ended 31 st March, 2016	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
Remuneration to Key Management Personnel	238.24		191.92	
Mr. Nikhil Chaturvedi		120.00		90.00
Mr. Salil Chaturvedi		60.00		60.00
Mr. Anurag Garg		31.89		29.58
Ms. Ajayendra Jain		26.35		8.42
Loans given				
<u>Subsidiaries / Step down Subsidiaries</u>	7,958.74		586.84	
Empire Mall Private Limited		539.42		311.18
Hagwood Commercial Developers Private Limited.		48.83		267.24
Jaipur Festival City Private Limited		1,058.84		
Prozone Developers & Realtors Private Limited		4,593.76		
<u>Joint Ventures and Coventurers</u>	-		0.3	
Moontown Trading Company Private Limited		-		0.3
Repayment of loans given				
<u>Subsidiaries / Step down Subsidiaries</u>	7,054.70		7,359.27	
Empire Mall Private Limited		613.60		7,084.25
Hagwood Commercial Developers Private Limited.		282.25		273.62
Prozone Intu Developer Private Limited		1,000.10		-
Prozone Developers & Realtors Private Limited		3,445.48		-
(II) Balance outstanding at the end of the year				
Trade Receivables				
<u>Subsidiaries / Step down Subsidiaries</u>	58.82		660.97	
Alliance Mall Developers Co. Private Limited		29.33		78.43
Empire Mall Private Limited		-		121.91
Hagwood Commercial Developers Private Limited.		28.91		458.53
Trade Payable				
<u>Enterprises having same key management personnel</u>	61.08		30.43	
Provogue (India) Limited		61.08		30.43
Loans given				
<u>Subsidiaries / Step down Subsidiaries</u>	3,923.69		2,600.92	
Prozone Liberty International Limited, Singapore		161.98		148.65
Omni Infrastructure Private Limited		2,123.39		2,103.40
Empire Mall Private Limited		-		58.35
Hagwood Commercial Developers Private Limited.		31.16		250.39
Prozone Developers & Realtors Private Limited		1,493.12		
<u>Joint Ventures and Coventurers</u>	277.80		278.10	
Moontown Trading Company Private Limited		277.80		278.10

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Particulars	Year ended 31 st March, 2017		Year ended 31 st March, 2016	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
Advance recoverable in cash or kind	1.14		1.14	
<u>Subsidiaries / Step down Subsidiaries</u>				
Royal Mall Private Limited		0.34		0.34
Prozone Intu Developers Private Limited		0.25		0.25
Kruti Multitrade Private Limited		0.25		0.25
<u>Joint Ventures and Coventurers</u>				
Moon Town Trading Co Private Limited		0.30		0.30
Loans taken				
<u>Joint Ventures and Coventurers</u>	1,729.49		1,729.49	
Emerald Buildhome Private Limited		1,729.49		1,729.49
Remuneration Payable	2.45		8.36	
Mr. Salil Chaturvedi		-		3.66
Mr. Anurag Garg		0.35		2.60
Mr. Ajayendra jain		2.10		2.10

* "Major Parties" denotes who account 10% or more of the aggregate for that category of transaction

Note: Related Parties are as disclosed by the Management and relied upon by the auditors.

- G)** The Company is mainly engaged in the business of 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. There is no other reportable business segment as per Accounting Standard (AS-17).
- H)** The name of the Company has been changed from 'Prozone Capital Shopping Centres Limited' to 'Prozone Intu Properties Limited' vide special resolution passed through postal ballot on 12th June, 2014. The Registrar of Companies, Mumbai has issued a fresh Certificate of Incorporation to this effect on 24th July, 2014, being the effective date of change of name of the company.
- I) Disclosure with regards to section 186 (4) of the Companies Act, 2013**
- For Investment refer note no. 10.
 - For Corporate Guarantees given refer note no. 24(A)(ii).
 - For Loans given :

Particulars	Rate of Interest	Year Ended	Year Ended
		31.03.2017	31.03.2016
Subsidiaries / Step down subsidiaries	8.5% to 11%	1,818.95	488.81
Others	9%	1,463.83	1,561.73
Total		3,282.78	2,050.54

Note : Above disclosures do not include unsecured loans (including interest) granted before enforcement of Companies Act, 2013 amounting to ₹ 2607.56 lakhs (PY ₹ 2590.13 lakhs).

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- J) Details of Specified Bank Notes (SBN) and other denomination notes held and transacted during the period from November 8, 2016 to December, 30 2016 as required by the MCA notification G.S.R. 308(E) dated March 31, 2017 is as below :**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	0.22	0.22
(+) Permitted receipts	-	3.30	3.30
(-) Permitted payments	-	3.52	3.52
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	0.00	0.00

- K) Expenditure in foreign Currency -**

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Foreign Travelling Expense	23.96	5.80

- L)** Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof :

- (a) Gross amount required to be spent by the company during the year: ₹ 10.67 lacs (P.Y. Nil)
 (b) Amount spent during the year on CSR activity: The amount is yet to be spent as Company is in process of identifying the activities on which amount could be spent.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- M)** Figures less than ₹ 500/- have been shown at actual wherever statutory required to be disclosed since figures have been rounded off to the nearest thousands
- N)** The Company has re-grouped, reclassified and/or re-arranged previous year's figures, wherever necessary to conform to current year's classification.

For **S G C O & Co.LLP**
Chartered Accountants

Shyamratan Singrodia
Partner
Mem. No. 49006

Place : Mumbai
Date : 19th May, 2017

For and on behalf of the Board

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Anurag Garg
Chief Financial Officer

Bipin Gurnani
President

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Ajayendra Jain
Company Secretary & CCO

Financials Consolidation

INDEPENDENT AUDITOR'S REPORT

To the Members of

Prozone Intu Properties Limited (Formerly Known as Prozone Capital Shopping Centers Limited),

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Prozone Intu Properties Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interest in Joint Ventures). The respective Board of Directors of the companies included in the Group and of the jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entities 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

The aforesaid consolidated financial statements includes unaudited financial statements / financial information of one subsidiary and one joint venture, which are material to the Group reflect total assets of ₹ 11,494.56 lakhs as at 31st March, 2017, total revenue (Other Income) of ₹ 5.99 lakhs and net cash outflows amounting to ₹ 2.50 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information 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 subsidiary and jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on such unaudited financial statements / financial information.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group and its jointly controlled entities as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT

Other Matters

Apart from one subsidiary and one joint venture Company mentioned in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements also includes unaudited financial statements / financial information of three foreign subsidiaries, which are not material to the Group reflect total assets of ₹ 13.10 lakhs as at 31st March, 2017, total revenues of ₹ Nil and net cash inflows amounting to ₹ 3.57 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information 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 our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information.

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 financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and its jointly controlled entities incorporated in India, 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.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017, taken on record by the Board of Directors of the Holding Company and based on the auditor's reports of its subsidiary companies and its jointly controlled entities incorporated in India, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities incorporated in India – Refer Note 13 (d) and 28 (G)(iii), (iv) and (v) to the consolidated financial statements.
 - ii. The Holding Company, its subsidiary companies and its jointly controlled entities incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its jointly controlled entities incorporated in India.

For S G C O & Co. LLP
Chartered Accountants
Firm's Registration No. 112081W/W100184

Shyamratan Singrodia
Partner
Mem. No. 49006

Place: Mumbai
Date: 19th May, 2017

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **Prozone Intu Properties Limited** (hereinafter referred to as "the Holding Company"), its subsidiary companies and its jointly controlled entities which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting

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

Basis for Qualified Opinion

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting do not include one subsidiary and one jointly controlled entity, which are companies incorporated in India, as financial statements of these entities are unaudited.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the Holding Company, its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S G C O & Co. LLP
Chartered Accountants

Firm's Registration No. 112081W/W100184

Place: Mumbai
Date: 19th May, 2017

Shyamratan Singrodia
Partner
Mem. No. 49006

CONSOLIDATED BALANCE SHEET

as at 31st March, 2017

(₹ in Lakhs)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	3,052.06	3,052.06
Reserves & surplus	3	52,536.73	52,024.74
		55,588.79	55,076.80
Minority Interest		32,083.00	30,341.61
Non-current Liabilities			
Long-term borrowings	4	26,945.37	22,166.88
Other long-term liabilities	5	1,619.96	1,139.85
Long-term provisions	6	55.71	40.16
		28,621.04	23,346.89
Current Liabilities			
Trade payables	7	2,002.10	1,467.66
Other current liabilities	8	6,045.65	6,109.32
Short term provisions	9	137.73	285.47
		8,185.48	7,862.45
	Total	1,24,478.31	1,16,627.75
ASSETS			
Non-Current Assets			
Fixed assets	10		
Tangible assets		37,336.42	38,203.92
Intangible assets		200.00	200.00
Capital work in progress		25,324.93	19,301.93
Goodwill on consolidation		10,977.05	10,976.15
Non-current investments	11	1,515.03	1,290.03
Deferred tax assets (net)	12	103.73	92.26
Long-term loans and advances	13	11,731.83	6,950.17
		87,188.99	77,014.46
Current Assets			
Current investments	14	2,360.61	5,891.27
Inventories	15	18,978.81	17,665.60
Trade receivables	16	8,828.22	8,912.31
Cash and bank balances	17	2,185.34	2,083.41
Short-term loans and advances	18	4,936.34	4,955.30
Other current assets	19	-	105.39
		37,289.32	39,613.29
	Total	1,24,478.31	1,16,627.75
Significant Accounting Policies	1		
Accompanying Notes to Accounts	28		

As per our report of even date attached

For S G C O & Co. LLP

Chartered Accountants

Shyamratan Singrodia

Partner

Mem. No. 49006

Place : Mumbai

Date : 19th May, 2017

For and on behalf of the Board

Nikhil Chaturvedi

Managing Director

DIN : 00004983

Anurag Garg

Chief Financial Officer

Bipin Gurnani

President

Salil Chaturvedi

Dy. Managing Director

DIN : 00004768

Ajayendra Jain

Company Secretary & CCO

STATEMENT OF CONSOLIDATED PROFIT & LOSS

for the year ended 31st March , 2017

(₹ in Lakhs)

Particulars	Notes	Year Ended 31.03.2017	Year Ended 31.03.2016
INCOME			
Revenue from Operations	20	6,279.08	8,621.19
Other Income	21	1,012.40	841.97
Total Revenue		7,291.48	9,463.16
EXPENSES			
Cost of Construction Project	22	2,142.01	4,257.47
Employee Benefits Expenses	23	305.82	240.15
Finance Costs	24	857.34	1,019.76
Depreciation	10	1,170.64	1,317.62
Other Expenses	25	1,878.52	1,821.80
Total Expenses		6,354.33	8,656.80
Profit / (Loss) before tax and exceptional items		937.15	806.36
Less:			
Exceptional items	26	-	16.69
Profit / (Loss) before tax		937.15	789.67
Less: Tax expense			
Current tax		221.55	409.43
MAT Credit Entitlement		21.45	(76.13)
MAT Credit Entitlement of earlier years		(10.47)	-
Deferred tax liability / (assets)		(11.47)	8.04
Tax of earlier years		(33.18)	30.87
		187.88	372.21
Profit / (Loss) after tax before Minority Interest		749.27	417.46
Minority Interest		151.20	(320.60)
Profit / (Loss) for the year		598.07	738.06
Earnings per equity share	27		
[Nominal value of share ₹ 2 (PY ₹ 2) each]			
Basic and Diluted		0.39	0.48
Significant Accounting Policies	1		
Accompanying Notes to Accounts	28		

As per our report of even date attached

For S G C O & Co. LLP
Chartered Accountants

Shyamratan Singrodia
Partner
Mem. No. 49006

Place : Mumbai
Date : 19th May, 2017

For and on behalf of the Board

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Anurag Garg
Chief Financial Officer

Bipin Gurnani
President

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Ajayendra Jain
Company Secretary & CCO

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
A Cash Flow from Operating Activities:		
Net Profit / (Loss) before tax and before extraordinary items	937.15	806.36
Adjustments for :		
Depreciation	1,170.64	1,317.62
Interest income	(922.62)	(558.34)
Dividend income	(80.86)	(283.63)
Interest paid	729.66	1,013.41
Loss on sale of Fixed assets	-	1.40
Bad debts / Sundry balances written off (net)	-	10.30
Operating profit before working capital changes	1,833.97	2,307.12
Adjustments for :		
Increase / (Decrease) in Trade payables	534.44	(717.25)
Increase / (Decrease) in Other current liabilities	(63.67)	(1,377.18)
Increase / (Decrease) in Long-term provisions	15.55	34.24
Increase / (Decrease) in Short term provisions	2.33	(134.49)
Increase / (Decrease) in Other long- term liabilities	480.11	(1,502.78)
Decrease / (Increase) in Trade receivables	84.09	(1,676.32)
Decrease / (Increase) in Other Non - current assets	-	0.01
Decrease / (Increase) in Inventories	(1,313.21)	124.77
Decrease / (Increase) in Other current assets	105.39	20.97
Cash generated from / (used in) operations	1,679.01	(2,920.93)
Direct taxes paid	(134.90)	(90.90)
Exceptional items	-	(16.69)
Net cash flow from / (used in) operating activities	1,544.11	(3,028.52)
B. Cash Flow from Investing Activities:		
Purchase of fixed assets	(310.40)	(38.00)
Sale of fixed assets	-	1.40
Stam duty on amalgamation	(309.89)	-
Prior Period adjustments	(84.87)	-
Capital work in progress	(6,015.72)	(9,718.89)
Proceeds/(Purchase) from non-current investments (Net)	(225.90)	674.00
Proceeds/ (Purchase) from current investments (Net)	3,530.65	(5,891.27)
Decrease / (Increase) in Long-term loans and advances	(4,996.18)	1,956.07
Decrease / (Increase) in Short-term loans and advances	18.96	565.86
Interest income	922.62	558.34
Dividend income	80.86	283.63
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	254.93	29.83
Net cash flow from / (used in) investment activities	(7,134.95)	(11,579.03)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
C. Cash Flow from Financing Activities:		
Proceeds from issue of equity share capital in one of the step-down subsidiary	-	15,909.92
Proceeds from issue of debentures	5,314.11	-
Proceeds from Long - term borrowings (Net)	1,360.01	411.65
Interest paid	(729.66)	(1,013.41)
Net cash flow from / (used in) financing activities	5,944.46	15,308.16
Net increase in Cash and Cash Equivalents	353.62	700.61
Foreign Currency Translation Reserve	3.24	0.82
Cash and Cash Equivalents		
- at the beginning of the year	1,576.15	874.72
Cash and Cash Equivalents at the end of the year	1,933.01	1,576.15

Notes :

a) Cash and Cash Equivalents at the end of the year consists of cash in hand and balances with banks are as follows:

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Balances with Banks:		
On Current Accounts	1,491.37	1,483.45
Cheque on Hand	431.23	67.10
Cash on Hand	9.94	22.63
Add: Share in joint venture	0.47	2.97
	1,933.01	1,576.15

b) The previous year's figures have been regrouped / rearranged wherever necessary in order to conform to current year's presentation.

As per our report of even date attached

For **S G C O & Co. LLP**
Chartered Accountants

Shyamratan Singrodia
Partner
Mem. No. 49006

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Place : Mumbai
Date : 19th May, 2017

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary & CCO

Bipin Gurnani
President

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

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. 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 National Stock Exchange (NSE).

Note 1 : Significant Accounting Policies

(A) Basis of preparation of financial statements :

- a. The Financial Statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis and in compliance with all the mandatory accounting standards as prescribed under Section 133 of the Companies Act 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.
- b. Financial Statements are based on historical cost convention and are prepared on accrual basis

(B) Principles of Consolidation:

The Consolidated Financial Statements comprise of the financial statements of Prozone Intu Properties Limited and its subsidiaries, which are consolidated in accordance with Accounting Standard 21 on "Consolidated Financial Statements". The proportionate share in the financial statements of Joint Venture Companies are consolidated in accordance with Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures".

The Consolidated Financial Statements relate to Prozone Intu Properties Limited ('The Company') and its Subsidiaries and Joint Ventures have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss.
- ii) The financial statements of the Company and its Joint Ventures have been consolidated using the proportionate consolidation method.
- iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

iv) While preparing Consolidated Financial Statements, the foreign exchange adjustments have been carried out as per Accounting Standard 11 – "Accounting for effects of changes in Foreign Exchange Rates" on following basis:

- a) The summarized revenue and expenses transactions at the year-end reflected in Profit and Loss Account of the foreign subsidiaries, which are stated in the currency of their domicile, are translated into Indian Rupees at an average exchange rate.
- b) All monetary items reflected in the Balance Sheet of the foreign subsidiaries which are stated in the currency of their domicile, are translated into Indian Rupees at the year-end closing exchange rate and Non-monetary items are translated at the exchange rate at the date of transaction.
- c) The resultant translation exchange gain/loss in case of non-integral foreign operations is disclosed as Foreign Exchange Translation Reserve in Reserves & Surplus Schedule in the Accounts.

v) The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statements as goodwill.

vi) The excess of Company's portion of equity of the subsidiaries over the cost to the Company of its investments at the dates they become subsidiaries is recognized in the financial statements as capital reserve.

(C) Other Significant Accounting Policies:

i) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period.

Difference between actual results and estimates are recognized in the periods in which the results are known/materialize.

ii) Revenue Recognition:

- a) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- b) Income earned by way of leasing or renting out of commercial premises is recognised as income in accordance with Accounting Standard 19 on "Leases" (AS 19). Initial direct costs are recognised as expense on accrual basis in the Statement of Profit and Loss.
- i. The Company follows the percentage of project completion method as per Guidance Note issued by the Institute of Chartered Accountants of India ('ICAI') on "Accounting for Real Estate Transactions (Revised 2012)" for its projects. Under this method the Company recognizes revenue in proportion to the actual cost incurred as against the total estimated cost of the project under execution subject to completion of construction work to a certain level depending on the type of the project.
- Land & TDR cost is not included in computing the percentage of project completion for recognizing revenue.
 - Revenue is recognized either on execution of an agreement or a letter of allotment or a letter of intent.
 - The estimates relating to percentage of completion, cost to completion, saleable area, etc. being technical in nature are revised periodically by the management and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognized in the period in which such changes are determined.
- c) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d) Dividend income is recognised when the right to receive payment is established.
- iii) Fixed Assets:**
- a) Fixed Assets are stated at cost less accumulated depreciation and impairments loss, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for intended use. Indirect preoperative expenses and borrowing costs attributable to construction or acquisition of Fixed Assets for the period up to the completion of construction or acquisition of Fixed Assets are capitalised.
- b) Intangible Fixed Assets are recognised only if they are separately identifiable and the Company controls the future economic benefits arising out of them. Intangible assets are stated at cost less accumulated amortisation and impairment.
- iv) Expenditure during construction**
- a) Expenditure of capital nature incurred during construction period in respect of a project being executed by the Company is grouped under capital work in progress. Such expenditure would be capitalized upon the commencement of commercial operation of the project.
- b) Incidental expenditure during construction pending allocation included in capital work in progress represents expenditure incurred in connection with the project which is intended to be capitalized to the project.
- v) Impairment of Fixed Assets:**
- An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
- vi) Depreciation and Amortisation:**
- a) Tangible Assets**
- i. Leasehold Land is amortised over the remaining period of the Lease.
- ii. Depreciation on Fixed Assets is provided on 'Written down value method' based on useful life of assets and in the manner specified in the Schedule II of the Companies Act, 2013.
- b) Intangible Assets**
- Computer softwares are amortised on Straight Line Method over a period of five years.
- vii) Inventories:**
- Construction work in progress includes cost of land, premium for development rights, construction costs, borrowing costs and other allocated overheads incidental to the projects undertaken by the Company.
- viii) Investments:**
- Investments that is intended to be held for more than a year from the date of acquisition are classified as long term investments and are carried at cost less any provision for diminution in value other than temporary. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.
- ix) Borrowing Costs:-**
- a) Borrowing costs are recognised as an expense in the period in which they are incurred except the borrowing cost attributable to be acquisitions\ constructions of a qualifying assets which are capitalised as a part of the cost of the fixed assets, upto the date, the assets are ready for its intended use.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

b) Ancillary cost incurred in connection with the arrangement of borrowings are amortised over the loan period.

x) Miscellaneous Expenditure:

a) Preliminary expenses are amortized in the year in which they are incurred.

b) Expenses on preferential issue of shares/warrants are written off against the securities premium received.

xi) Employee Benefits:

a) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss.

b) Liability for leave encashment benefits has been provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

c) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

xii) Provisions and Contingent Liabilities:

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

xiii) Foreign Currency Transactions:

a) The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transactions.

b) The difference on account of fluctuation in the rate of exchange, prevailing on the date of transaction and the date of realization is charged to the Statement of Profit & Loss.

c) Non-monetary items are reported at the exchange rate at the date of transaction.

d) Differences on translation of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the statement of Profit and Loss.

e) The premium in respect of forward exchange contract is amortized over the life of the contract. The net gain or loss on account of any exchange difference, cancellation or renewal of such forward exchange contracts is recognized in the Statement of Profit & Loss.

xiv) Accounting for Taxation of Income :

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company and its Indian subsidiaries will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Group is able to and intends to settle the asset and liability on a net basis.

The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 2 : Share capital

(₹ in lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Authorised		
2,002.50 Lakhs Equity Shares of ₹ 2 each	4,005.00	4,005.00
	4,005.00	4,005.00
Issued, Subscribed and Paid Up		
1,526.03 Lakhs Equity Shares of ₹ 2 each fully paid up	3,052.06	3,052.06
	3,052.06	3,052.06

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

Particulars	As at 31.03.2017		As at 31.03.2016	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
(Face Value of ₹ 2 each)				
At the beginning of the period	1,526.03	3,052.06	1,526.03	3,052.06
Issued during the period	-	-	-	-
Outstanding at the end of the period	1,526.03	3,052.06	1,526.03	3,052.06

(b) **Details of shares issued for a consideration other than cash**

During the year 2011-12, the Company has allotted 1,523.53 Lakhs equity shares of ₹ 2 each fully paid up to the Shareholders of Demerged Company and Transferor Company pursuant to the Composite Scheme of Arrangement and Amalgamation.

(c) **Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) **Details of Shareholders holding more than 5% shares in the company:**

Names of Shareholders	As at 31.03.2017		As at 31.03.2016	
	No. in lakhs	% holding	No. in lakhs	% holding
Nailsfield Limited, Mauritius	494.11	32.38	494.11	32.38
Nikhil Chaturvedi (in his capacity as trustee of Nikhil Chaturvedi Family Trust)	140.51	9.21	140.51	9.21
Salil Chaturvedi (in his capacity as trustee of Salil Chaturvedi Family Trust)	137.33	9.00	137.33	9.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 3 : Reserves and surplus

		(₹ in lakhs)
Particulars	As at 31.03.2017	As at 31.03.2016
Amalgamation Reserve		
Opening Balance	688.75	688.75
Less - Stamp duty on Amalgamation *	(309.89)	-
Closing Balance	378.86	688.75
Foreign Currency Translation Reserve		
Opening Balance	947.60	949.33
Add / (Less) : Adjustments during the year	3.24	(1.73)
	950.84	947.60
Capital Reserve on Consolidation		
Balance at the beginning and end of the year	7.20	7.20
Securities Premium		
Balance at the beginning of the year	49,734.88	48,130.60
Add / (Less) :		
On further issue of shares (net of share issue expense of ₹ 90.07 Lakhs)	-	9,984.00
On further issue of Debentures (net of debenture issue expense of ₹ 10.89 Lakhs)	1,895.63	-
Share of Minority interest -		
a) on issue of shares **	-	(8,379.72)
b) on issue of debentures ***	(1,590.20)	-
Closing Balance	50,040.31	49,734.88
Surplus / (deficit) in the Statement of Profit and Loss		
Opening Balance	646.31	(2,870.12)
Add / (Less) :		
Share of Minority interest **	-	2,778.37
Prior Period adjustments ****	(84.87)	-
Profit / (Loss) during the year	598.07	738.06
Closing Balance	1,159.51	646.31
	52,536.73	52,024.74

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

** Refer note no. 28 (A)(a)(i).

*** Refer note no. 4(d).

**** Prior Period adjustments represents difference between audited and unaudited financial statements of one of the foreign subsidiary Company of the previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 4 : Long - term borrowings

(₹ in lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Secured		
Term Loans from banks		
17,699.25	17,699.25	23,254.20
Less: Interest accrued but not due on borrowings	199.74	230.37
Less: Current maturities of long term debt (disclosed under other current liabilities)	2,140.00	1,742.01
	15,359.51	21,281.82
Term Loans from Others		
7,508.56	7,508.56	-
Less: Current maturities of long term debt (disclosed under other current liabilities)	263.76	-
	7,244.80	-
Hire Purchase Loans		
97.79	97.79	43.34
Less: Current maturities of long term Debt (disclosed under other current liabilities)	40.00	23.07
	57.79	20.27
	22,662.10	21,302.09
Unsecured		
0.001%, 184758 Compulsorily Convertible Debentures (CCDs) of ₹ 10 each (refer note 4(d) below)	18.48	-
15%, 340 Non-Convertible, Redeemable Debentures (NCRD) of ₹ 10,00,000 (CCDs) of ₹ 10 each (refer note 4(e) below)	3,400.00	-
Interest free loans and advances from related parties	864.79	864.79
	4,283.27	864.79
Total	26,945.37	22,166.88

Other Disclosures Pursuant to Secured Loans

(a) Term Loan From Bank (Secured) includes:

- ₹ 6881.72 lakhs (PY ₹ 7074.71 lakhs) term loan from Central Bank of India carrying interest @ Base rate + 3.50% p.a. The loan is repayable in 78 monthly instalments started from October 2016.
- ₹ 4425.07 lakhs (PY ₹ 4548.19 lakhs) term loan from State Bank of Hyderabad carrying interest @ Base rate + 3.50% p.a. The loan is repayable in 78 monthly instalments along with interest started from October 2016.
- ₹ 4424.79 lakhs (PY ₹ 4544.67 lakhs) term loan from Union Bank of India carrying interest @ Base rate + 3.50% p.a. The loan is repayable in 78 monthly instalments along with interest started from October 2016.
- ₹ 1967.67 lakhs (PY ₹ 2021.33 lakhs) term loan from State Bank of Patiala India carrying interest @ Base rate + 3.50% p.a. The loan is repayable in 78 monthly instalments started from October, 2016.

The above loans are secured by first pari-passu charge on entire land, structure to be constructed thereon, movable plant & machinery, stock of raw material, finished and semi finished items relation to the project, over all receivables relating to project, all bank accounts including, without limitation, the Escrow account.

- ₹ Nil (PY ₹ 5065.30 Lakhs) Term Loan from IDBI carries interest @ Base rate + 1.75% p.a. The loan is repayable in 102 Monthly installments along with interest starting from July, 2011. The loan is secured by primarily pari-passu charge by way of hypothecation of the rent receivables pertaining to rent from the Prozone Mall at Aurangabad and collaterally, first pari-passu charge by way of equitable mortgage of land and building at Aurangabad, hypothecation of the company's fixed assets and personal guarantees of directors of subsidiary Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(b) Term Loan From Others (Secured) includes:

₹ 7508.56 Lakhs (PY ₹ Nil) term loan from LIC Housing Finance Limited carries interest 11% P.A. The total sanctioned amount is ₹ 9500 lakhs while the total amount disbursed till date is ₹ 7508.56 Lakhs. The loan is repayable in 180 Monthly instalments of ₹ 10,797,671/- inclusive of interest starting from May, 2017. The loan is secured by way of equitable mortgage of land and buildings, rent receivables both present and future from Prozone Mall, against sold & unsold units of Inventories, personal gurantee from Mr. Akhil Chaturvedi.

(c) Hire Purchase Loans

Hire Purchase loans are secured by hypothecation of respective vehicle financed and which is repayable over a period of 3 to 5 years. The said loans carries interest in the range of 9.50% p.a. to 12.50% p.a.

(d) Unsecured

During the year, one of the subsidiary Company has allotted 401,325 (including 216,567 CCD issued to Holding Company) Compulsorily Convertible Debentures (CCDs) out of total issue size of 479,892 CCDs to its existing shareholders. These CCDs shall be convertible into one Equity shares - 1) By the Company or the Investors at any time after third anniversary of the completion date, if mutually agreed between Company and all investors collectively or 2) on the tenth anniversary of completion date without any application or any further act on the part of debentureholders.

(e) 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.

(f) Interest free loans and advances from related parties are repayble after 31st March, 2018.

Note 5 : Other long-term liabilities

		(₹ in lakhs)
Particulars	As at 31.03.2017	As at 31.03.2016
Lease Deposits from Tenants	1,575.85	2,889.06
Less : Lease deposit become payable within next 12 months	-	1,750.00
	1,575.85	1,139.06
Interest accrued on debentures	43.32	-
Add: Share in Joint Ventures	0.79	0.79
	1,619.96	1,139.85

Note 6 : Long-term provisions

		(₹ in lakhs)
Particulars	As at 31.03.2017	As at 31.03.2016
Provision for employees' benefits		
Provision for Leave Encashment	31.66	27.49
Provision for gratuity	24.05	12.67
	55.71	40.16

Note 7 : Trade payables

		(₹ in lakhs)
Particulars	As at 31.03.2017	As at 31.03.2016
Trade payables		
- Due to Micro, Small & Medium Enterprises (Refer note below)	78.90	82.45
- Others	1,922.72	1,385.10
Add: Share in joint venture	0.48	0.11
	2,002.10	1,467.66

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note :

The Company had sought confirmation from the vendors whether they fall in the category of Micro, Small and Medium Enterprises. Based on the information available, the required disclosure for Micro, Small and Medium Enterprises under the MSME Act is given below :

Particulars	As at 31.03.2017	As at 31.03.2016
The principal amount remaining unpaid to any supplier as at the end of accounting year ;	78.90	82.45
interest due thereon remaining unpaid at the end of accounting year*;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

* Interest paid/payable by the Company on the aforesaid principle amount has been waived by the concerned suppliers.

Note 8 : Other current liabilities

Particulars	As at 31.03.2017	As at 31.03.2016
Current maturities of long term debt	2,443.76	1,765.08
Lease deposit become payable within next 12 months	-	1,750.00
Interest accrued but not due on borrowings	236.23	281.70
Payables in respect of capital assets	1,660.29	1,586.28
Employee Benefits Payable	60.54	67.20
Advance from customers	1,234.09	283.41
Duties & taxes payable	377.62	142.53
Other Liabilities	33.12	233.12
	6,045.65	6,109.32

Note 9 : Short term provisions

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for Leave Encashment	6.85	6.02
Provision for gratuity	9.24	7.74
Provision for Tax (Net of Advance Tax & TDS)	121.64	271.71
	137.73	285.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 10 : Fixed assets

(₹ in lakhs)									
a) Tangible Assets									
Particulars	Gross Block			Depreciation				Net Block	
	As at 01.04.2016	Additions during the year	Deduction during the year	Consolidation Adjustments	As at 31.03.2017	Upto 31.03.2016	Provided for the year	Adjustments for the year	Consolidation Adjustments
Owned :									
Leasehold Land	3,795.75	-	-	-	3,795.75	590.09	63.79	-	-
Free hold Land	20,628.90	1.55	-	-	20,630.45	-	-	-	-
Building	169.54	163.00	-	-	332.54	46.50	5.13	-	-
Residential Premises	31.74	-	-	-	31.74	10.85	1.01	-	-
Plant & Equipments	5,668.62	12.02	-	-	5,680.64	3,677.80	462.60	-	53.10
Furniture's & Fittings	616.60	2.58	-	-	619.18	535.18	32.92	-	-
Motor Vehicles	411.49	118.23	-	-	529.72	330.28	61.49	-	-
Painting	8.82	-	-	-	8.82	6.38	0.59	-	-
Computers	146.35	13.02	-	-	159.37	134.22	6.97	-	-
Given on Operating Lease :	31,477.81	310.40	-	-	31,788.21	5,331.30	634.50	-	53.10
Building	17,475.24	-	-	-	17,475.24	6,576.66	596.52	-	-
Total	48,953.05	310.40	-	-	49,263.45	11,907.96	1,231.02	-	53.10
Add: Share in joint ventures	1,158.85	-	-	-	1,158.85	-	-	-	-
Grand Total	50,111.90	310.40	-	-	50,422.30	11,907.96	1,231.02	-	53.10
Previous Year	52,376.84	38.00	2,302.94	-	50,111.90	10,663.30	1,394.71	88.07	61.98

* During the previous year, a portion of land amounting to ₹ 2212.07 Lakhs, which was earlier held as capital assets has been converted into inventory to develop a Residential Project

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

b) Intangible Assets		(₹ in lakhs)				
Particulars	Gross Block			Amortisation		
	As at 01.04.2016	Additions during the year	Deduction during the year	Consolidation Adjustments	As at 31.03.2017	Upto 31.03.2017
Computer Software	26.27	-	-	-	26.27	-
Add: Share in joint venture (Development Rights)	200.00	-	-	-	200.00	-
Total	226.27	-	-	-	226.27	26.27
Previous Year	226.27	-	-	-	200.00	200.00
c) Capital Work in Progress - Project Expenses Pending Capitalisation						
d) Depreciation / Amortisation for the year						
Depreciation provided for the year on tangible assets						
Amortisation provided for the year on intangible assets						
Consolidation adjustments for the year on tangible assets						
Less: Capitalised to the cost of Capital Work in Progress during the year						
					25,324.93	19,301.93
					1,231.02	1,394.71
					-	-
					(53.10)	(61.98)
					1,177.92	1,332.73
					7.28	15.11
					1,170.64	1,317.62

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 11 : Non-current investments

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Investment in property	5.15	5.15
Non-Trade Investments		
Unquoted Equity Instruments		
Choice Realty Private Limited (0.08 Lakh Equity Shares of Face value of ₹ 10 each fully paid up)	50.00	50.00
Anant Trexim Private Limited (0.40 Lakh Equity Shares of Face value of ₹ 10 each fully paid up)	40.00	40.00
Shine Enterprises Private Limited (0.23 Lakh Equity Shares of Face value of ₹ 100 each fully paid up)	598.00	598.00
Sai Golden Ingots Private Limited (0.20 Lakh Equity Shares of Face value of ₹ 100 each fully paid up)	100.00	100.00
Jorko Commodities Private Limited (0.50 Lakh Equity Shares of Face value of ₹ 10 each fully paid up)	25.00	25.00
Madhujas Promotions Private Limited (0.125 Lakh Equity Shares of Face value of ₹ 10 each fully paid up)	10.00	10.00
Sojatia Auto Private Limited (0.165 Lakh Equity Shares of Face value of ₹ 100 each fully paid up)	160.88	160.88
Trade Winds Impex Private Limited (0.20 Lakh Equity Shares of Face value of ₹ 10 each fully paid up)	25.00	25.00
Samriddhi Finvest Advisory Services Private Limited (0.05 lakhs (P.Y. 0.05 lakhs) Equity Shares of ₹ 10/- each fully paid up)	1.00	1.00
Preference Shares (Unquoted)		
Samriddhi Finvest Advisory Services Private Limited (50 lakhs (P.Y. 27.50 lakhs) 9% Non-cumulative, non- Convertible Redeemable Preference shares of ₹ 10/- each fully paid up)	500.00	275.00
	1,515.03	1,290.03
Aggregate book value of unquoted Investments	1,515.03	1,290.03

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 12 : Deferred tax assets (net)

(₹ in lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Deferred Tax Assets (Gross)		
Unabsorbed depreciation	383.17	298.23
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	18.57	11.93
	401.74	310.16
Less:		
Deferred Tax Liabilities (Gross)		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	298.01	183.06
"Impact of income charged to the statement of profit and loss in the current year but allowed for tax purposes on receipt basis - Lease Rental Adjustments - Unbilled Revenue"	-	34.84
	298.01	217.90
Deferred Tax Assets (Net)	103.73	92.26

Note 13 : Long-term loans and advances

(Unsecured, Considered Good, Unless stated otherwise)

(₹ in lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Security deposits	537.03	240.65
Capital advance	211.44	318.73
Mobilisation advances (Refer note (a) below)		
- Unsecured	1,463.07	1,740.53
Loans and advances		
- To related parties (Refer note (b) below)	208.35	208.35
- To others		
- Secured	2,240.67	-
- Unsecured	173.99	174.75
Prepaid Expenses	96.77	-
Advance against projects - Secured (Refer note (c) below)	2,199.69	-
Advance recoverable in cash or in kind (Refer note (d) and (e) below)	2,832.79	2,280.79
Other Loans and Advances		
Advance tax & TDS (net of provisions)	745.01	948.54
MAT Credit Entitlement	140.36	151.35
Balances with government authorities	870.15	873.98
Add: Share in joint venture	12.50	12.50
	11,731.83	6,950.17
Loans and advances given to related parties includes :		
- Joint Venture Company		
Moontown Trading Company Private Limited (Refer note (b) below)	208.35	208.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- a) Mobilisation advances of ₹ 1463.07 Lakhs (PY 1740.53 Lakhs), represents reimbursements to certain parties in respect of the expenditure to be incurred by them in the course of procurement of raw material, procurement of contactors and sub-contractors in relation to development of the planned retail centric mixed used development project.
- b) Loan to JVC represents the amount funded by the Company for various initial project expenses. At present there is no significant progress in the said project. However, there is no impairment in the value of the project.
- c) Advance against projects represents the amount funded by the Company towards real estate projects
- d) Advance Recoverable in Cash or Kind includes a sum of ₹ 150 lakhs (PY ₹ 150 lakhs) due from De Lara Tourism Corporation Limited (DTCL) pursuant to award from a panel of Arbitrators constituted by the Arbitral Tribunal as per the instruction of SC. In view of the Award given by the Arbitral Tribunal, the management had considered ₹ 150 Lakhs as good and fully recoverable. Further, DTCL had challenged this award before the Chief Judge, City Civil Court Hyderabad by filing an appeal. The said appeal is pending.
- e) Advance Recoverable in Cash or Kind also includes advance of ₹ 1992.50 lakhs (PY ₹ 1961.50 lakhs) towards Joint development of real estate projects in Mumbai.

Note 14 : Current investments

(₹ in lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Quoted		
(Valued at lower of cost and fair value, unless stated otherwise)		
Investments in Mutual Funds		
Nil (PY 51.28 Lakhs) units of Birla Sun Life Enhanced Arbitrage fund - Dividend Regular Plan Payout	-	558.19
Nil (PY 15.43 Lakhs) units of Kotak Treasury Advantage Fund - Daily Dividend Regular Plan	-	2,573.74
Nil (PY 239.27 Lakhs) units of Kotak Equity Arbitrage Fund - Monthly Dividend Regular Plan	-	155.53
30.07 Lakhs (PY 93.37 Lakhs) units of Kotak Treasury Advantage Fund - Daily Dividend - Regular Plan	303.07	1,011.11
12.02 Lakhs (PY Nil) units of Birla Sun Life Plus Daily Dividend - Regular	1,204.39	-
Nil (PY 95.61 Lakhs) units of Reliance Arbitrage Advantage Fund - Monthly Dividend Plan	-	1,004.77
0.85 Lakhs (PY 0.34 Lakhs) units Of Reliance Money Manager Fund - Daily Dividend Plan	853.15	337.57
Nil (PY 25,59,835) units of Kotak Treasury Advantage Fund - Daily Dividend Regular Plan	-	258.03
	2,360.61	5,898.94
Less : Provision For Diminution In Investment Value	-	(7.67)
	2,360.61	5,891.27
Aggregate Value of Quoted Investments	2,360.61	5,898.94
Aggregate market value of quoted Investments	2,360.61	5,891.27

Note 15 : Inventories

(Valued at lower of cost and NRV)

(₹ in lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Work In Progress - Construction Project (Refer note no. 22)	18,978.81	17,665.60
	18,978.81	17,665.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 16 : Trade receivables

((Unsecured, Considered Good)

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	3,041.48	3,212.08
Other Debts *	5,786.74	5,700.23
	8,828.22	8,912.31

* includes unbilled receivables of ₹ 2385.44 Lakhs (PY ₹ 3,888.35 Lakhs) in respect of revenue from sale of properties recognised on percentage completion method.

Note 17 : Cash and bank balances

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	1,491.37	1,483.45
Cheques on hand	431.23	67.10
Cash on hand	9.94	22.63
Add: Share in joint venture	0.47	2.97
Other Bank Balances		
Deposits with original maturity for more than 3 months but less than 12 months	252.33	507.26
	2,185.34	2,083.41

Note 18 : Short-term loans and advances

(Unsecured, Considered Good)

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Loans & advances	4,320.64	4,279.91
Advance recoverable in cash or in kind	559.02	648.03
Other loans and advances		
Loan to employees	4.71	7.74
Prepaid expenses	51.97	19.62
	4,936.34	4,955.30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 19 : Other current assets

(₹ in lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Lease Rental Adjustments - Unbilled Revenue	-	105.39
	-	105.39

Note 20 : Revenue from Operations

(₹ in lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Sale of Property		
Revenue from real estate projects	2,992.21	5,687.97
Sale of services		
License Fees	1,839.72	1,618.10
Service charges	1,287.33	1,172.43
Others	159.82	142.69
	6,279.08	8,621.19

Note 21 : Other Income

(₹ in lakhs)		
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Interest on long term loans & advances	798.88	402.22
Interest on fixed deposits	38.45	47.03
Interest on income tax refund	85.29	109.09
Dividend income on current investments	80.86	283.63
Profit on sale of current investments	1.25	-
Reversal of provision for diminution in value of current investments	7.67	-
	1,012.40	841.97

Note 22 : Cost of Construction Project

(₹ in lakhs)		
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Opening Balance	17,665.60	15,578.30
Add:		
Conversion of capital work in progress in to stock in trade	-	776.79
Conversion of land in to stock in trade	-	2,212.07
Construction & development costs	2,727.43	2,907.18
Borrowing costs	1.92	2.11
Administrative & other expenses	725.87	446.62
	21,120.82	21,923.07

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Less:		
Transferred to inventories (Work in progress - construction project)	18,978.81	17,665.60
	18,978.81	17,665.60
	2,142.01	4,257.47

Note 23 : Employee Benefits Expenses

		(₹ in lakhs)
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Salaries and wages	432.89	393.35
Directors' remuneration	180.00	150.00
Contribution to provident fund and other funds	9.73	7.99
Staff welfare expenses	11.39	7.50
Less: Elimination of the cost of services rendered to subsidiaries	328.19	318.69
	305.82	240.15

Note 24 : Finance Costs

		(₹ in lakhs)
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Interest on bank loans	512.46	829.33
Interest on Non Convertible Debentures	54.55	-
Interest on other loans	217.20	184.08
Other borrowing costs	73.13	6.35
	857.34	1,019.76

Note 25 : Other Expenses

		(₹ in lakhs)
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Rent	37.89	85.00
Rates and taxes	179.84	169.36
Insurance	29.73	23.06
Repairs & maintenance		
- building	52.58	30.95
- plant & machinery	55.75	55.53
- others	42.30	45.69
Electricity charges	497.43	546.38
Security charges	113.73	115.93
Housekeeping charges	93.52	92.03
Printing & stationery	6.67	9.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

		(₹ in lakhs)
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Communication costs	18.04	15.61
Legal & professional fees	465.37	382.47
Director Sitting Fees	12.75	16.35
Travelling & conveyance	158.79	128.64
Interest on late payments	17.53	66.26
Brokerage & commission	59.64	50.36
Net loss on sale of current investments	-	7.30
Provision for diminution in value of current investments	-	7.67
Advertisement & business promotion expenses	314.78	252.11
Auditors' remuneration*	65.16	88.68
Loss on sale of Fixed assets	-	1.40
Miscellaneous expenses	51.59	64.84
	2,273.09	2,255.05
Add: Share in Joint Ventures	1.03	0.07
Less: Elimination of the cost of services rendered to subsidiaries	395.60	433.32
	1,878.52	1,821.80

* Auditors' remuneration includes

		(₹ in lakhs)
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Statutory audit fees	41.43	41.30
Tax Audit fees	10.15	10.15
Taxation matters	13.58	37.23
	65.16	88.68

Note 26 : Exceptional items

		(₹ in lakhs)
Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Rates & Taxes of earlier years	-	16.69
	-	16.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Note 27 : Earning Per Share

In accordance with Accounting Standard 20- Earning Per Share, the computation of earning per share is set out below:

		(₹ in lakhs)	
Sr No	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
i)	Number of Equity Shares outstanding (No. in Lakhs)	1,526.03	1,526.03
ii)	Face value per share (in ₹)	2.00	2.00
iii)	Net Profit / (Loss) after tax	598.07	738.06
iv)	Basic and Diluted Earnings per share (in ₹)	0.39	0.48

Note 28 : Accompanying Notes to Accounts

A) Companies considered in the consolidated financial statement are:

a) Subsidiaries :

Name of Company	Held Through	Date of Becoming Subsidiary	Country of Incorporation	% Voting Power held As on 31.03.2017	% Voting Power held As on 31.03.2016
Alliance Mall Developers Co Private Limited (AMDPL)	1	31-Aug-07	India	61.50	61.50
Omni Infrastructure Private Limited (OIPL)	2	04-May-07	India	60.00	60.00
Hagwood Commercial Developers Private Limited (HCDPL)	2	07-May-07	India	61.50	61.50
Empire Mall Private Limited (EMPL) (refer Note (i) below)	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	-
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)) (refer Note (ii) below)	3	14-Sep-07	India	100.00	100.00
Kruti Multitrade Private Limited (KMPL)	1	15-Nov-11	India	100.00	100.00
Prozone Liberty International Limited (PLIL)	1	17-Oct-07	Singapore	100.00	100.00
Prozone Overseas Pte Limited (POPL)	2	23-Jan-08	Singapore	100.00	100.00
Prozone International Coimbatore Limited (PICL)	2	02-Oct-09	Singapore	100.00	100.00

Note (i) - During the previous year, Empire Mall Private Limited (EMPL), a step down subsidiary of company had offered 5,92,59,260 equity shares at a price of ₹ 27/- per share (including premium of ₹ 17/- per share) to its existing shareholders on pro-rata basis by way of a rights issue, aggregating to a total right issue size of ₹ 160 Crore. Prozone Liberty International Limited, Singapore (PLIL - S) (an immediate Holding Company of EMPL and a wholly-owned Subsidiary of the Company) had not subscribed to 3,64,44,445 shares offered to it which resulted into reduction of PLIL-S holding in EMPL to 34.71% from 61.50% (pre-rights issue allotment holding) and PLIL - S ceased to have control in terms of ownership from September 26, 2015 (Being date of allotment of share by EMPL pursuant to right issue). However, EMPL continues to be a step down subsidiary of the Company being PLIL - S continues to control the composition of majority of the directors on the board of directors of EMPL.

Note (ii) - Upto 18th March, 2017 the subsidiary was directly held by Prozone Intu Properties Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

b) Joint Ventures:

Name of Company	Held Through	Country of Incorporation	% Voting Power held	As on 31.03.2017		Year ended 31.03.2017	
				Assets	Liabilities	Income	Expenditure
Emerald Buildhome Private Limited (EBPL)	2	India	50.00	1,375.40	0.43	-	1.07
Moontown Trading Company Private Limited (MTCPL)	1	India	25.00	-	-	-	-

Name of Company	Held Through	Country of Incorporation	% Voting Power held	As on 31.03.2016		Year ended 31.03.2016	
				Assets	Liabilities	Income	Expenditure
Emerald Buildhome Private Limited (EBPL)	2	India	50.00	1,376.19	0.15	-	0.04
Moontown Trading Company Private Limited (MTCPL)	1	India	25.00	212.51	70.40	-	0.03

Held Through

- 1 Prozone Intu Properties Limited
- 2 Prozone Liberty International Limited, Singapore
- 3 Royal Mall Private Limited

B) Employees Defined Benefits:

The disclosure as required under Accounting Standard 15 regarding the employee's retirement benefits plan for gratuity is as follows:

Defined Benefit Plans – As per Actuarial Valuation

Particulars	As on 31.03.2017	As on 31.03.2016	As on 31.03.2017	As on 31.03.2016
	Gratuity		Leave Encashment	
Discount rate	7.00%	7.80%	7.80%	7.80%
Expected rate of return on assets	7.00%	9.50%	10.00%	10.00%
Expected rate of future salary increase	5.10%	5.10%	5.10%	5.10%
Changes in present value of obligations				
Present value of obligation as at the beginning of the year	43.93	29.88	33.51	24.05
Interest cost	3.00	2.26	2.38	1.88
Transfer In/(Out)	-	0.86	-	-
Current service cost	6.01	11.86	10.32	9.57
Benefits paid	(4.94)	(1.56)	(1.01)	(3.30)
Actuarial loss on obligations	9.14	0.63	(6.68)	1.32
Present value of obligation as at the end of the year	57.14	43.93	38.51	33.51
(Assets) / Liability recognized in the Balance Sheet				
Present value of obligation as at the end of the year	57.14	43.93	38.51	33.51
Fair value of plan assets as at the end of the year	23.85	23.52	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Particulars	As on 31.03.2017	As on 31.03.2016	As on 31.03.2017	As on 31.03.2016
	Gratuity		Leave Encashment	
Unfunded status	33.29	20.41	38.51	33.51
Unrecognized actuarial (gain) / loss	-	-	-	-
Net (Assets)/ Liabilities recognized in the Balance Sheet	33.29	20.41	38.51	33.51
- Non-Current (Assets) / Liabilities	24.05	12.67	31.66	27.49
- Current (Assets) / Liabilities	9.24	7.74	6.85	6.02
Expenses recognized in the Profit and Loss Account				
Current service cost	6.01	8.59	10.32	9.57
Past service cost	-	-	-	-
Interest cost	3.00	2.26	2.38	1.88
Expected return on plan assets	(2.02)	-	-	-
Actuarial (Gain) / Loss on obligations	9.14	0.63	(6.68)	1.32
Actuarial (Gain) / Loss on plan assets	0.28	0.29	-	-
Total expenses recognized *	16.41	11.76	6.02	12.77
* Apportionment of Gratuity expenses :				
Expense recognised in Statement of Profit and Loss	15.06	1.78	2.17	8.29
Expenses apportioned to Capital work in progress	1.35	9.98	3.85	4.47
	16.41	11.76	6.02	12.77

Particulars	Gratuity				
	Year Ended 31.03.2017	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2013
Defined benefit obligation	57.14	43.93	33.66	22.57	27.03
Plan assets	23.85	23.52	19.14	18.96	21.80
Surplus/(deficit)	17.14	14.52	14.52	3.62	5.22
Experience adjustments on plan liabilities	0.60	(4.06)	(4.06)	(6.87)	2.03
Experience adjustments on plan assets	0.28	0.13	0.13	2.52	(0.65)
Actuarial gain/(loss) due to change in assumption	0.04	2.51	2.51	(1.19)	(0.36)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

C) Related Party Disclosure:

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are details of transactions during the year with the related parties of the Company as defined in AS 18:

List of Related Parties :

i) Key Management Personnel

Mr. Nikhil Chaturvedi	Managing Director
Mr. Salil Chaturvedi	Dy. Managing Director
Mr. Anurag Garg	Chief Financial Officer
Ms. Snehal Bansode (Up to 30 th November, 2015)	Company Secretary
Mr. Ajayendra Jain (From 1 st December, 2015)	Company Secretary & Chief Compliance Officer

ii) Relative of Key Management Personnel :-

- Mr. Akhil Chaturvedi

iii) Enterprises having significant influence with whom the Company has entered into transactions during the year :-

- Provogue (India) Limited

iv) Joint Ventures and Coventurers :-

- Emerald Buildhome Private Limited (JV)
- Moontown Trading Company Private Limited (JV)

Related Party Transactions

Particulars	Year ended 31 st March, 2017		Year ended 31 st March, 2016	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
(I) Transactions				
"Sale of Goods /Services"				
<u>Enterprises having significant influence</u>	1.20		2.11	
Provogue (India) Limited		1.20		2.11
"Purchase of Goods /Services"				
<u>Enterprises having significant influence</u>	36.00		85.00	
Provogue (India) Limited		36.00		85.00
Loan Given				
<u>Joint Ventures and Coventurers</u>	-		0.23	
Moontown Trading Company Private Limited. (JV)		-		0.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in lakhs)

Particulars	Year ended 31 st March, 2017		Year ended 31 st March, 2016	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
Remuneration				
<u>Remuneration to Key Management Personnel</u>	238.24		194.15	
Mr. Nikhil Chaturvedi		120.00		90.00
Mr. Salil Chaturvedi		60.00		60.00
Mr. Anurag Garg		31.89		29.58
Ms. Ajayendra Jain		26.35		8.42
Director Sitting Fees	1.50		5.35	
Mr. Akhil Chaturvedi		1.50		5.35
(II) Balance outstanding at the end of the year				
Trade Payables				
<u>Enterprises having significant influence</u>	61.08		21.56	
Provogue (India) Limited		61.08		21.56
Lease Rental Deposit Taken				
<u>Enterprises having significant influence</u>	7.27		7.27	
Provogue (India) Limited		7.27		7.27
Loan Given				
Joint Ventures and Coventurers	208.35		208.35	
Moontown Trading Company Private Limited. (JV)		208.35		208.35
Loan Taken				
<u>Joint Ventures and Coventurers</u>	864.79		864.79	
Emerald Buildhome Private Limited.(JV)		864.79		864.79
Remuneration Payable	2.45		8.36	
Mr. Salil Chaturvedi		-		3.66
Mr. Anurag Garg		0.35		2.60
Mr. Ajayendra jain		2.10		2.10

* "Major Parties" denotes who account 10% or more of the aggregate for that category of transaction

Note: Related Parties are as disclosed by the Management and relied upon by the auditors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

D) Segment information:

The Segment Reporting of the Company had been prepared in accordance with Accounting Standard – 17 on “Segment Reporting

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

(₹ in lakhs)

Particulars	Leasing	Outright Sales	Total
For the year ended 31st March, 2017			
Revenue	3,286.87	2,992.21	6,279.08
Results			
Segment Results	817.25	601.72	1,418.97
Unallocated Expenses			636.88
Operation Profit			782.09
Finance Costs			857.34
Other Income			(1,012.40)
Exceptional Items			-
Profit / (Loss) Before Tax			937.15
Tax Expense			187.88
Net Profit / (Loss) for the year			749.27
As at 31st March, 2017			
Segment Assets	41,272.55	27,722.13	68,994.68
Unallocated Assets			55,483.63
Total Assets (A)			1,24,478.31
Segment Liabilities	26,163.86	4,461.13	30,624.99
Unallocated Liabilities			38,264.53
Total Liabilities (B)			68,889.52
Capital Employed (A) - (B)			55,588.79
Other segment information:			
Depreciation & Amortisation expense	1,006.10	-	1,006.10
Unallocated Depreciation & Amortisation expense			164.54
Total Depreciation & Amortisation			1,170.64
Capital Expenditure	167.60	142.80	310.40
Unallocated Capital Expenditure			6,023.00
Total Capital Expenditure			6,333.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

(₹ in lakhs)			
Particulars	Leasing	Outright Sales	Total
For the year ended 31st March, 2016			
Revenue	2,933.22	5,687.97	8,621.19
Results			
Segment Results	258.67	1,196.47	1,455.14
Unallocated Expenses			470.99
Operation Profit			984.15
Finance Costs			1,019.76
Other Income			(841.97)
Exceptional Items			16.69
Profit / (Loss) Before Tax			789.67
Tax Expense			372.21
Net Profit / (Loss) for the year			417.46
As at 31st March, 2016			
Segment Assets	36,313.70	26,749.46	63,063.16
Unallocated Assets			53,564.59
Total Assets (A)			1,16,627.75
Segment Liabilities	26,749.67	3,300.91	18,540.89
Unallocated Liabilities			34,894.52
Total Liabilities (B)			61,550.95
Capital Employed (A) - (B)			55,076.80
Other segment information:			
Depreciation & Amortisation expense	1,163.62	1.28	1,164.90
Unallocated Depreciation & Amortisation expense			152.72
Total Depreciation & Amortisation			1,317.62
Capital Expenditure	10.06	27.93	3,336.85
Unallocated Capital Expenditure			6,435.14
Total Capital Expenditure			9,771.99

The Company's business consists of one reportable geographic segment i.e., "Domestic", hence no separate disclosures pertaining to attributable Revenues and Assets are given

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

E) The Company's step down subsidiary has given its premises on operating lease and entered in to non-cancellable leave and License agreements with various parties. The disclosure required to be made in accordance with Accounting Standard 19 on "Leases".

a) Future minimum lease payments receivable under non-cancellable operating leases in aggregate for the following periods:

Particulars	(₹ in lakhs)	
	As at 31.03.2017	As at 31.03.2016
Not later than one year	-	269.78
Later than one year and not later than five years	-	-

b) Initial direct costs incurred on these leasing transactions have been recognised in the Profit and Loss Account.

F) The financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards. The differences in accounting policies of the Company and its subsidiaries are not material and hence no adjustment have been made in the Consolidated Financial Statements.

G) Contingent Liabilities not provided for :

- i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 8,614.43 lakhs (PY ₹ 12,550.27 lakhs).
- ii) Guarantee given by Bank on behalf of group ₹ 135.60 Lakhs (PY ₹ 125.60 Lakhs).
- iii) Claims against the group, not acknowledged as debts ₹ 10.13 Lakhs (PY ₹ 177.17 Lakhs).
- iv) Disputed demands in respect of Income Tax (Interest thereon ascertainable at present) ₹ 167.78 Lakhs (PY ₹ 281.31 Lakhs)
- v) Disputed demand in respect of Property tax amounting to ₹ 72.62 Lakhs (PY ₹ 72.62 Lakhs) . (The Company has paid under protest ₹ 36.31 Lakhs (PY ₹ 36.31 Lakhs))
- vi) Disputed demand in respect of electricity charges amounting to ₹ 644.66 Lakhs (PY ₹ Nil) . (The Company has filed appeal against the same and deposited under protest ₹ 322.33 Lakhs on 3rd May, 2017 against the same (PY ₹ Nil))

H) Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint Ventures :

Particulars	(₹ in lakhs)	
	Year ended 31 st March, 2017	
	Net Assets (Total Assets minus Total Liabilities)	
	As % of Consolidated Net Assets	Net Assets
Share in Profit or loss		
As % of Consolidated Profit or Loss		
Profit / (Loss)		
Parent		
Prozone Intu Properties Limited	20.69	18,141.83
Indian Subsidiaries		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

Particulars	Year ended 31 st March, 2017		Year ended 31 st March, 2016	
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or loss	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit / (Loss)
Direct Subsidiaries				
Alliance Mall Developers Co Private Limited	14.46	12,675.59	1.62	12.12
Royal Mall Private Limited	(0.00)	(0.05)	(0.30)	(2.25)
Kruti Multitrade Private Limited	0.01	5.64	(1.11)	(8.29)
Prozone Developers and Realtors Private Limited (Formerly known as Classique Creators Private Limited) (PDRPL)	1.71	1,499.34	46.31	346.97
Indirect Subsidiaries				
Hagwood Commercial Developers Private Limited	10.72	9,400.67	41.97	314.46
Empire Mall Private Limited	6.30	5,521.74	3.17	23.77
Omni Infrastructure Private Limited	7.87	6,895.88	0.46	3.47
Prozone Intu Developers Private Limited (Formerly known as Jaipur Festival City Private Limited)	0.01	11.29	(6.34)	(47.49)
Foreign Subsidiaries				
Direct Subsidiaries				
Prozone Liberty International Limited	(0.17)	(149.70)	(2.86)	(21.45)
Indirect Subsidiaries				
Prozone Overseas Pte Limited	-	-	-	-
Prozone International Coimbatore Limited	-	-	-	-
Minority Interest in all subsidiaries	36.59	32,083.00	20.18	151.20
Joint Venture (Indian)(as per proportionate Consolidation)				
Direct				
Moontown Trading Co. Private Limited	0.24	211.59	(0.01)	(0.04)
Indirect				
Emerald Build Home Private limited	1.57	1,374.97	(0.14)	(1.07)
TOTAL	100.00	87,671.79	100.00	749.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- I) Details of Specified Bank Notes (SBN) and other denomination notes held and transacted during the period from November 8, 2016 to December, 30 2016 as required by the MCA notification G.S.R. 308(E) dated March 31, 2017 is as below :

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	5.46	3.92	9.38
(+) Permitted receipts	-	15.17	15.17
(-) Permitted payments	-	7.52	7.52
(-) Amount deposited in Banks	5.46	0.74	6.20
Closing cash in hand as on 30.12.2016	-	10.83	10.83

- J) Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof :
- a) Gross amount required to be spent by the group during the year ₹ 21.19 lakhs (P.Y. Nil)
- b) Amount spent during the year on CSR activity: The amount is yet to be spent as the Group is in process of identifying the activities on which amount could be spent.

K) Disclosure with regards to section 186 (4) of the Companies Act, 2013

- i) For Investment refer note no. 13.
- ii) For Loans given :

Particulars	Rate of Interest	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Inter Corporate Deposits	9%-17%	4,854.17	2,669.28
Total		4,854.17	2,669.28

Note : Above disclosures do not include unsecured loans (including interest) granted before enforcement of Companies Act, 2013 amounting to ₹ 2,101.98 lakhs (PY ₹ 2,006.23 lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

- L)** The name of the Company has been changed from 'Prozone Capital Shopping Centres Limited' to 'Prozone Intu Properties Limited' vide special resolution passed through postal ballot on 12th June, 2014. The Registrar of Companies, Mumbai has issued a fresh Certificate of Incorporation to this effect on 24th July, 2014, being the effective date of change of name of the company.
- M)** Figures less than ₹ 500/- have been shown at actual wherever statutory required to be disclosed since figures have been rounded off to the nearest thousands.
- N)** The Company has re-grouped, reclassified and/or re-arranged previous year's figures, wherever necessary to conform to current year's classification.

For **S G C O & Co. LLP**
Chartered Accountants

Shyamratan Singrodia
Partner
Mem. No. 49006

Place : Mumbai
Date : 19th May, 2017

For and on behalf of the Board

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Anurag Garg
Chief Financial Officer

Bipin Gurnani
President

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Ajayendra Jain
Company Secretary & CCO

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

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															(₹ In Lakhs)
S.No.	Subsidiary Company	Note	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover (Including other income)	Profit / (Loss) before taxation	Tax Expense	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	Alliance Mall Developers Co Private Limited		INR	1.00	395.73	20,392.86	41,102.53	20,313.94	648.00	217.82	25.92	6.25	19.67	-	61.50
2	Royal Mall Private Limited		INR	1.00	1.00	(0.86)	4.82	4.68	1.00	3.75	2.12	0.63	1.49	-	100.00
3	Kruti Multitrade Private Limited		INR	1.00	1.00	(40.43)	5.88	45.31	5.16	-	(8.43)	(0.01)	(8.42)	-	100.00
4	Prozone Liberty International Limited		USD	64.84	26,140.48	1,046.42	27,511.67	324.77	27,498.57	-	(21.45)	-	(21.45)	-	100.00
5	Prozone Overseas Pte Limited	1, 2	USD	64.84	-	-	-	-	-	-	-	-	-	-	100.00
6	Prozone International Coimbatore Limited	1, 3	USD	64.84	-	-	-	-	-	-	-	-	-	-	100.00
7	Omni Infrastructure Private Limited	1	INR	1.00	4.00	5,893.48	10,119.16	4,221.68	360.88	5.99	5.79	-	5.79	-	60.00
8	Hagwood Commercial Developers Private Limited	1	INR	1.00	1,541.50	22,752.15	26,090.82	1,797.17	5,600.00	3,069.46	647.00	169.30	477.70	-	61.50
9	Prozone Developers and Realtors Private Limited (Formerly known as Classique Creators Private Limited) (PDRPL)		INR	1.00	5.00	1.22	4,989.76	4,983.54	-	433.73	3.18	1.06	2.12	-	
10	Prozone Intu Developers Private Limited (PIDPL) (Formerly known as Jaipur Festival City Private Limited (JFCPL))	6	INR	1.00	1.00	(47.46)	17.04	63.49	-	2.50	(46.00)	-	(46.00)	-	100.00
11	Empire Mall Private Limited	1, 7	INR	1.00	13,602.25	5,379.71	28,661.28	9,679.32	-	3,329.16	(65.23)	-	(65.23)	-	34.71

Notes:

- 1 Held through Prozone Liberty International Limited (Singapore)
- 2 Capital is ₹ 40
- 3 Capital is ₹ 48
- 4 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 31.03.2017.
- 5 Tax expense includes deferred tax
- 6 From 18th March, 2017 held through Royal Mall Private Limited
- 7 Refer note no. 28 (A)(i).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2017

PART- B - Joint Venture		(₹ In Lakhs)				
S.No.	Name of the Joint Ventures	Latest audited Balance Sheet Date	Share of the Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence
			No. of Shares	Amount Invested in Joint Ventures	Extent of Holding %	
1	Moontown Trading Company Private Limited	31-Mar-17	20,02,500	200.25	25	142.06
2	Emerald Build Home Private Limited	31-Mar-16	50,00,000	4,077.97	50	895.91
			Considered in consolidation		0.04	0.11
			Not considered in consolidation		1.08	1.08
			Networth attributable to Shareholding as per Latest audited balance sheet		Note 1	
					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 & CCO

Bipin Gurnani
President

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017(Consolidated)
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	SN	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lakhs)
	1.	Turnover / Total income	7,291.48	7,291.48
	2.	Total Expenditure	6,542.21	6,542.21
	3.	Net Profit/(Loss) after taxes, minority interest and share of profit / (loss) of associates	598.07	598.07
	4.	Earnings Per Share	0.39	0.39
	5.	Total Assets	1,24,478.31	1,24,478.31
	6.	Total Liabilities	68,889.52	68,889.52
	7.	Net Worth	55,588.79	55,588.79
	8.	Any other financial item(s) (as felt appropriate by the management)	NA	NA
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification: Annual Consolidated Financial Statements includes unaudited financial statements of one subsidiary and one joint venture Company.			
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion			
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing : Since financial year 2013-14			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: N.A.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: Not ascertainable			
	(ii) If management is unable to estimate the impact, reasons for the same: The impact can be known once Audited Financials are received from Management of respective companies.			
	(iii) Auditors' Comments on (i) or (ii) above: In the absence of audited financials of material component we are unable to comment upon the impact on the financial statements. The same is required to be qualified as per announcement of the ICAI also.			

For **S G C O & Co. LLP**
Chartered Accountants

For and on behalf of the Board

Shyamratan Singrodia
Partner
Mem. No. 49006

Nikhil Chaturvedi
Managing Director

Ms. Deepa Harris
Audit Committee Chairman

Place : Mumbai
Date : 19th May, 2017

Anurag Garg
Chief Financial Officer

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**

(Erstwhile "Prozone Capital Shopping Centres Limited")

CIN: L45200MH2007PLC174147

Reg. Office: 105/106, Ground Floor, Dream Square, Dalia Industrial Estate, Off New Link Road, Andheri West, Mumbai – 400053.

Ph: +91-22-30653111 Fax: +91-22-30680570 Email: investorservice@prozoneintu.com

Website: www.prozoneintu.com

Name of the Member(s)	
Registered Address	
Folio No/Client id	
DP ID	
Email ID	

I/ We being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name : _____
 Address : _____
 E-mail Id : _____
 Signature : _____

or failing him/her

2. Name : _____
 Address : _____
 E-mail Id : _____
 Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10th Annual General Meeting of members of the Company, to be held on Thursday, 28th September 2017 at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West), Mumbai - 400053 at 1.00 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 st March 2017 including audited Balance Sheet as at 31 st March, 2017 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. David Andrew Fischel (DIN: 01217574), who retires by rotation and being eligible, offers himself for re-appointment.
3	To appoint the statutory Auditors of the Company and fix their remuneration
4	Re-appointment of Mr. Nikhil Chaturvedi, (DIN:00004983) as Managing Director of the Company for a further period of 3 years with effect from 27 th February 2017
5	Re-Appointment of Mr. Salil Chaturvedi (DIN:00004768), as Dy. Managing Director w.e.f 27 th February, 2017 for period of 3 years

Signed this _____ day of _____ 2017.

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

(Erstwhile "Prozone Capital Shopping Centres Limited")

CIN: L45200MH2007PLC174147

Reg. Office: 105/106, Ground Floor, Dream Square, Dalia Industrial Estate, Off New Link Road, Andheri West, Mumbai – 400053.

Ph: +91-22-30653111 Fax: +91-22-30680570 Email: investorservice@prozoneintu.com

Website: www.prozoneintu.com

10th Annual General Meeting

ATTENDANCE SLIP

Folio/ DP & Client ID No.

No. of shares held

Mr. / Ms./Mrs.

Address:

I hereby record my presence at the 10th Annual General Meeting of the Company held at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (W) Mumbai - 400 053 at 1.00 p.m. on Thursday 28th September 2017.

(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.

Email Address :

Thanking you,

Yours truly,
Name of Sole / First Holder

Signature:



Registered Office

Prozone Intu Properties Limited
105/106, Ground Floor, Dream Square,
Dalia Industrial Estate, Off New Link
Road, Andheri West, Mumbai – 400053.

CIN: L45200MH2007PLC174147

www.prozoneintu.com

investorservice@prozoneintu.com



www.dickensonworld.com

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