THE PHOENIX MILLS LIMITED

**Corp. Office:** Shree Laxmi Woolen Mills Estate, 2nd Floor,
R.R. Hosiery, Off Dr. E. Moses Rd. Mahalaxmi, Mumbai - 400 011
Tel: (022) 3001 6600 Fax : (022) 3001 6601
CIN No. : L17100MH1905PLC000200

March 30, 2021

**To,**

**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai- 400 001

Security code: 503100

**National Stock Exchange of India Limited**
Exchange Plaza,
Bandra-Kurla Complex, Bandra East,
Mumbai- 400051

Symbol: PHOENIXLTD

Dear Sir/Madam,

**Sub: Notice of Meeting of the Equity Shareholders of The Phoenix Mills Limited to be convened pursuant to the directions of Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated March 17, 2021**

Pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its Order dated March 17, 2021 in the matter of Company Application No. 1022/MB/2020 in Company Scheme Application No. 4075/MB/2019, we wish to inform you that a meeting of the Equity shareholders of The Phoenix Mills Limited **("Transferee Company")** will be held on Friday, April 30, 2021 at 11:00 a.m. (IST) **("Meeting")** through Video Conferencing or Other Audio Visual Means **("VC/ OAVM")**, following the operating procedures (with requisite modifications as may be required) referred to in Circular No.14/2020 dated April 8, 2020 read with Circular Nos. 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020 and Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs, Government of India **("MCA Circulars")**, for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation (Merger by Absorption) of Phoenix Hospitality Company Private Limited **("the Transferor Company")** with the Transferee Company and their respective shareholders **(the "Scheme" or "Scheme of Amalgamation")** under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 **(the "Act")**.

Pursuant to the provisions of Section 230(4), 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Rule 6(3)(xi) and Rule 9 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (as amended from time to time), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and other applicable provisions, if any, of the Act and of SEBI Listing Regulations, and the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, the Company will also be offering remote e-voting facility (prior to the Meeting) and e-voting during the Meeting to the Equity shareholders (including the public shareholders) to cast their votes on the resolution set forth in the Notice. The Company has appointed Central Depository Services (India) Limited **('CDSL')** to provide remote e-voting facility and e-voting during the Meeting, as well as to enable the equity shareholders to attend and participate in the Meeting through VC/OAVM.

The remote e-voting commences on Wednesday, March 31, 2021 at 9:00 a.m. (IST) and ends on Thursday, April 29, 2021 at 5:00 p.m. (IST)

THE PHOENIX MILLS LIMITED

**Corp. Office:** Shree Laxmi Woolen Mills Estate, 2nd Floor,
R.R. Hosiery, Off Dr. E. Moses Rd. Mahalaxmi, Mumbai - 400 011
Tel: (022) 3001 6600 Fax : (022) 3001 6601
CIN No. : L17100MH1905PLC000200

The voting rights for the purposes of remote e-voting or e-voting facility during the Meeting, shall be reckoned on the basis of the paid-up value of the equity shares registered in the name of the equity shareholder as on Friday, March 26, 2021 **("Cut-off Date")**.

Further, in compliance with the first proviso to Section 230(3) of the Act, Rule 7 of Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 (as amended from time to time) and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose a copy of the Notice of the Meeting of Equity Shareholders along with the explanatory statement and other relevant annexures which have been sent to the Equity Shareholders of the Company.

The detailed instructions for joining the Meeting through VC/ OAVM, manner of casting vote through remote e-voting and through e-voting during the Meeting, are given in the enclosed notice of the Meeting.

The aforesaid documents have been dispatched electronically only to those Equity Shareholders whose e-mail addresses are registered with the Company/Link Intime India Private Limited **("Registrar and Share Transfer Agents")** or the National Securities Depository Limited **('NSDL')** / Central Depository Services (India) Limited **('CDSL')** as on the Cut- off Date, and said documents will also be available on the website of the Company.

This intimation is also being uploaded on the Company's website at http://www.thephoenixmills.com.

You are requested to take the aforesaid information on your record.

**Yours Faithfully,**
**For The Phoenix Mills Limited**

Gajendra Mewara
Digitally signed by Gajendra Mewara
Date: 2021.03.30 22:14:02 +05'30'

**Gajendra Mewara**
**Company Secretary**

**Encl.:** As above

**THE PHOENIX MILLS LIMITED**
Registered Office: 462 Senapati Bapat Marg, Lower Parel, Mumbai - 400013
CIN: L17100MH1905PLC000200
website: www.thephoenixmills.com
e-mail: secretarial@phoenixmills.com; Tel: 022 3001 6600

# NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF THE PHOENIX MILLS LIMITED CONVENED PURSUANT TO THE ORDER DATED MARCH 17, 2021 OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

| **MEETING:** | |
|---|---|
| Day | Friday |
| Date | April 30, 2021 |
| Time | 11.00 AM (IST) |
| Mode of Meeting | In view of the CoVID-19 pandemic and related social distancing norms and as per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench, the Meeting shall be conducted through Video Conferencing / Other Audio Visual Means. |
| **REMOTE E-VOTING** | |
| Commencing on | Wednesday, March 31, 2021 at 9.00 AM (IST) |
| Ending on | Thursday, April 29, 2021 at 5.00 PM (IST) |


| Sr. No. | Contents | Page Nos. |
|---|---|---|
| 1. | Notice Convening Meeting of the Equity Shareholders of The Phoenix Mills Limited ('the Company' or 'the Transferee Company' or 'the Applicant' or 'PML') pursuant to the Order dated March 17, 2021 of National Company Law Tribunal, Mumbai Bench. | 2-8 |
| 2. | Explanatory Statement under Section 230, Section 232 and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013. | 9-23 |
| 3. | **Annexure A**<br>Scheme of Amalgamation between Phoenix Hospitality Company Private Limited **('the Transferor Company'** or **'PHCPL')** and the Company and their respective Shareholders ('Scheme') under Section 230 to 232 read with other applicable provisions of the Companies Act, 2013. | 24-75 |
| 4. | **Annexure B**<br>Joint Valuation Report dated August 7, 2019 of B S R & Associates LLP, Chartered Accountants and Bansi S. Mehta & Co., Chartered Accountants. | 76-87 |
| 5. | **Annexure C**<br>Valuation Report dated August 6, 2019 by Ms. Drushti R. Desai, the Registered Valuer on the Share Exchange Ratio. | 88-97 |
| 6. | **Annexure D**<br>Fairness Opinion dated August 7, 2019 issued by Kotak Mahindra Capital Company Limited, Merchant Banker. | 98-100 |
| 7. | **Annexure E**<br>Copy of the Observation Letters dated November 4, 2019 from BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') respectively conveying no objection to the Scheme. | 101-104 |
| 8. | **Annexure F**<br>Complaints Report dated October 11, 2019 submitted by the Company to BSE, NSE and also uploaded on the Company's website. | 105-108 |
| 9. | **Annexure G**<br>Reports adopted by the Board of Directors of the Transferee Company and the Transferor Company as per the provisions of Section 232(2)(c) of the Companies Act, 2013. | 109-114 |
| 10. | **Annexure H**<br>Applicable Information of the Transferor Company in the format specified for the Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018. | 115-124 |
| 11. | **Annexure I**<br>Supplementary Unaudited Accounting Statements of the Transferee Company and the Transferor Company for the nine months ended December 31, 2020. | 125-134 |

FORM NO. CAA. 2
[Pursuant to Section 230(3) and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

**COMPANY APPLICATION NO. 1022/MB/2020**

**IN**

**COMPANY SCHEME APPLICATION NO. 4075/MB/2019**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder;

AND

In the matter of Scheme of Merger by Absorption of PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED **("the Transferor Company")**

With

THE PHOENIX MILLS LIMITED (**"the Transferee Company")**

AND THEIR RESPECTIVE SHAREHOLDERS.

| | |
|---|---|
| THE PHOENIX MILLS LIMITED<br>a company registered under Act No. VI of 1882 of<br>the Legislative Council of India with the Registrar of<br>Joint Stock Companies having its registered<br>office at, 462, Senapati Bapat Marg,<br>Lower Parel (West), Mumbai – 400 013<br>CIN: L17100MH1905PLC000200 | )<br>)<br>)<br>)<br>)<br>)<br>)…Applicant Company/<br>Transferee Company |

**NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF THE PHOENIX MILLS LIMITED**

To,
The Equity Shareholders of The Phoenix Mills Limited

**NOTICE** is hereby given that the Mumbai Bench of the Hon'ble National Company Law Tribunal **('NCLT' or 'Tribunal')** vide its Order dated March 17, 2021, in the aforementioned Company Scheme Application **('NCLT Order or 'Order')**, has directed that a Meeting of the Equity Shareholders of The Phoenix Mills Limited **('Transferee Company' or 'PML')** (hereinafter referred to as the **'Meeting'**) be held for the purpose of considering, and, if thought fit, approving with or without modification, the arrangement embodied in the Scheme of Amalgamation (Merger by Absorption) of Phoenix Hospitality Company Private Limited **('Transferor Company' or 'PHCPL')** with the Transferee Company and their respective shareholders **('Scheme' or 'Scheme of Amalgamation'),** pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

**TAKE FURTHER NOTICE** that in pursuance of the said NCLT Order and as directed therein, a Meeting of Equity shareholders of the Transferee Company is scheduled to be held on Friday, April 30, 2021 at 11.00 A.M. (IST) through Video Conferencing / Other Audio Visual Means **('VC/OAVM')** following the operating procedures (with requisite modifications as may be required) referred to in Circular No.14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020 and Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs, Government of India **('MCA Circulars')** and read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India **("SEBI Circulars")** and in compliance with applicable provisions of the Companies Act, 2013 **('Act')** and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('SEBI Listing Regulations')**.

Equity Shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following Resolution pursuant to Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force) with requisite majority as prescribed under Section 230(1),

230(6) and 232(1) of the Act and SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended:

> *"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India, the respective Observation Letters dated November 4, 2019 issued by BSE Limited and National Stock Exchange of India Limited and provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Mumbai Bench **('NCLT')**, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this Resolution), the proposed arrangement embodied in the Scheme of Amalgamation (Merger by Absorption) of Phoenix Hospitality Company Private Limited **('the Transferor Company')** with The Phoenix Mills Limited **('the Transferee Company')** and their respective shareholders **('the Scheme' or 'Scheme of Amalgamation')** be and is hereby approved;*
>
> ***RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the Scheme, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

**TAKE FURTHER NOTICE** that in compliance with the provisions of (i) Section 230(4) read with Sections 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended; (ii) Rule 6(3)(xi) and Rule 9 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (iv) Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India, the Transferee Company has provided the facility of remote electronic voting **('remote e-voting')** prior to the Meeting and e-voting during the Meeting using the facility offered by Central Depository Services (India) Limited **("CDSL")** so as to enable the Equity Shareholders (which includes public shareholders) to consider and approve the Scheme by way of the aforesaid Resolution. Accordingly, the Equity Shareholders may cast their votes either through remote e-voting or through e-voting during the Meeting being held through VC/OAVM by assenting or dissenting to the said Resolution.

**TAKE FURTHER NOTICE** that copy of the Scheme, the Explanatory Statement pursuant to Section 230(3) read with Section 102 and Section 232(2) of the Act and Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 along with all annexures as indicated in the index to such statement are enclosed herewith. A copy of this Notice and the accompanying documents are also placed on the website of the Company viz. www.thephoenixmills.com and will also be available on the website of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively and also on the website of CDSL at www.evotingindia.com, being the agency appointed by the Company to provide e-voting and other facilities for convening the Meeting and can also be obtained free of charge on any working day (except Saturday, Sunday and Public Holidays) between 11:00 a.m. to 4:00 p.m., from the Registered Office of the Transferee Company and/or at the Corporate Office of the Transferee Company at 2nd Floor, R. R. Hosiery Building, Shree Laxmi Woollen Mills Compound, Opp. Shakti Mills, Off Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011 or at the office of its Advocates, M/s. Kanga & Co. having address at Readymoney Mansion, 43, Veer Nariman Road, Fort, Mumbai - 400 001.

**TAKE FURTHER NOTICE** that since the physical attendance of Equity Shareholders has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Equity Shareholders under Section 105 of the Companies Act, 2013 will not be available for the said Meeting and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

The voting rights of the Equity Shareholders shall be in proportion to their share in the paid-up equity share capital of the Transferee Company as on March 26, 2021, being the cut-off date. The Equity Shareholders may refer to the Notes of this Notice for further details on remote e-voting and e-voting during the Meeting.

The NCLT has appointed Dr. Haresh B. Shah, Chartered Accountant, and failing him Mr. Shishir Shrivastava, Managing Director of the Transferee Company, to be the Chairperson of the Meeting including any adjournment(s) thereof.

The Scheme, if approved at the Meeting, will be subject to subsequent approval of the NCLT and such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary.

**Sd/-**
**Dr. Haresh B. Shah**
**Chairperson appointed by NCLT for the Meeting**

**Dated: March 30, 2021**
**Place: Pune**

Registered Office: 462, Senapati Bapat Marg, Lower Parel, Mumbai-400013
CIN: L17100MH1905PLC000200
E-mail: secretarial@phoenixmills.com.
Website: www.thephoenixmills.com

**Notes:**

**1)** The Explanatory Statement pursuant to Sections 102, 230(3), 232(1) and 232(2) of the Companies Act, 2013 (**'Act'**) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, in respect of the business set out in the Notice is annexed hereto.

**2)** In view of the ongoing CoVID-19 pandemic, social distancing is a norm to be followed and pursuant to the directions of the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench vide its Order dated March 17, 2021 ('NCLT Order') read with Circular No.14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020 and Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs, Government of India **('MCA Circulars')** and read with Circular No. SEBI/HO/ CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India **("SEBI Circulars")** Meeting of Equity Shareholders of the Transferee Company is being conducted through Video Conferencing/Other Audio Visual Means **('VC/OAVM')** to transact the business set out in the Notice convening this Meeting. The deemed venue for the Meeting shall be Registered Office of the Company.

**3)** Since the Meeting is being held, pursuant to directions of the NCLT and MCA Circulars, through VC/OAVM, physical attendance of the Equity Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Equity Shareholders will not be available for Meeting.

**4)** The Equity Shareholders can join the Meeting through VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice and the facility for joining shall remain open for 15 minutes after such scheduled time.

**5)** In compliance with NCLT Order, attendance of the Equity Shareholders participating in the Meeting through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

**6)** The voting rights shall be reckoned in proportion to the paid-up value of the equity shares registered in the name(s) of Equity Shareholders as on the close of the business hours of March 26, 2021 **('cut-off date')** as per the Register of Members/list of Beneficial Owners as furnished by the Registrar and Share Transfer Agents (**'RTA'**) / National Securities Depository Limited **('NSDL')** /Central Depository Services (India) Limited **('CDSL')** (collectively referred to as **'Depositories'**).

**7)** All documents referred to in the accompanying Notice and the Explanatory Statement along with the Statutory Registers maintained by the Transferee Company will be available for inspection by the Equity Shareholders at the Registered Office of the Transferee Company and/or at the Corporate Office of the Transferee Company at 2nd Floor, R. R. Hosiery Building, Shree Laxmi Woollen Mills Compound, Opp Shakti Mills, Off Dr. E. Moses Road, Mahalaxmi, Mumbai-400011 on any working day (except Saturdays, Sundays and Public Holidays) between 11:00 a.m. to 4:00 p.m., upto and including the date of the Meeting. Those shareholders who wish to inspect or obtain copies of such documents free of charge, may write an e-mail to investorrelations@highstreetphoenix.com or investorrelations@phoenixmills.com mentioning their name, mobile number, PAN, folio number/ DP ID.



**8)** Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning

their name, demat account number/folio number, email id, mobile number at investorrelations@highstreetphoenix.com or investorrelations@phoenixmills.com. The shareholders who do not wish to speak during the Meeting but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investorrelations@highstreetphoenix.com or investorrelations@phoenixmills.com. These queries will be replied to by the Company suitably by email. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. However, the equity shareholders joining the Meeting may post questions concurrently during the Meeting using the facility provided by CDSL.

**9)** In view of the ongoing CoVID 19 pandemic and in accordance with the MCA Circulars and pursuant to NCLT Order and Rule 6(2) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, this Notice is being dispatched only in electronic form to all Equity Shareholders of the Transferee Company whose names appear in the Register of Members maintained by Link Intime India Private Limited, Company's Registrar and Share Transfer Agent ('Link Intime' or RTA') and the List of Beneficial Owners maintained by the Depositories as on March 26, 2021, being the Cut-off date. Any person who acquires shares and becomes an Equity Shareholder of the Transferee Company after such date shall not be eligible to vote either through remote e-voting or by e-voting during the Meeting. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Therefore, those Equity Shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses registered by following the procedure given below:

(i) In light of the MCA Circulars, Equity Shareholders who have not registered their email address and in consequence could not receive the Notice along with necessary Annexures may temporarily get their e-mail address registered with Link Intime, by clicking the link: https://linkintime.co.in/EmailReg/email_register.html and following the registration process as guided thereafter. Post successful registration of the e-mail, the Equity Shareholders would get soft copy of the Notice along with necessary Annexures and the procedure for remote e-voting along with the User ID and the Password to enable remote e-voting. In case of any queries, Equity Shareholders may write to rnt.helpdesk@linkintime.co.in.

(ii) It is clarified that for permanent registration of e-mail address, the Equity Shareholders are requested to register their email address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with Link Intime.

**10)** The Notice of the Meeting of Equity Shareholders of the Transferee Company will be posted on the website of the Transferee Company at www.thephoenixmills.com and website of Central Depository Services (India) Limited **("CDSL")** at www.evotingindia.com, and also on the websites of the Stock Exchanges where the equity shares of the Transferee Company are listed.

**11)** The Notice convening the Meeting shall be published through an advertisement in the "Business Standard" in English language and "Navshakti" in the Marathi language, both having circulation in Mumbai, Maharashtra.

**12)** As per the directions of the NCLT and in compliance with the provisions of (i) Section 230(4) read with Sections 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) and Rule 9 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India; (v) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (vi) Securities and Exchange Board of India Circular dated March 10, 2017 bearing reference No. CFD/DIL3/CIR/2017/21, as amended from time to time, the Transferee Company is pleased to provide its Equity Shareholders the facility to cast their votes electronically on the Resolution proposed to be considered at the Meeting either by (i) remote e-voting prior the Meeting (by using the electronic voting platform provided by CDSL) or (ii) e-voting during the Meeting. The Transferee Company has engaged the services of CDSL as the authorized agency to provide the e-voting facility. Equity Shareholders opting to cast their votes by remote e-voting or e-voting during the meeting are requested to read the instructions in the Notes below carefully.

**13)** The voting period for remote e-voting shall **commence on and from Wednesday, March 31, 2021 at 9.00 a.m. (IST) and end on Thursday, April 29, 2021, at 5.00 p.m. (IST)**. The remote e-voting module shall be disabled by CDSL for remote e-voting thereafter. Once the vote on a Resolution is cast by an Equity Shareholder, the Equity Shareholder shall not be allowed to change it subsequently. Equity Shareholders who have cast their votes by remote e-voting prior to the meeting will be eligible to participate at the meeting but shall not be eligible to cast their vote during the Meeting.

**14)** As directed by NCLT, Mr. Himanshu S. Kamdar (Membership No. FCS 5171) Partner of M/s. Rathi & Associates, Practicing Company Secretaries, shall act as Scrutinizer to scrutinize votes cast by remote e-voting and e-voting during the Meeting, and shall submit a report on votes cast to the Chairperson of the Meeting or a person authorized by him in writing, within 48 hours from the conclusion of the Meeting.

**15)** The Scrutinizer shall submit his combined report to the Chairperson of the Meeting after completion of the scrutiny of the votes cast by the Equity Shareholders through (i) remote e-voting process and (ii) e-voting during the Meeting. The Scrutinizer's decision on the validity of the votes shall be final.

**16)** Upon receipt of Scrutinizer's report, the Chairperson of the Meeting or a person authorized by him in writing shall announce the result of remote e-voting and e-voting during the Meeting within 48 hours from the conclusion of the Meeting, and the same shall be immediately displayed, along with the Scrutinizer's report on the website of the Transferee Company at www.thepheonixmills.com and on the website of CDSL www.evotingindia.com. The results along with Scrutinizer's report shall also be immediately forwarded to the Stock Exchanges where the Transferee Company's shares are listed viz. BSE Limited and the National Stock Exchange of India Limited. The results shall also be displayed on the notice board at the Registered Office of the Transferee Company.

**17)** Subject to the receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the Meeting i.e. on April 30, 2021.

**18)** Since the Meeting will be held through VC/OAVM in accordance with the NCLT Order and MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

**19) REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS**

(i) In accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 including the amendments thereto and SS-2, read with MCA Circulars and SEBI Circulars, the Transferee Company is pleased to provide facility to its members, to cast their vote electronically for the resolution proposed at the Meeting of the Transferee Company. The Transferee Company has appointed CDSL to provide remote e-voting and electronic voting facility during the Meeting to its shareholders.

(ii) The voting right of Equity Shareholders shall be in proportion to one vote per fully paid equity share of the Transferee Company held by them as on Friday, March 26, 2021, being the cut-off date.

(iii) The voting period begins on Wednesday, March 31, 2021 at 09:00 a.m. (IST) and ends on Thursday, April 29, 2021 at 05:00 p.m. (IST). During this period, Equity Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. March 26, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Equity Shareholders who will be present in the Meeting through VC/ OAVM facility and have not cast their vote on the Resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the Meeting.

(iv) Equity shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting.

(v) The Equity Shareholders should log on to the e-voting website www.evotingindia.com.

(vi) Click on "Shareholders" module.

(vii) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
OR
d. Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(viii) Next enter the Image Verification as displayed and Click on Login.

(ix) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(x) If you are a first time user follow the steps given below:

| | **For Shareholders 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)<br><br>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details **OR** Date of Birth (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.<br>• 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 (v). |

(xi) After entering these details appropriately, click on "SUBMIT" tab.

(xii) Equity shareholders holding shares in physical form will then directly reach the Company selection screen. However, equity shareholders 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.

(xiii) For equity shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xiv) Click on the EVSN for The Phoenix Mills Limited on which you choose to vote.

(xv) 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.

(xvi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xvii) 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.

(xviii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xx) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xxi) Equity shareholders can also cast their vote using CDSL's mobile app "**m-Voting".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**INSTRUCTIONS FOR EQUITY SHAREHOLDERS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:**



1. Equity shareholders will be provided with a facility to attend the Meeting through VC/OAVM through the CDSL e-Voting system. Equity shareholders may access the same at https://www.evotingindia.com

under Shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Equity shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further equity shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**INSTRUCTIONS FOR EQUITY SHAREHOLDERS FOR E-VOTING DURING THE MEETING ARE AS UNDER:-**

1. The procedure for e-Voting at the Meeting is same as the instructions mentioned above for Remote e-voting.

2. Only those equity shareholders, who are present in the Meeting through VC/OAVM facility and have not cast their vote on the Resolution through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the Meeting.

3. If any Votes are cast by the equity shareholders through the e-voting available during the Meeting and if the same equity shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such equity shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the equity shareholders attending the meeting.

4. Equity shareholders who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.

(xxii) **Note for Non – Individual Equity Shareholders and Custodians**

- Non-Individual equity shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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 linked in the login 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.
- Alternatively Non Individual equity shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at e-mail ID associates.rathi@gmail.com and to the Company at the email address viz; investorrelations@highstreetphoenix.com or investorrelations@phoenixmills.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xxiii) If you have any queries or issues regarding attending Meeting & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

(xxiv) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

FORM NO. CAA. 2
[Pursuant to Section 230(3) and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

**COMPANY APPLICATION NO. 1022/MB/2020**

**IN**

**COMPANY SCHEME APPLICATION NO. 4075/MB/2019**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder;

AND

In the matter of Scheme of Merger by Absorption of PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED **("the Transferor Company")**

With

THE PHOENIX MILLS LIMITED (**"the Transferee Company")**

AND THEIR RESPECTIVE SHAREHOLDERS.

| | |
|---|---|
| THE PHOENIX MILLS LIMITED<br>a company registered under Act No. VI of 1882 of<br>the Legislative Council of India with the Registrar of<br>Joint Stock Companies having its registered<br>office at, 462, Senapati Bapat Marg,<br>Lower Parel (West), Mumbai – 400 013<br>CIN: L17100MH1905PLC000200 | )<br>)<br>)<br>)<br>)<br>)<br>)…Applicant Company/<br>Transferee Company |

**EXPLANATORY STATEMENT TO THE NOTICE OF THE MEETING OF THE EQUITY SHAREHOLDERS OF THE PHOENIX MILLS LIMITED UNDER SECTIONS 230(3), 232(1) AND (2) READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. The Company, had filed applications, before the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench, being Application Nos. 4075 of 2019 and 1022 of 2020 for seeking directions for convening and holding of the meeting of the Equity Shareholders of the Company to approve the arrangement embodied in the Scheme of Amalgamation ('Merger by Absorption') of Phoenix Hospitality Company Private Limited ('the Transferor Company') with the Transferee Company and their respective shareholders.

2. The NCLT, on November 13, 2020, heard the Company Application seeking directions for holding the meeting of the equity shareholders of the Company and the matter was reserved for pronouncement of orders. On December 4, 2020, the Hon'ble NCLT Bench pronounced the order however, the order remained to be uploaded on NCLT portal.

3. The Company considering that the application had been allowed, and in the bonafide belief that the Order would be pronounced by Hon'ble NCLT in terms of the draft minutes of the Order submitted by the Company to Hon'ble NCLT on November 13, 2020, and further considering that, in view of the last date for convening the shareholders meeting through Video Conferencing as per MCA Circular no. 14/2020 dated April 8, 2020 read with Circular No. 17/2020 dated April 13, 2020, Circular No.22/2020 dated June 15, 2020 and Circular No.33/2020 dated September 28, 2020, was December 31, 2020 proceeded to conduct the meeting of its Equity Shareholders on December 29, 2020.

4. The Equity Shareholders of the Company approved the scheme of amalgamation of Phoenix Hospitality Company Private Limited ('PHCPL') with the Company with the 99.99% of total votes being cast in favour of the resolution.

5. Thereafter, the copy of the order pronounced on December 4, 2020 was uploaded on NCLT's portal on January 5, 2021 in which the NCLT directed that the meeting of Equity Shareholders of the Company be held either on February 19, 2021 or February 22, 2021, and not on December 29, 2020 as proposed by the Company, as the date for holding the said meeting in the Minutes of the order submitted to NCLT on November 13, 2020. Subsequently, the Company preferred an application seeking modification of the order dated December 4, 2020 and the same was heard by NCLT on February 23, 2021. However, the Hon'ble NCLT vide its Order dated March 17, 2021 declared the meeting of the equity shareholders held on December 29, 2020 as null and void and directed the Company to hold the fresh Meeting of the Equity Shareholders on April 30, 2021 to seek the approval to the proposed Scheme.

6. Accordingly, a fresh meeting of the Equity Shareholders of the Company is now being convened on April 30, 2021 through video conferencing to seek the approval of shareholders for the purpose of considering and if thought fit approving the arrangement embodied in the Scheme of Amalgamation (Merger by Absorption) of Phoenix Hospitality Company Private Limited **('Transferor Company' or 'PHCPL')** with the Transferee Company and their respective shareholders **('Scheme' or 'Scheme of Amalgamation'),** pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013

7. This is a statement accompanying the Notice convening the Meeting of the Equity Shareholders of the Transferee Company **('the Meeting')**, to be held on Friday, April 30, 2021, at 11.00 A.M. for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation proposed to be made between the Transferor Company and the Transferee Company and their respective Shareholders.

8. In this statement, Phoenix Hospitality Company Private Limited is hereinafter referred to as the **'Transferor Company'** or **'PHCPL'** and The Phoenix Mills Limited is hereinafter referred to as the **'Transferee Company'** or '**the Applicant Company'** or **'the Company' or 'PML'**. The other definitions contained in the Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective Shareholders (herein after referred to as the 'Scheme' or 'Scheme of Amalgamation') will also apply to this statement. The Scheme provides for the Amalgamation of the Transferor Company with the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 hereinafter referred to as the 'Act' and other applicable provisions of the Act (including any statutory modification or re-enactment or amendment thereof).

9. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the Equity Shareholders only if it is approved by a majority in number representing three fourth in value of such Equity Shareholders, of the Transferee Company who have voted either through remote e-voting or e-voting during the Meeting.

   SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, , inter-alia provides that the Scheme shall be acted upon only if the votes cast by the Public Shareholders of the Transferee Company in favour of the aforesaid Resolution for approval of the Scheme are more than the number of votes cast by the Public Shareholders against it. For this purpose, the term 'Public' shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term 'Public Shareholders' shall be construed accordingly. In terms of these SEBI circulars, the Transferee Company has provided the facility of e-voting to its Public Shareholders.

10. A copy of the Scheme setting out in detail the terms and conditions of the Amalgamation, approved by Board of Directors of the Transferee Company and the Transferor Company at their respective meetings held on August 7, 2019, is enclosed herewith as **Annexure A**.

11. The Transferor Company and Transferee Company have filed the Scheme with the Registrar of Companies, Mumbai, Maharashtra.

12. **Background of the Transferee Company is as under:**

Transferee Company is a company registered under Act No. VI of 1882 of the Legislative Council of India with the Registrar of Joint Stock Companies, Bombay on January 27, 1905 deemed to be registered under the provisions of the Companies Act, 1956 having its registered office at 462 Senapati Bapat Marg, Lower Parel- West, Mumbai – 400013, The Corporate Identification Number of the Transferee Company is L17100MH1905PLC000200. The PAN of PML is AAACP3325J. The email address of the Transferee Company is secretarial@phoenixmills.com.

Transferee Company at present is engaged in mixed use retail-led real estate development activities on a Pan-India basis. The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on the December 31, 2020 was as under:

**Authorised Share Capital**:

22,50,00,000 Equity Shares of Rs.2/- each Rs.45,00,00,000/-

**Issued, Subscribed and Paid-up Share Capital**:

17,17,77,516 Equity Shares of Rs.2/- each Rs.34,35,55,032/-

There is no change in the Issued, Subscribed and Paid-up Share Capital of the Transferee Company since the above referred date except for the 93,660 Equity Shares allotted to employees pursuant to exercise of Stock Options granted to them by the Transferee Company.

**The main objects of the Transferee Company are set out in the Memorandum of Association of the Transferee Company.**

The main objects inter alia are as under:

Transferee Company vide a Special Resolution passed on October 10, 2005 altered the provisions of its Memorandum of Association with respect to its objects. Some of the objects of the Transferee Company on its incorporation under Clause III of the Memorandum of Association of the Transferee Company are as under:

*(a) To acquire and work the Mills and business lately purchased from the Britannia Mills Limited, and its Liquidators, and with a view there to enter into a certain Agreement in the terms of the draft agreement set forth in Schedule A to the Articles of Association which accompany these presents and to carry the same into effect with or without modification.*

*(b) To carry on all or any one or more of the business following, that is to say, to purchase, comb, prepare, spin dye, bleach and deal in cotton, wool, jute, silk, flax, hemp and other fibrous substances and to weave or otherwise manufacture, buy and sell and deal in yarn, linen cloth and other goods and fabrics whether textile, frebled, netted or looped.*

*(c) To acquire by purchase, lease, exchange or otherwise any land, building, easements, rights, privileges, machinery, plant and stock-in-trade.*

*(d) To sell, improve, manage, develop, exchange lease, mortgage, dispose of, turn to account, or otherwise deal with, all or any part of the property and rights of the Company.*

*(da) To carry on the business and to own, acquire, construct, erect, renovate, maintain, run, take on lease, give on lease, let out, operate and manage shopping centers, malls, shopping arcades, theatres, auditoriums, stadiums, clubs, spas, resorts, holiday homes, sports, amusement and family entertainment centers or parks of all nature and kinds and types and to carry on the business of setting up of national and international sports and amusement parks in India or elsewhere and to purchase and/or otherwise acquire and equip any other sports or amusement center, public or private parks.*

*(db) To carry on the business of developing, buying, selling and otherwise dealing in land properties (leasehold or freehold) and to erect, construct, maintain, alter and extend on the land or ground of the Company buildings, houses, offices, shops, garages, residential, commercial, industrial premises, godowns, sheds, warehouses, furnished or unfurnished, in India or abroad, including international educational institutions, boarding schools, old age homes, cinematic purposes, health farms, spas, meditation centers.*

*(dc) to own, manage, operate, carry on, acquire and sell the business in India or elsewhere of indoor sports including setting up of bowling alleys, entertainment arcades, video parlors, pool tables, rides, darts, simulated games, gymnasiums, health and fitness centers, billiard and snooker tables, badminton courts, squash courts, swimming pools, sauna baths, Jacuzzi centers, amusement parks, cinema theatres, family entertainment centers, hotels, clubs, restaurants and cafes, shopping arcades, fast food outlets, pubs, caters and ice cream parlors.*

*(e) To erect, purchase or take on lease or otherwise acquire any mills, or works machinery and any other real and personal property appertaining to the goodwill of and any interest in the business of spinning or manufacturing cotton or other fibrous substances.*

*(f) To carry on any other business whether manufacturing or otherwise which may seem in the opinion of the Directors capable or being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.*

*(g) To acquire and undertake the whole or part of the business property and liabilities of any person or Company carrying on any business which the Company is authorized to carry on or possessed of property suitable for the purpose of this Company.*

13. **Background of The Transferor Company is as under:**

Transferor Company was originally incorporated on April 10, 2006 under the name of Atlas Hospitality Company Private Limited. The said name was changed to Phoenix Hospitality Company Private Limited, and a fresh certificate of Incorporation consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai to the Transferor Company on March 4, 2008. Transferor Company has its registered office at Phoenix Mills Premises, 462, Senapati Bapat Marg, Lower Parel- West, Mumbai – 400013. The Corporate Identification Number of the Transferor Company is U55209MH2006PTC161066. The PAN of PHCPL is AAFCA8863K. The email address of the Transferor Company is secretarial@phoenixmills.com.

Transferor Company at present carries on the business of real estate development activities.

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on the December 31, 2020 was as under:

**Authorised Share Capital:**

| | |
|---|---|
| 40,00,000 Equity Shares of Rs.10 each | Rs.4,00,00,000/- |

**Issued, Subscribed and Paid-up Share Capital:**

| | |
|---|---|
| 23,21,400 Equity Shares of Rs.10 each | Rs.2,32,14,000/- |

There is no change in the Issued, Subscribed and Paid-up Share Capital of the Transferor Company since the above referred date.

The Transferee Company holds 13,21,400 equity shares of Transferor Company and the balance 10,00,000 equity shares are held by Ruia International Holding Company Private Limited, a Promoter Group Company of Transferee Company.

**The main objects of the Transferor Company are set out in the Memorandum of Association of the Transferor Company.**

The main objects inter alia are as under:

The main object of Transferor Company as specified under the heading A- Main Object of the Company to be pursued by the Company on its incorporation under Clause III of the Memorandum of Association of the Company is as under:

*To own, manage, operate and carry on the business in India or elsewhere of restaurants, cafes, refreshment, rooms, clubs, casinos, resorts, hotels, motels, inns, restaurants, cafes, taverns, bars, refreshment rooms, boarding and lodging, of every sort and kind, to establish shops, canteens, kitchens and any other establishments, for this purpose and for the sale of food and drink of every sort and kind and to arrange for the provide all manner of entertainments, amusements and recreation for the public, to set up amusement parks cum tourist complexes in india and abroad and for this purpose to import, purchase, acquire, export, take on lease or on hire purchase, or let on hire, or contract necessary land, buildings, ropeways, sports, equipments, bowing, alleys equipments, entertaining equipments, lakes, zoo, museum, gardens, games and other related equipments, cinema theatres, hotel and restaurants, shopping centres, stadiums, video-parlors.*

14. **Relationship between the companies, Description, Rationale, Salient Features & Benefits of the Scheme**

a. Relationship between the companies:

The Transferor Company is a subsidiary of the Transferee Company. Presently, the Transferee Company holds 56.92% of the paid up equity share capital of the Transferor Company.

b. Description of the Scheme:

The Scheme of Amalgamation provides for the transfer and vesting of the undertakings and business of the Transferor Company in the Transferee Company.

c. Rationale for Amalgamation:

The proposed amalgamation will lead to a simplified corporate structure since it will result in the combined businesses of PHCPL and the Transferee Company being carried on more economically, efficiently and beneficially and the arrangement would be in the interest of both the companies and their Shareholders as the businesses carried on by both the companies are under common management/Shareholders. The proposed amalgamation would strengthen the management of the Transferee Company effectively because of avoidance and elimination of unnecessary duplication of time, costs and expenses, incurred for administration and operations of both the companies separately and would result in better utlilization of resources and assets and synergies of operations with integration of management and other expertise. The amalgamation will also result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by PHCPL.

The proposed Scheme will be beneficial, advantageous and not prejudicial to the interests of the Shareholders, creditors and other stakeholders of the Transferee Company.

d. Salient features of the Scheme:

1. Appointed Date for the Scheme would be April 1, 2019.

2. Upon the Scheme becoming effective and upon the Amalgamation of PHCPL with the Transferee Company, the shares held by the Transferee Company in PHCPL as on the record date shall stand cancelled. Pursuant to the terms of the Scheme, Transferee Company will allot 627 (Six Hundred and Twenty-Seven) fully paid-up equity shares of the Transferee Company of face value of INR 2 each for every 100 (One Hundred) fully paid-up equity shares of face value of INR 10 each held by other shareholder, i.e. Ruia International Holding Company Private Limited ('RIHCPL') in PHCPL.

3. The transfer and vesting of the undertakings and business of PHCPL in Transferee Company will be effective from Appointed Date.

**THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME OF AMALGAMATION, THE EQUITY SHAREHOLDERS OF THE TRANSFEREE COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME OF AMALGAMATION TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.**

e. Benefits of the Scheme

The proposed Amalgamation will lead to simplified corporate structure, strengthening the management of the Transferee Company, better utlilization of resources, assets and synergies of operations.

15. **Board Meeting, Valuation Report and Fairness Opinion:**

a) The proposed Scheme was placed before the Board of Directors of the Transferee Company on August 7, 2019 wherein the joint valuation report of M/s. Bansi S. Mehta & Co., Chartered Accountants and M/s. BSR & Associates LLP, Chartered Accountants on recommendation of Share Exchange Ratio and Fairness Opinion on the said Share Exchange Ratio issued by Kotak Mahindra Capital Company Limited, Independent Category-I Merchant Banker were also placed before the Board.

b) In accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, read with Regulation 37 of SEBI Listing Regulations, the Audit Committee of the Transferee Company **('Audit Committee')** vide a Resolution passed on August 7, 2019, recommended the Scheme to the Board of Directors of the Transferee Company *inter alia* taking into account the following:

i. Draft Scheme;

ii. The Joint Valuation Report dated August 7, 2019 on recommendation of Share Exchange Ratio issued by Independent Valuers namely M/s. Bansi S. Mehta & Co., Chartered Accountants and M/s. B S R & Associates LLP, Chartered Accountants;

iii. Valuation Report dated August 6, 2019 by of Ms. Drushti R. Desai, the Registered Valuer on the Share Exchange Ratio;

iv. The Fairness Opinion dated August 7, 2019 expressed by Kotak Mahindra Capital Company Limited, Independent Category-I Merchant Banker;

v. The certificate issued by DTS & Associates, the Statutory Auditors of the Company dated August 7, 2019, as required under Clause 5 of the Circular, to the effect that the accounting treatment contained in the Draft Scheme is in compliance with the Accounting Standards specified by the

Central Government under section 133 of the Companies Act, 2013 read with the rules framed thereunder or the Accounting Standards issued by ICAI, as applicable.

The Joint Valuation Report dated August 7, 2019 issued by M/s. Bansi S. Mehta & Co., and M/s. B S R & Associates LLP, Valuation Report dated August 6, 2019 by of Ms. Drushti R. Desai, the Registered Valuer on the Share Exchange Ratio and Fairness Opinion dated August 7, 2019 issued by Kotak Mahindra Capital Company Limited are enclosed as **Annexure B, Annexure C** and **Annexure D**, respectively, to this Notice.

16. **Submissions, Approvals and Other Information**:

i. Pursuant to the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, the Transferee Company has filed necessary applications before the Stock Exchanges viz., BSE Limited and the National Stock Exchange of India Limited seeking their no-objection to the Scheme. The Company has received respective Observation letters dated November 4, 2019 from BSE Limited dated and National Stock Exchanges of India Limited. The copies of the Observation letters are enclosed as **Annexure E** to this Notice.

ii. As required by the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, the Transferee Company has filed the Complaint Report with BSE Limited and National Stock Exchange of India Limited on October 11, 2019. A copy of the aforementioned Complaints Report is enclosed as **Annexure F** to this Notice.

iii. Each of the Transferor Company and Transferee Company had made separate applications before the Mumbai Bench of the National Company Law Tribunal for the sanction of the Scheme under sections 230 to 232 of the Companies Act, 2013.

17. **Directors, Promoters and Key Managerial Personnel:**

i. Except, Mr. Atul Ruia and his relatives, none of the other Directors, the Key Managerial Personnel ('KMPs') of Transferee Company and their respective relatives (as defined under the Companies Act, 2013 and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in Transferor Company and/or Transferee Company and/or to the extent that the said Director(s), KMPs and their respective relatives are the Directors, KMPs, Members of the Companies that hold shares in the respective companies.

ii. Save as aforesaid, except Mr. Atul Ruia and his relatives, none of the other Directors and KMPs of the Transferor Company and the Transferee Company and their relatives have any material concern or interest, financial and/or otherwise in the Scheme.

iii. The details of the present Promoters, Members of Promoter Group, Directors and KMPs of Transferee Company and the Transferor Company and their respective shareholdings in Transferee Company, and Transferor Company as on December 31, 2020 are as follows:

**a. Extent of shareholding of Directors and KMPs of Transferee Company and their respective holding in the Transferor Company and the Transferee Company are as follows:**

| Name of the Director / Key Managerial Person | No. of Equity Shares in Transferee Company | No. of Equity Shares in Transferor Company |
|---|---|---|
| Atul Ruia | 39,57,737 | 0 |
| Amit Dabriwala | 0 | 0 |
| Amit Dalal | 0 | 0 |
| Shishir Shrivastava | 78,301 | 0 |
| Sivaramakrishnan Iyer | 0 | 0 |
| Rajendra Kalkar | 4,500 | 0 |
| Shweta Vyas | 0 | 0 |
| Gajendra Mewara | 40 | 0 |

*Note: Mr. Pradumna Kanodia, Director Finance and Chief Financial Officer of the Company resigned from his positions with effect from February 28, 2021*

**b. Extent of shareholding of the Directors and KMPs of Transferor Company and their respective holding in the Transferee Company and the Transferor Company are as follows:**

| Name of the Director | No. of Equity Shares in Transferee Company | No. of Equity Shares in Transferor Company |
|---|---|---|
| Atul Ruia | 39,57,737 | 0 |
| Sharmila Dalmia | 2,68,853 | 0 |
| Ajaykumar Kejriwal | 1,000 | 0 |
| Shishir Shrivastava | 78,301 | 0 |

c. **Extent of shareholding of Promoter and Promoter Group of the Transferee Company and their respective holding in the Transferor Company and the Transferee Company are as follows:**

| Name of the Promoter and Promoter Group | No. of Equity Shares in Transferee Company | No. of Equity Shares in Transferor Company |
|---|---|---|
| Atul Ruia | 39,57,737 | 0 |
| Amla Ruia | 0 | 0 |
| Gayatri Ruia | 0 | 0 |
| Atul Ruia Family Trust (Atul Ashokkumar Ruia holding as Trustee for Atul Ruia Family Trust) | 0 | 0 |
| Ashok Ruia Family Trust (Atul Ashokkumar Ruia holding as Trustee for Ashok Ruia Family Trust) | 0 | 0 |
| Sharanya A.Ruia Beneficiary Trust | 2,78,935 | 0 |
| Sharmila Dalmia | 2,68,853 | 0 |
| Ruia International Holding Company Private Limited | 4,93,47,248 | 10,00,000* |
| Senior Advisory Services Pvt. Ltd | 1,44,90,049 | 0 |
| Radhakrishna Ramnarain Pvt. Ltd. | 1,67,800 | 0 |
| Ashok Apparels Pvt. Ltd. | 96,70,665 | 0 |
| Ashton Real Estate Development Pvt. Ltd. | 33,200 | 0 |

**out of 10,00,000 shares held by Ruia International Holding Company Private Limited in the Transferor Company, 100 shares are held by Ruia International Holding Company Private Limited jointly with Mr. Atul Ruia.*

d. **Extent of shareholding of the Promoters of Transferor Company and their respective holding in the Transferee Company and the Transferor Company are as follows:**

| Name of the Promoters | No. of Equity Shares in Transferee Company | No. of Equity Shares in Transferor Company |
|---|---|---|
| The Phoenix Mills Limited | N.A. | 13,21,400 |
| Ruia International Holding Company Private Limited | 4,93,47,248 | 10,00,000* |
| Mr. Atul Ruia | 39,57,737 | 0 |

**out of 10,00,000 shares held by Ruia International Holding Company Private Limited in the Transferor Company, 100 shares are held by Ruia International Holding Company Private Limited jointly with Mr. Atul Ruia.*

18. **The pre and post Scheme (expected) shareholding pattern of the Transferee Company as on December 31, 2020 is as under:**

| Sr. No. | Category | Transferee Company | | | |
|---|---|---|---|---|---|
| | | Pre-Amalgamation | | Post-Amalgamation | |
| | | No. of Shares | % | No. of Shares | % |
| **A** | **Promoter and Promoter Group** | | | | |
| **1** | **Indian** | | | | |
| (a) | Individuals / Hindu Undivided Family | 45,05,525 | 2.62 | 45,05,525 | 2.53 |
| (b) | Central Government / State Government(s) | - | - | - | - |
| (c) | Financial Institutions / Banks | - | - | - | - |
| (d) | Any Other (Specify) | - | - | - | - |
| | Bodies Corporate | 7,37,08,962 | 42.91 | 7,99,78,962 | 44.92 |
| | **Sub Total (A)(1)** | **7,82,14,487** | **45.53** | **8,44,84,487** | **47.45** |
| **2** | **Foreign** | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | - | - | - | - |
| (b) | Government | - | - | - | - |

| | | | | | |
|---|---|---|---|---|---|
| (c) | Institutions | - | - | - | - |
| (d) | Foreign Portfolio Investor | - | - | - | - |
| (e) | Any Other (Specify) | - | - | - | - |
| | **Sub Total (A)(2)** | **-** | **-** | **-** | **-** |
| | **Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)** | 7,82,14,487 | 45.53 | **8,44,84,487** | **47.45** |
| **B** | **Public Shareholding** | | | | |
| **1** | **Institutions** | | | | |
| (a) | Mutual Fund | 2,76,21,105 | 16.08 | 2,76,21,105 | 15.51 |
| (b) | Venture Capital Funds | - | - | - | - |
| (c) | Alternate Investment Funds | 10,36,222 | 0.60 | 10,36,222 | 0.58 |
| (d) | Foreign Venture Capital Investors | - | - | - | - |
| (e) | Foreign Portfolio Investor | 5,74,66,993 | 33.45 | 5,74,66,993 | 32.28 |
| (f) | Financial Institutions / Banks | 1,000 | 0.00 | 1,000 | 0.00 |
| (g) | Insurance Companies | 11,94,916 | 0.70 | 11,94,916 | 0.67 |
| (h) | Provident Funds/ Pension Funds | - | - | - | - |
| (i) | Any Other (Specify) | **-** | **-** | **-** | **-** |
| | Foreign Bank | - | - | - | - |
| | **Sub Total (B)(1)** | **8,73,20,236** | **50.83** | **8,73,20,236** | **49.04** |
| **2** | **Central Government/ State Government(s)/ President of India** | 6,953 | 0.00 | 6,953 | 0.00 |
| | **Sub Total (B)(2)** | **6,953** | **0.00** | **6,953** | **0.00** |
| **3** | **Non-Institutions** | | | | |
| (a) | Individuals | | | | |
| | i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. | 38,37,089 | 2.23 | 38,37,089 | 2.16 |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | 1,76,725 | 0.10 | 1,76,725 | 0.10 |
| (b) | NBFCs registered with RBI | - | - | - | - |
| (c) | Trust Employee | - | - | - | - |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | - | - | - | - |
| (e) | Any Other (Specify) | | | | |
| | IEPF | 9,20,731 | 0.54 | 9,20,731 | 0.52 |
| | Trusts | 8,500 | 0.00 | 8,500 | 0.00 |
| | Foreign Nationals | - | - | - | - |
| | Hindu Undivided Family | 70,690 | 0.04 | 70,690 | 0.04 |
| | Foreign Companies | - | - | - | - |
| | Non Resident Indians | 1,78,642 | 0.10 | 1,78,642 | 0.10 |
| | Director or Director's Relative | 83,300 | 0.05 | 83,300 | 0.05 |
| | Unclaimed Shares | - | - | - | - |
| | Overseas Bodies Corporates | - | - | - | - |
| | Clearing Member | 1,02,971 | 0.06 | 1,02,971 | 0.06 |
| | Bodies Corporate | 8,57,192 | 0.50 | 8,57,192 | 0.48 |
| | Trust to be set up by the Transferee Company for Fractional Entitlements | - | - | - | - |
| | **Sub Total (B)(3)** | 62,35,840 | 3.63 | 62,35,840 | 3.50 |
| | **Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)** | **9,35,63,029** | **54.47** | **9,35,63,029** | **52.55** |
| **C** | **Non-Promoter- Public shareholding** | | | | |
| 1 | Custodian/DR Holder | - | - | - | - |
| 2 | Employee Benefit Trust | - | - | **-** | **-** |

| | | | | | |
|---|---|---|---|---|---|
| | **Total shareholding of Non Promoter-Non Public shareholder (C)=(C1)+(C2)** | **-** | **-** | **-** | **-** |
| | **Total (A+B+C)** | **17,17,77,516** | **100.00** | **17,80,47,516** | **100.00** |

19. **The pre and post Scheme (expected) shareholding pattern of the Transferor Company as on December 31, 2020 is as under:**

| **Sr. No.** | **Category of shareholder** | **Pre- Amalgamation** | | **Post- Amalgamation** | |
|---|---|---|---|---|---|
| | | **No. of Shares** | **%** | **No. of Shares** | **%** |
| 1 | Promoters and Promoter Group | 23,21,400 | 100.00 | Not Applicable* | |
| 2. | Public Shareholding | 0 | 0 | | |
| | **TOTAL** | **23,21,400** | **100.00** | | |

** the Transferor Company is proposed to be dissolved under the Scheme and therefore there would be no shareholding in the Transferor Company post the Amalgamation of the Transferor Company with the Transferee Company.*

20. **Capital structure of the Transferee Company – Pre and post Scheme (expected)**

Pre and Post Scheme capital structure of the Transferee Company as on December 31, 2020 is as follows:

| **Description** | **Pre-Amalgamation** | | **Post-Amalgamation** | |
|---|---|---|---|---|
| **Authorized Share Capital:** | **No. of Shares** | **Amount Rs.** | **No. of Shares** | **Amount Rs.** |
| | 22,50,00,000 | 45,00,00,000 | 24,50,00,000 | 49,00,00,000 |
| **Issued, Subscribed and Fully Paid up Share Capital:** | **No. of Shares** | **Amount Rs.** | **No. of Shares** | **Amount Rs.** |
| | 17,17,77,516 | 34,35,55,032 | 17,80,47,516 | 35,60,95,032 |

21. **Amount due to unsecured creditors as on December 31, 2020:**

| **Transferee Company** | **Transferor Company** |
|---|---|
| Rs.17,35,13,449 | Rs.81,000 |

22. **Statement disclosing details of Amalgamation as per sub-section 3 of section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.**

| **No.** | **Particulars** | **The Phoenix Mills Limited** | **Phoenix Hospitality Company Private Limited** |
|---|---|---|---|
| | | **Transferee Company** | **Transferor Company** |
| **I.** | **Details of the order of the NCLT directing the calling, convening and conducting of the Meeting:** | | |
| A | Date of the order | March 17, 2021 | Not Applicable |
| B | Date, time and venue of the Meeting | Friday April 30, 2021 at 11.00 A.M. through VC/OAVM | Not Applicable |
| **II.** | **Details of the Companies including** | | |
| i. | Corporate Identification Number (CIN) | L17100MH1905PLC000200 | U55209MH2006PTC161066 |
| ii. | Permanent Account Number (PAN) | AAACP3325J | AAFCA8863K |
| iii. | Name of Company | The Phoenix Mills Limited | Phoenix Hospitality Company Private Limited |
| iv. | Date of Incorporation | 27/01/1905 | 10/04/2006 |
| | Type of Company | Public | Private |
| v. | Registered Office address | 462, Senapati Bapat Marg, Lower Parel Mumbai – 400013, Maharashtra | Phoenix Mills Premises, 462, Senapati Bapat Marg, Lower Parel Mumbai – 400013, Maharashtra |
| vi. | E-mail address | secretarial@phoenixmills.com | secretarial@phoenixmills.com |
| vii. | Summary of main object as per the | As per Para 12 of the Explanatory Statement. | As per Para 13 of the Explanatory Statement. |

| | | | | | |
|---|---|---|---|---|---|
| | memorandum of association; and main business carried on by the Company - | | | | |
| viii. | Details of change of name, registered office and objects of the company during the last five years; | There has been no change in the name, registered office and objects during the last five years. | | There has been no change in the name, registered office and objects during the last five years. | |
| ix. | Name of the stock Exchange(s) where securities of the company are listed, if applicable; | Equity Shares of the Company are currently listed on BSE Limited and National stock Exchange of India Limited**.** | | Not Applicable | |
| x. | Details of capital structure – Authorised, Issued, Subscribed and Paid-up share capital; | As per Para 12 of the Explanatory Statement. | | As per Para 13 of the Explanatory Statement. | |
| xi. | Names and addresses of Promoters of the Company: | **Name of the Promoter** | **Address** | **Name of the Promoter** | **Address** |
| | | Mr. Atul Ashokkumar Ruia | Ruia House, 19 Bhau Sahib Hire Marg, Malabar Hill, Mumbai – 400006, Maharashtra | The Phoenix Mills Limited | 462, Senapati Bapat Marg, Lower Parel-West, Mumbai – 400013, Maharashtra |
| | | | | Ruia International Holding Company Private Limited | C/o Market City Resources Pvt. Ltd, Ground Floor, R.R. Hosiery Bldg, Shree Luxmi Woollen Mills Estate Mahalaxmi Mumbai- 400011, Maharashtra |
| | | | | Mr. Atul Ashokkumar Ruia | Ruia House, 19 Bhau Sahib Hire Marg, Malabar Hill, Mumbai – 400006, Maharashtra |
| xii. | Names and addresses of Directors of the Company: | **Name of the Director** | **Address** | **Name of the Director** | **Address** |
| | | Atul Ashokkumar Ruia | Ruia House, 19 Bhau Sahib Hire Marg, Malabar Hill, Mumbai – 400006, Maharashtra | Atul Ashokkumar Ruia | Ruia House, 19 Bhau Sahib Hire Marg, Malabar Hill, Mumbai – 400006, Maharashtra |
| | | Amit Dabriwala | 43A, Anita, Mount Pleasant Road, Malabar Hill, Mumbai – 400006, Maharashtra | | |
| | | Amit Dalal | 81, Shereman, 22, Narayanan Dabholkar Road, Walkeshwar, Mumbai-400006, Maharashtra | Shishir Ashok Shrivastava | 1/1, Prakash C.H.S., Relief Road, Santacruz (West), Mumbai-400054, Maharashtra |

| | | | | | |
|---|---|---|---|---|---|
| | | Shishir Ashok Shrivastava | 1/1, Prakash C.H.S., Relief Road, Santacruz (West), Mumbai-400054, Maharashtra | | |
| | | Sivaramakrishnan Srinivasan Iyer | Flat-1901, Floor - 19, Wing-B, Runwal Pride CHSL, L.B.S. Marg, Behind R-Mall, Mulund (West) Mumbai-400080, Maharashtra | Sharmila Dalmia | Dalmia House 20f, Prithviraj Road New Delhi 110011, Maharashtra |
| | | Rajendra Kalkar | 803 B, Phoenix Tower, Senapati Bapat Marg, Lower Parel, Mumbai-400013, Maharashtra | Ajaykumar Parmanand Kejriwal | 33A, Atlas Apartments, 11 Harkness Road Malabar Hill Mumbai - 400006, Maharashtra |
| | | Shweta Pradeep Vyas | 02, Soudamini Apartments Kanakapura, Main Road, Udayapura A Block Bangalore South Udaypura, Bengaluru, Karnataka | | |
| **III.** | **If the scheme of arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or associate companies** | Holding Company of the Transferor Company | | Subsidiary of the Transferee Company | |
| **IV.** | **The date of Board meeting at which the scheme was approved by the board of directors including the name of directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution** | **Date of the Board meeting:** August 7, 2019<br><br>**Name of the Director who voted in favour of the resolution are as under:**<br><br>Mr. Amit Dabriwala<br>Mr. Amit Dalal<br>Mr. Shishir Shrivastava<br>Mr. Sivaramakrishnan Iyer<br>Mr. Pradumna Kanodia*<br>Mr. Rajendra Kalkar<br>Ms. Shweta Vyas | | **Date of the Board meeting:** August 7, 2019<br><br>**Name of the Director who voted in favour of the resolution are as under:**<br><br>Mr. Shishir Shrivastava<br>Mr. Ajaykumar Kejriwal<br><br>Leave of absence was granted to Mrs. Sharmila Dalmia<br><br>**Name of the Director who voted against of the resolution-** NIL | |

| | | | |
|---|---|---|---|
| | | **Name of the Director who voted against of the resolution-** NIL<br><br>**Name of the Director who did not vote or participate on such resolution-** Mr. Atul Ruia being interested neither participated nor voted.<br><br>**Mr. Pradumna Kanodia, Director and Chief Financial Officer of the Company has resigned from his positions w.e.f. February 28, 2021* | **Name of the Director who did not vote or participate on such resolution-** Mr. Atul Ruia being interested neither participated nor voted. |
| **V.** | **Explanatory statement disclosing details of the scheme of compromise or arrangement including:-** | | |
| i. | Parties involved in such compromise or arrangement; | Phoenix Hospitality Services Private Limited ('Transferor Company') and The Phoenix Mills Limited ('Transferee Company'). | |
| | Appointed Date | April 1, 2019 or such other date as may be directed by NCLT | |
| | Effective Date | the last date on which the certified true copies of the Orders of the NCLT sanctioning this Scheme are filed by Transferor Company and Transferee Company with the Registrar of Companies, Maharashtra, Mumbai | |
| ii. | Share exchange ratio (if applicable) and other considerations, if any | Pursuant to the terms of the Scheme, the Transferee Company will allot 627 (Six Hundred and Twenty-Seven) fully paid-up equity shares of the Company of face value of INR 2 each for every 100 (One Hundred) fully paid-up equity shares of face value of INR 10 each held by other shareholder, i.e. Ruia International Holding Company Private Limited ('RIHCPL') in Transferor Company. | |
| | Summary of Valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at registered office of the Company | The Share Exchange Ratio in consideration for the Amalgamation has been fixed on a fair and reasonable basis and on the basis of the Joint Valuation Report of M/s. Bansi S. Mehta & Co., Chartered Accountants and M/s. B S R & Associates LLP, Chartered Accountants, and Valuation Report of Ms. Drushti Desai, Registered Valuer as per the Act.<br><br>The Equity Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches/ methods and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses, having regard to information base, key underlying assumptions and limitations.<br><br>Valuers, as considered appropriate have independently applied methods and arrived at their assessment of value per share of the companies. To arrive at the conscience on the equity share exchange ratio for the proposed Amalgamation, suitable minor adjustments/ rounding off have been done.<br><br>In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined in the Valuation Report, the Share Exchange Ratio for the proposed Amalgamation of Transferee has been arrived at. | |
| | | **Transferee Company** | **Transferor Company** |
| | | Refer Valuation Report as per Annexure B and C and Fairness Opinion as per Annexure D. | Refer Valuation Report as per Annexure B and C |
| iii. | Details of capital or debt restructuring, if any | The Scheme does not involve any capital or debt restructuring. | |
| iv. | Rationale for the arrangement | Refer para 14(c) of the explanatory statement. | |
| v. | Benefits of the arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable) | As provided in the rationale for Amalgamation in para 8(e) of the explanatory statement. | |

| | | | |
|---|---|---|---|
| vi. | Amount due to unsecured creditors as of December 31, 2020 | Rs.17,35,13,449 | Rs.81,000 |
| **VI.** | **Disclosure about effect of the compromise or arrangement on** | | |
| i. | Key Managerial Personnel (KMP) (other than Directors) | No effect except for dilution in percentage of their shareholding, if any, held in the Transferee Company. | Not Applicable |
| ii. | Directors | No effect except for dilution in percentage of their shareholding, if any, held in the Transferee Company. | Transferor Company will cease to exist therefore the question of any change in Directors of the Transferor Company does not arise. |
| iii. | Promoters | Dilution in percentage of shareholding in the Transferee Company to the extent of shares allotted under the Scheme. | The Transferee Company is one of the promoters of the Transferor Company and holds 13,21,400 equity shares in the Transferor Company. Pursuant to the Scheme of Amalgamation the said equity shares shall stand cancelled.<br><br>The other Promoters of the Transferor Company i.e. Ruia International Holding Company Private Limited and Ruia International Holding Company Private Limited jointly with Mr. Atul Ruia, shall be allotted equity shares of the Transferee Company as per the Share Exchange Ratio. |
| iv. | Non-promoter members | Dilution in percentage of shareholding in the Transferee Company to the extent of shares allotted under the Scheme. | Not Applicable |
| v. | Depositors | No effect as the Transferee Company does not have any depositors | There are no depositors in the Transferor Company |
| vi. | Creditors | No effect | The Creditors of the Transferor Company will become the Creditors of the Transferee Company |
| vii. | Debenture holders | No effect as the Transferee does not have any debentures. | Transferee Company being the Debenture-holder, their holding will get cancelled |
| viii. | Deposit Trustee and Debenture Trustee | No effect as the Transferee Company does not have any Deposit Trustee and Debenture Trustee in the Transferee Company | Not Applicable |
| ix. | Employees of the Company | No effect | Will become employees of Transferee Company. |
| **VII.** | **Disclosure about effect of compromise or arrangement on material interest of Directors, Key Managerial Personnel (KMP) and debenture trustee** | | |
| i. | Directors | No effect. | |
| ii. | Key Managerial Personnel | No effect. | |
| iii. | Debenture Trustee | No effect as the Transferee Company does not have any Debenture Trustee in the Transferee Company | Not Applicable |
| **VIII.** | **Investigation or proceedings, if any, pending against the company under the Act** | None | |
| **IX.** | **Details of approvals, sanctions or no objection (s), if any, from regulatory or any other governmental** | Notice under Section 230(5) of the Companies Act, 2013 is being given to the Central Government, Registrar of Companies, Income Tax Authorities in respect of both the companies and SEBI and concerned stock exchanges in respect of the Transferee Company. | |

| | | |
|---|---|---|
| | **authorities required, received or pending for the proposed scheme of compromise or arrangement** | The Transferee Company has received no objection from the Stock Exchanges. |

23. **General:**

    a. The rights and interests of the Equity Shareholders, Secured or Unsecured Creditors of Transferee Company and Transferor Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner.

    b. There are no winding up proceedings pending against the Transferee Company as of date.

24. On the Scheme being approved by the requisite majority of Equity Shareholders, the Transferor Company and the Transferee Company shall each file a Petition with the National Company Law Tribunal at Mumbai Bench for sanction of the Scheme under Sections 230 to 232 of the Companies Act, 2013.

25. The following documents will be open for inspection by the Equity Shareholders of the Transferee Company at the Registered Office of the Transferee Company and/or at the Corporate Office of the Transferee Company at 2nd Floor, R. R. Hosiery Building, Shree Laxmi Woollen Mills Compound, Opp Shakti Mills, Off Dr. E. Moses Road, Mahalaxmi, Mumbai-400011 or at the office of its Advocates, M/s. Kanga & Co. having address at Readymoney Mansion, 43, Veer Nariman Road, Fort, Mumbai - 400 001 between 11:00 a.m. to 4:00 p.m., on any working day (except Saturdays, Sundays and Public Holidays). Copies of the below documents will be made available free of charge to Equity Shareholders who may require the same. Besides, electronic copies of the following documents will also be available for inspection at the Investors' section on the website of the Company at www.thephoenixmills.com.

    i. Copy of the Order dated March 17, 2021 of the Hon'ble NCLT passed in the Company Application No. 1022/MB/2020 in Company Scheme Application No. 4075/MB/2019 directing inter alia the Meeting of the Equity Shareholders of the Transferee Company;

    ii. Copy of the Company Application No. 1022/MB/2020 in Company Scheme Application No. 4075/MB/2019;

    iii. Copy of the Scheme of Amalgamation;

    iv. Memorandum and Articles of Association of the Transferor Company and the Transferee Company;

    v. Annual Report of the Transferor Company and the Transferee Company for the financial year ended March 31, 2020;

    vi. Copy of the Valuation Report dated August 7, 2019 issued by M/s. Bansi S. Mehta & Co., Chartered Accountants and M/s. B S R & Associates LLP, Chartered Accountants and Valuation Report dated August 6, 2019 issued by Ms. Drushti R Desai, Registered Valuer;

    vii. Copy of the Fairness Opinion dated August 7, 2019 issued by Kotak Mahindra Capital Company Limited dated, Merchant Banker;

    viii. Copy of the Audit Committee Report dated August 7, 2019 the Transferee Company;

    ix. Copy of the certificates issued by the Statutory Auditors of the Transferee Company confirming that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards;

    x. Copy of Complaints Report dated October 11, 2019 submitted by the Transferee Company to BSE and NSE;

    xi. Reports adopted by the Board of Directors of the Transferee Company and the Transferor Company as per the provisions of Section 232(2)(c) of the Companies Act, 2013;

    xii. Observation Letters dated November 4, 2019 received from BSE and NSE conveying their no objection to the Scheme;

    xiii. Supplementary Unaudited Accounting Statements of the Transferee Company and the Transferor Company for the nine months ended on December 31, 2020.

This Statement may be treated as an Explanatory Statement under Sections 230(3) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangement and Amalgamations) Rules, 2016.

**Sd/-**
**Dr. Haresh B. Shah**
**Chairperson appointed by NCLT for the Meeting**

**Dated: March 30, 2021**
**Place: Pune**

Registered Office: 462, Senapati Bapat Marg, Lower Parel, Mumbai-400013
CIN: L17100MH1905PLC000200
E-mail: secretarial@phoenixmills.com
Website: www.thephoenixmills.com

**Annexure A**

SCHEME OF AMALGAMATION OF
PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED

WITH

THE PHOENIX MILLS LIMITED

AND THEIR RESPECTIVE SHAREHOLDERS

(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013)

## PREAMBLE

This Scheme of Amalgamation provides for the amalgamation of Phoenix Hospitality Company Private Limited **(PHCPL**), a company incorporated under the provisions of the Companies Act, 1956 having its registered office at Phoenix Mills Premises, 462, Senapati Bapat Marg, Lower Parel- West, Mumbai – 400013 with The Phoenix Mills Limited (**PML**), a company registered under Act No. VI of 1882 of the Legislative Council of India with the Registrar of Joint Stock Companies, Bombay deemed to be registered under the provisions of the Companies Act, 1956 having its registered office at 462 Senapati Bapat Marg, Lower Parel- West, Mumbai – 400013, pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. The Equity shares of PML are listed on the BSE Limited and the National Stock Exchange of India Limited.

(A) Phoenix Hospitality Company Private Limited **(PHCPL)** was originally incorporated on 10th April 2006 under the name of Atlas Hospitality Company Private Limited. The said name was changed to Phoenix Hospitality Company Private Limited, and a fresh certificate of Incorporation consequent upon change of name was issued by the Registrar of Companies, Maharashtra, Mumbai to PHCPL on 4th March 2008. PHCPL has its registered office at Phoenix Mills Premises, 462, Senapati Bapat Marg, Lower Parel- West, Mumbai – 400013. The Corporate Identification Number of PHCPL is U55209MH2006PTC161066. The PAN of PHCPL is AAFCA8863K. The email address of PHCPL is secretarial@phoenixmarketcity.in.

The main object of PHCPL as specified under the heading A- Main Object of the Company to be pursued by the Company on its incorporation under Clause III of the Memorandum of Association of the Company is as under:

1. To own, manage, operate and carry on the business in India or elsewhere of restaurants, cafes, refreshment, rooms, clubs, casinos, resorts, hotels, motels, inns, restaurants, cafes, taverns, bars, refreshment rooms, boarding and lodging, of every sort and kind, to establish shops, canteens, kitchens and any other establishments, for this purpose and for the sale of food and drink of every sort and kind and to arrange for the provide all manner of entertainments, amusements and recreation for the public, to set up

amusement parks cum tourist complexes in india and abroad and for this purpose to import, purchase, acquire, export, take on lease or on hire purchase, or let on hire, or contract necessary land, buildings, ropeways, sports, equipments, bowing, alleys equipments, entertaining equipments, lakes, zoo, museum, gardens, games and other related equipments, cinema theatres, hotel and restaurants, shopping centres, stadiums, video-parlors.

PHCPL at present carries on the business of real estate development activities.

The Authorised, Issued, Subscribed and Paid-up Share Capital of PHCPL as on the Appointed Date (as defined hereinafter) was as under:

**Authorised Share Capital**:

| | |
|---|---|
| 40,00,000 Equity Shares of Rs. 10 each | Rs. 4,00,00,000/- |

**Issued, Subscribed and Paid-up Share Capital**:

| | |
|---|---|
| 23,21,400 Equity Shares of Rs. 10 each | Rs. 2,32,14,000/- |

There is no change in the Issued, Subscribed and Paid-up Share Capital of PHCPL after the Appointed Date.

13,21,400 equity shares of PHCPL are held by The Phoenix Mills Limited (PML), the Transferee Company herein and the balance 10,00,000 equity shares are held by Ruia International Holding Company Private Limited, a Promoter Group Company of PML.

Following are the Directors of PHCPL as on the Appointed Date:

| Sr. No. | Name of the Director | DIN | Address |
|---|---|---|---|
| 1. | Atul Ruia | 00087396 | Ruia House, 19 Bhau Sahib Hire Marg, Malabar Hill, Mumbai - 400006 |
| 2. | Shishir Shrivastava | 01266095 | 1/1, Prakash C.H.S., Relief Road, Santacruz (West), Mumbai - 400054 |
| 3. | Sharmila Dalmia | 00266624 | Dalmia House 20F, Prithviraj Road, New Delhi - 110011 |
| 4. | Ajay Kumar Kejriwal | 00348494 | 33A, Atlas Apartments, 11 Harkness Road, Malabar Hill, Mumbai - 400006 |

(B) The Phoenix Mills Limited (**PML**), is a company registered under Act No. VI of 1882 of the Legislative Council of India with the Registrar of Joint Stock Companies, Bombay on 27th January 1905 deemed to be registered under the provisions of the Companies Act, 1956 having its registered office at 462 Senapati Bapat Marg, Lower Parel- West, Mumbai – 400013, The Corporate Identification Number of PML is L17100MH1905PLC000200. The PAN of PML is AAACP3325J. The email address of PML is corpaffairs@highstreetphoenix.com.

PML vide a Special Resolution passed on 10th October 2005 altered the provisions of its Memorandum of Association with respect to its objects.

Some of the objects of PML on its incorporation under Clause III of the Memorandum of Association of the Company are as under:

(a) To acquire and work the Mills and business lately purchased from the Britannia Mills Limited, and its Liquidators, and with a view there to enter into a certain Agreement in the terms of the draft agreement set forth in Schedule A to the Articles of Association which accompany these presents and to carry the same into effect with or without modification.

(b) To carry on all or any one or more of the business following, that is to say, to purchase, comb, prepare, spin dye, bleach and deal in cotton, wool, jute, silk, flax, hemp and other fibrous substances and to weave or otherwise manufacture, buy and sell and deal in yarn, linen cloth and other goods and fabrics whether textile, frebled, nelted or looped.

(c) To acquire by purchase, lease, exchange or otherwise any land, building, easements, rights, privileges, machinery, plant and stock-in-trade.

(d) To sell, improve, manage, develop, exchange lease, mortgage, dispose of, turn to account, or otherwise deal with, all or any part of the property and rights of the Company.

(da) To carry on the business and to own, acquire, construct, erect, renovate, maintain, run, take on lease, give on lease, let out, operate and manage shopping centers, malls, shopping arcades, theatres, auditoriums, stadiums, clubs, spas, resorts, holiday homes, sports, amusement and family entertainment centers or parks of all nature and kinds and types

and to carry on the business of setting up of national and international sports and amusement parks in India or elsewhere and to purchase and/or otherwise acquire and equip any other sports or amusement center, public or private parks.

(db) To carry on the business of developing, buying, selling and otherwise dealing in land properties (leasehold or freehold) and to erect, construct, maintain, alter and extend on the land or ground of the Company buildings, houses, offices, shops, garages, residential, commercial, industrial premises, godowns, sheds, warehouses, furnished or unfurnished, in India or abroad, including international educational institutions, boarding schools, old age homes, cinematic purposes, health farms, spas, meditation centers.

(dc) to own, manage, operate, carry on, acquire and sell the business in India or elsewhere of indoor sports including setting up of bowling alleys, entertainment arcades, video parlors, pool tables, rides, darts, simulated games, gymnasiums, health and fitness centers, billiard and snooker tables, badminton courts, squash courts, swimming pools, sauna baths, Jacuzzi centers, amusement parks, cinema theatres, family entertainment centers, hotels, clubs, restaurants and cafes, shopping arcades, fast food outlets, pubs, caters and ice cream parlors.

(e) To erect, purchase or take on lease or otherwise acquire any mills, or works machinery and any other real and personal property appertaining to

the goodwill of and any interest in the business of spinning or manufacturing cotton or other fibrous substances.

(f) To carry on any other business whether manufacturing or otherwise which may seem in the opinion of the Directors capable or being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.

(g) To acquire and undertake the whole or part of the business property and liabilities of any person or Company carrying on any business which the Company is authorized to carry on or possessed of property suitable for the purpose of this Company.

PML at present is engaged in mixed use retail-led real estate development activities on a Pan-India basis. The Authorised, Issued, Subscribed and Paid-up Share Capital of PML as on the Appointed Date was as under:

**Authorised Share Capital**:

| | |
|---|---|
| 22,50,00,000 Equity Shares of Rs. 2/- each | Rs. 45,00,00,000/- |

**Issued, Subscribed and Paid-up Share Capital**:

| | |
|---|---|
| 15,32,89,801 Equity Shares of Rs. 2/- each | Rs. 30,65,79,602/- |

There is no change in the Issued, Subscribed and Paid-up Share Capital of PML during the period commencing from the Appointed Date and until the date of approval of the Scheme by the PML's Board of Directors, except for

the 53,889 Equity Shares allotted to employees pursuant to their exercise of Stock Options granted to them by PML. The total number of options outstanding as on the date of approval of the Scheme by the PML's Board of Directors, i.e. options granted but either not vested or vested but not exercised, is 8,54,718 options.

Following are the Directors of PML as on the Appointed Date:

| Sr. No. | Name of the Director | DIN | Address |
|---|---|---|---|
| 1. | Mr. Atul Ruia | 00087396 | Ruia House, 19 Bhau Sahib Hire Marg, Malabar Hill, Mumbai - 400006 |
| 2. | Mr. Shishir Shrivastava | 01266095 | 1/1, Prakash C.H.S., Relief Road, Santacruz (West), Mumbai - 400054 |
| 3. | Mr. Pradumna Kanodia | 01602690 | 1003, 10th Floor, B Wing, Phoenix Tower, 462, Senapati Bapat Marg, Lower Parel, Delisle Road, Mumbai - 400013 |
| 4. | Mr. Rajendra S. Kalkar | 03269314 | 803 B, Phoenix Tower, Senapati Bapat Marg, Lower Parel, Delisle Road, Mumbai - 400013 |
| 5. | Mr. Amit Dabriwala | 00164763 | 43A, Anita, Mount Pleasant Road, Malabar Hill, Mumbai - 400006 |
| 6. | Mr. Amit Dalal | 00297603 | 81, Shereman, 22, Narayanan Dabholkar Road, Walkeshwar, Mumbai – 400006 |
| 7. | Mr. Sivaramakrishnan Iyer | 005033487 | Flat 1901, Floor 19, Wing B, Runwal Pride CHSL, L.B.S. Marg, |

| | | | |
|---|---|---|---|
| | | | Behind R Mall, Mulund (West), Mumbai - 400080 |
| 8. | Ms. Shweta Vyas | 06996110 | 02, Soudamini Apartments, Kanakapura Main Road, Udaypura A Block, Banglore, South Udaypura Bengaluru - 560082 |

**BACKGROUND AND RATIONALE FOR THE SCHEME**

The background and circumstances which justify the proposed Amalgamation Scheme are, inter-alia, as follows:-

The proposed Amalgamation will lead to a simplified corporate structure since it will result in the combined businesses of PHCPL and PML being carried on more economically, efficiently and beneficially and the arrangement would be in the interest of both the Companies and their shareholders as the businesses carried on by both the Companies are under common management/shareholders. The proposed amalgamation would strengthen the Management of PML effectively because of avoidance and elimination of unnecessary duplication of time, costs and expenses, incurred for administration and operations of both the Companies separately and would result in better utlilization of resources and assets and synergies of operations with integration of management and other expertise. The proposed amalgamation will also lead to reduction in compliance requirement and reduction in the intermediate holding structure in accordance with Section 2(87) of Companies Act, 2013 thereby providing greater operation flexibility

in future. Further, even the creditors of PML will not be affected by the Scheme since PHCPL does not have any external liabilities, and post the amalgamation, the assets of the PML would continue to be more than its liabilities.

In view of the aforesaid, the Board of Directors of PHCPL and PML at their respective meetings held on August 7, 2019 have considered and approved unanimously, the Scheme of Amalgamation of PHCPL and PML subject to necessary statutory approvals. Accordingly, the Board of Directors of both the Companies have formulated this Scheme of Amalgamation for the transfer to and vesting of the undertakings and business of PHCPL into PML pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 as applicable and in force.

**DETAILS OF VOTING PATTERN BY THE BOARD OF DIRECTORS OF PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED AND THE PHOENIX MILLS LIMITED IN RESPECT OF THE RESOLUTION FOR APPROVING THE SCHEME OF AMALGAMATION.**

**Directors of PHCPL**

Names of Directors who voted in favour of the resolution

| Sr. No. | Name of the Director | Voted For | Voted against |
|---|---|---|---|
| 1 | Atul Ashokkumar Ruia | √ | - |
| 2 | Sharmila Dalmia | Leave of Absence | Leave of Absence |
| 3 | Ajaykumar Parmanand Kejriwal | √ | - |
| 4 | Shishir Ashok Shrivastava | √ | - |

**Directors of PML**

Names of Directors who voted in favour of the resolution

| Sr. No. | Name of the Director | Voted For | Voted against |
|---|---|---|---|
| 1 | Atul Ashokkumar Ruia | √ | - |
| 2 | Amit Dabriwala | √ | - |
| 3 | Amit Dalal | √ | - |
| 4 | Shishir Ashok Shrivastava | √ | - |
| 5 | Sivaramakrishnan Srinivasan Iyer | √ | - |
| 6 | Pradumna Kanodia | √ | - |
| 7 | Rajendra S Kalkar | √ | - |
| 8 | Shweta Pradeep Vyas | √ | - |

**AMOUNT DUE TO CREDITORS**

(a) As on 31st March 2019, PHCPL has an outstanding secured and unsecured creditors amounting to Rs. 4,87,21,826.

(b) As on 31st March 2019 PML has an outstanding secured and unsecured creditors amounting to Rs. 801,29,55,034.

**1. DEFINITIONS**

In this Scheme, unless repugnant to or inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

1.1. "**Act**" or "**the Act**" means the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force;

1.2. "**Appointed Date**" means the date from which the provisions of the Scheme shall become operational, i.e. opening of business hours on 1st April 2019 or such other date as may be mutually agreed upon by the respective Board of Directors of PHCPL and PML with the approval of the NCLT or such other date as may be fixed by the NCLT while sanctioning the Scheme;

1.3. "**Companies**" shall mean the Transferor Company and the Transferee Company.

1.4. "**Effective Date**" " or **"upon the Scheme becoming effective"** or **"upon coming into effect of this Scheme"** means the last date on which the certified true copies of the Orders of the NCLT sanctioning this Scheme are filed by PHCPL and PML with the Registrar of Companies, Maharashtra, Mumbai.

1.5. **"Government Authority" or "Appropriate Authority**" means the central government, any applicable state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, stock exchanges, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.

1.6. "**NCLT**" means the National Company Law Tribunal Mumbai Bench having jurisdiction over the Companies.

1.7. "**PHCPL**" or "**Transferor Company**" means Phoenix Hospitality Company Private Limited.

1.8. **"PML"** or "**Transferee Company**" means The Phoenix Mills Limited.

1.9. "**Record Date**" means the date to be fixed by the Board of Directors of PML, for the purpose of issue of Equity Shares of PML to the equity shareholders of PHCPL other than PML as contemplated under this Scheme.

1.10. "**SEBI**" means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.11. "**SEBI Circular**" means circular no CFD/DIL3/CIR/2017/21 issued on March 10, 2017, as amended in accordance with any subsequent circulars and amendments, if any, that may be issued by SEBI from time to time;

1.12. "**Scheme**" or "**the Scheme**" or "**this Scheme**" or "**Amalgamation Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 17.2 of this Scheme or any modifications approved or directed by the NCLT.

1.13. "**Stock Exchanges**" means BSE Limited and the National Stock Exchange of India Limited where the equity shares of PML are listed.

All terms and words not defined shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment from time to time.

**2. DATE OF TAKING EFFECT AND OPERATIVE DATE:**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, shall be operative from the Appointed Date but shall be come into force from the Effective Date.

**3. VESTING OF ASSETS:**

3.1 With effect from the Appointed Date, the entire business and undertaking of PHCPL including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature, such as licenses, lease, tenancy rights, if any, and all other rights, title, interest, contracts, powers or benefits of every kind, nature and descriptions whatsoever, shall under the provisions of Sections 230 to

232 of the Act and pursuant to the orders of the NCLT sanctioning this Scheme and without further act, instrument or deed, but subject to the securities, mortgages, charges, encumbrances or liens, if any, existing as on the Effective Date, be transferred and / or deemed to be transferred to and vested in PML so as to become the business and undertaking of PML.

3.2 However, in respect of such of the assets of PHCPL as are movable in nature or are otherwise capable of transfer by manual delivery, they shall be physically handed over by manual delivery or endorsement and delivery. The same may be so transferred by PHCPL without requiring any deed or instrument or conveyance for the same and shall become the property of PML to the end and intent that the ownership and property therein passes to PML on such handing over, which would take place on the Effective Date or thereafter on any date as may be decided by the Board of Directors of PML.

**4. TRANSFER OF LIABILITIES**

4.1 With effect from the Appointed Date, all debts, liabilities, duties and obligations of PHCPL as on the close of business on the date immediately preceding the Appointed Date, whether or not provided for in the books of PHCPL and all other liabilities of PHCPL which may arise or accrue on or after the Appointed Date upto the Effective Date, but which relate to the period on or upto the Appointed Date

shall under the provisions of sections 230 to 232 of the Act and pursuant to the Orders of the NCLT sanctioning this Scheme and without any further act or deed, be transferred or deemed to be transferred to and vested in and be assumed by PML, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of PML on the same terms and conditions as were applicable to PHCPL, Provided however that any charges, mortgages and/or encumbrances shall be confined only to the relative assets of PHCPL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in PML and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of PML. Any reference in any security documents or arrangements (where PHCPL is a party) to any assets of PHCPL shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of PHCPL and/or PML shall not be obliged to create any further or additional security.

4.2 For the removal of doubt, it is clarified that to the extent that there are deposits, obligations, balances or other outstanding as between PHCPL and PML, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of PML for the reduction of such assets or liabilities, as the case may be, and there would be no

accrual of interest or any other charges in respect of such deposits or balances, with effect from the Appointed Date.

## 5. LEGAL PROCEEDINGS

5.1 If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the "**Proceedings**") by or against PHCPL are pending on the Effective Date, the same shall not abate or be discontinued nor in any way be prejudicially affected by reason of the amalgamation of PHCPL with PML or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against PML as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against PHCPL, in the absence of the Scheme.

## 6. CONTRACTS AND DEEDS

6.1 All contracts, deeds, bonds, agreements, arrangements, incentives, licences, engagements, registrations, transactions, actions, authorizations and other instruments of whatsoever nature to which PHCPL is a party or to the benefit of which PHCPL may be eligible or undertakings issued by PHCPL, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of PML, as the case may be, and may be enforced by or against PML as fully and effectually as if, instead of PHCPL, PML had been a party or beneficiary thereto.

6.2 PML shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this Clause and to the extent that PHCPL is required prior to the Effective Date to join in such deeds, writings or confirmations, PML shall be entitled to act for and on behalf of and in the name of PHCPL.

**7. SAVING OF CONCLUDED TRANSACTIONS**

7.1 The transfer of the assets and liabilities of PHCPL under Clauses 3 & 4 above, the continuance of Proceedings under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above, shall not affect any transaction or Proceedings already concluded by PHCPL on or before the Effective Date, to the end and intent that PML accepts and adopts all acts, deeds and things done and executed by PHCPL in respect thereto, as if done and executed on its behalf.

**8. EMPLOYEES**

8.1 All the employees of PHCPL in service on the Effective Date shall, on and from the Effective Date, become the employees of PML without any break or interruptions in their service and upon the terms and conditions not less favourable than those on which they were engaged on the Effective Date.

8.2 With regard to provident fund and gratuity fund or any other special funds or schemes created or existing for the benefit of such employees (hereinafter referred to as the "**said Funds**") of PHCPL, upon the Scheme becoming effective, PML shall stand substituted for PHCPL for all purposes whatsoever relating to the administration or operation of such schemes or funds in relation to the obligations to make contributions to the said Funds in accordance with the provisions of such schemes or funds in the respective Trust Deeds or other documents.

**9. CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

With effect from the Appointed Date and upto and including the Effective Date:

9.1 PHCPL shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of its assets for and on account of, and in trust for PML and all profits or dividends or other rights accruing to PHCPL and all taxes thereof, or losses arising or incurred by it, relating to such investments, shall, for all intent and purpose, be treated as the profits, dividends, taxes or losses, as the case maybe, of PML.

9.2 PHCPL shall carry on its business and activities with reasonable diligence, business prudence and shall not (without the prior written

consent of PML) alienate, charge, mortgage, encumber or otherwise deal with or dispose of its undertaking or any part thereof, except in the ordinary course of business.

9.3 All the profits or income, taxes (including advance tax and tax deducted at source) or any costs, charges, expenditure accruing to PHCPL or expenditure or losses arising or incurred or suffered by PHCPL shall for all purposes be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of PML, as the case may be.

9.4 PHCPL shall not vary the terms and conditions of service of its employees except in the ordinary course of business.

9.5 On and after the Appointed Date and until the Effective Date, PHCPL shall not without the prior written approval of the Board of Directors of PML:

(i) except as contemplated under this Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise; or

(ii) utilize, subject to Clause 10.1 below, the profits, if any, for any purpose including of declaring or paying any dividend.

9.6 It is clarified that all taxes payable by PHCPL, relating to the transferred undertaking, from the Appointed Date onwards including all or any

refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of PML.

9.7 This Scheme has been drawn up to comply with and fall within the definition and conditions relating to "Amalgamation" as specified under Section 2(1B) and other applicable provisions of the Income Tax Act, 1961, as amended. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Sections of the Income Tax Act, 1961, at a later date, including resulting from amendment of law or for any other reason whatsoever, the Scheme shall stand modified / amended / altered to the extent determined necessary to comply with and fall within the definition and conditions relating to "Amalgamation" as specified in the Income Tax Act, 1961. In such an event, the Clauses which are inconsistent shall be read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.

9.8 Upon the Scheme becoming effective, PML is expressly permitted and shall be entitled to revise its financial Statements and Returns along with prescribed Forms and annexures under the Income Tax Act, 1961, as amended, (including for minimum alternate tax purposes and tax benefits, ) Goods & Services Tax and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax),

and to claim tax benefits under the Income Tax, 1961 etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

9.9 PHCPL, shall preserve and carry on its business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts, nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comforts or commitments for themselves or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the undertaking or any part thereof save and except in each case in the following circumstances:

(a) If the same is in its ordinary course of business as carried on as on the date of filing this Scheme with the NCLT; or

(b) If the same is permitted by this Scheme; or

(c) If the same is permitted by a written consent of the Board of Directors of PML.

(d) If the same is pursuant to any pre-existing obligation undertaken by PHCPL.

9.10 PHCPL shall not, without prior written consent of PML, undertake any new Business and/or investments.

9.11 PHCPL shall not, without prior written consent of PML, take any major policy decision in respect of the management of PHCPL and for the business of the Company and shall not change its present capital structure.

9.12 PHCPL shall co-operate with PML for smooth transfer of the business and undertaking from PHCPL to PML and any of the Directors of PHCPL and any of the Directors of PML shall be empowered to give effect to the Scheme in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the Scheme in such manner as they deem fit to attain the objective of this Scheme and their decision in this regard shall be final and binding.

**10. DIVIDENDS**

10.1 PHCPL and PML shall be entitled to declare and pay dividends, whether interim or final, to their shareholders in respect of the accounting period prior to the Appointed Date. For the period commencing from the Appointed Date until the Effective Date, PHCPL shall declare dividend, only with the prior written consent of the Board of Directors of PML, as mentioned in Clause 9.5 above. However, during this said period, PML shall be entitled to declare dividend without any restriction.

10.2 Subject to the provisions of the Scheme, the profits of PHCPL, for the period beginning from the Appointed Date, shall belong to and be the

profits of PML and will be available to PML for being disposed of in any manner as it thinks fit.

10.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of PHCPL and/or PML to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of PML, subject to such approval of the shareholders, as may be required.

## 11. SUMMARY OF VALUATION REPORT OF M/S. BANSI S. MEHTA & CO. AND M/S. BSR & ASSOCIATES LLP

The Share Exchange Ratio has been arrived at based on the joint valuation report prepared by Independent Valuers namely M/s. Bansi S. Mehta & Co., Chartered Accountants and M/s. BSR & Associates LLP, Chartered Accountants, an extract of the said valuation report is given in Annexure A. Further, Kotak Mahindra Capital Company Limited, Independent Category-l Merchant Banker have provided fairness report to PML on the fairness of the Share Exchange Ratio determined for the amalgamation of PHCPL with PML.

## 12. CONSIDERATION:

12.1. Upon this Scheme finally coming into effect and in consideration of the transfer of all the assets and liabilities of PHCPL to PML in terms of this Scheme:-

a. 13,21,400 Equity Shares of PHCPL held by PML shall stand automatically cancelled and there will not be any issue and allotment of shares to PML.

b PML shall issue and allot to the shareholders of PHCPL save and except PML, 627 fully paid-up equity shares of face value of Rs. 2 each for every 100 fully paid-up equity shares of face value of Rs. 10 each held by other shareholder i.e. Ruia International Holding Company Private Limited ('RIHCPL') in PHCPL on the Record Date ("**Share Exchange Ratio**"). Any fractional shares arising out of such allotment shall be rounded off to the nearest integer.

c. The Equity Shares to be issued pursuant to clause 12.1 (b) shall be issued in dematerialized form.

d. The Equity Shares to be issued shall be listed and admitted to trading on the Stock Exchanges. PML shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges with respect to the issue of equity shares under this Scheme. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit such equity shares issued pursuant to this Scheme, for the purpose of trading.

12.2. On the approval of the Scheme by the members of PML pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, if any it shall be deemed that the said members of PML have also resolved and accorded all relevant consents under Sections 42 and 62 of the Act or any other provisions of the said Act, Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement), 2015 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and all other relevant Rules, Regulations, and Laws for the time being in force. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 42 and 62 of the Act or any other provisions of the said Act, if any, as may be applicable.

12.3. The new shares in PML to be issued to the shareholders of PHCPL save and except PML, shall be subject to the Memorandum and Articles of Association of PML and the Equity Shares shall rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares of PML.

12.4. The new shares to be issued by PML to the shareholders of PHCPL save and except PML, shall be subject to all the consents, approvals and permissions, as may be necessary, from the concerned statutory authorities as the case may be. Further necessary compliances, if any, as may be required under the applicable laws if any, required arising out of the above amalgamation will be made.

## 13. DISSOLUTION OF PHCPL

On the Scheme becoming effective, PHCPL shall stand dissolved without being wound up without any further act, instrument or deed by the parties.

## 14. FINANCIAL STATEMENT AND LIST OF SHAREHOLDERS OF PHCPL AND PML AS ON 31ST MARCH, 2019 IS AS UNDER:

14.1 Balance Sheet (Standalone) of PHCPL as on **31st March 2019** is as under:

| **Particulars** | **As At** |
|---|---|
| **(Amount in Rs.)** | **March 31, 2019** |
| **ASSETS** | |
| **(1) Non-Current Assets** | |
| (a) Property, Plant & Equipment | 5,265 |
| (b) Financial Asset | |
| (i) Investments | 1,84,28,54,959 |
| (c) Other Non-Current Asset | 95,000 |
| | |
| **(2) Current assets** | |
| (a) Financial Asset | |
| (i) Trade receivables | 11,90,000 |
| (ii) Cash and Cash Equivalents | 1,90,182 |
| (iii) Short-Term Loans and Advances | 21,25,000 |
| (b) Current Tax Assets ( Net) | 4,00,454 |
| (c) Other Current Assets | 56,589 |
| | |
| **Total** | **1,84,69,17,448** |
| | |
| **EQUITY AND LIABILITIES** | |
| **EQUITY** | |
| (a) Equity Share Capital | 2,32,14,000 |
| (b) Other Equity | 1,77,47,02,039 |
| | |

| | |
|---|---|
| **LIABILITIES** | |
| **(1) Current Liabilities** | |
| (a) Financial Liability | |
| (i) Borrowings | 4,87,21,826 |
| (ii) Trade Payables | |
| Dues to micro and small enterprises | - |
| Dues to others | 2,23,950 |
| (iii) Other Financial Liabilities | - |
| (b) Other Current Liabilities | 55,633 |
| | |
| **Total** | **1,84,69,17,448** |

**Following are the Shareholders of PHCPL as on 31st March 2019:**

| | Names of shareholders | Address | Number of shares | Nominal Value per share (₹) | Amount in ₹ | Percentage of holding (%) |
|---|---|---|---|---|---|---|
| 1. | The Phoenix Mills Limited | 462 Senapati Bapat Marg,Lower Parel- West, Mumbai – 400013 | 13,21,400 | 10 | 1,32,14,000 | 56.92% |
| 2. | Ruia International Holding Company Private Limited | C/o Market City Resources Pvt. Ltd, Ground Floor, R.R. Hosiery Bldg,Shree Luxmi Woollen Mills Estate Mahalaxmi Mumbai-400011 | 9,99,900 | 10 | 99,99,000 | 43.07% |
| 3. | Ruia International Holding Company Private Limited jointly with Mr. Atul Ruia | C/o Market City Resources Pvt. Ltd, Ground Floor, R.R. Hosiery Bldg,Shree Luxmi Woollen Mills Estate | 100 | 10 | 1,000 | 0.05% |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | Mahalaxmi Mumbai-400011 | | | | |
| | **TOTAL** | | **23,21,400** | **10** | **2,32,14,000** | **100%** |

14.2 Balance Sheet (Standalone) of PML as on 31st March 2019 is as under

| **Statement of Assets & Liabilities** | | **Rs. in Lakhs** |
|---|---|---|
| | **Particulars** | **As at 31st March 2019** |
| | | **Audited** |
| | **ASSETS** | |
| 1 | **Non-current assets** | |
| | a) Property, plant and equipment | 63,486.38 |
| | b) Capital work-in-progress | 10,664.47 |
| | c) Other intangible assets | 18.24 |
| | d) Financial assets | |
| | i) Investments | 2,61,373.09 |
| | ii) Loans | 12,630.25 |
| | iii) Other Financial assets | 4,414.01 |
| | e) Deferred tax assets (net) | 1,751.71 |
| | f) Other non-current assets | 1,471.36 |
| | **(A)** | **3,55,809.51** |
| | | |
| 2 | **Current assets** | |
| | a) Financial assets | |
| | i) Trade receivables | 2,199.98 |
| | ii) Cash and cash equivalents | 716.90 |
| | iii) Bank Balance other than above | 14.84 |
| | iv) Loans | 7,087.67 |
| | v)Other Financial assets | 7,852.02 |
| | b) Current Tax Assets (net) | 2,887.69 |
| | c) Other current assets | 248.79 |
| | **(B)** | **21,007.89** |
| | | |
| | **TOTAL ASSETS (A + B)** | **3,76,817.40** |
| | | |
| | **EQUITY AND LIABILITIES** | |
| | | |

| | | |
|---|---|---|
| 1 | **Equity** | |
| | a) Equity share capital | 3,065.80 |
| | b) Other equity | 2,71,393.86 |
| | | |
| | **(A)** | **2,74,459.66** |
| | **Liabilities** | |
| 2 | **Non-current liabilities** | |
| | a) Financial liabilities | |
| | i) Borrowings | 66,306.18 |
| | ii) Other financial liabilities | 7,394.59 |
| | b) Provisions | 147.11 |
| | **(B)** | |
| | | **73,847.88** |
| 3 | **Current liabilities** | |
| | a) Financial liabilities | |
| | i) Borrowings | 1,872.04 |
| | ii) Trade Payables | 1,327.98 |
| | iii) Other financial liabilities | 21,696.16 |
| | b) Provisions | 10.69 |
| | c) Other current liabilities | 3,602.99 |
| | **(C)** | **28,509.86** |
| | | |
| | **TOTAL EQUITY AND LIABILITIES (A+B+C)** | **3,76,817.40** |

**Following are the Shareholders of PML as on 31st March 2019:**

| Category of the Shareholder | No. of Equity Shares held | % of Shareholding |
|---|---|---|
| **Promoters** | 45,32,005 | 2.95 |
| **Promoter Group** | 9,16,78,877 | 59.81 |
| **Promoter & Promoter Group** | 9,62,10,882 | 62.76 |
| **Public** | | |
| **Foreign Portfolio Investor** | 3,86,88,275 | 25.24 |
| **Foreign Institutional Investors** | 1691,482 | 1.10 |
| **Mutual Funds** | 75,81,605 | 4.95 |

| | | |
|---|---|---|
| **Public** | 42,95,997 | 2.80 |
| **Bodies Corporate** | 22,98,397 | 1.50 |
| **Non Resident Indians- Non-Repatriable** | 152,268 | 0.10 |
| **Alternate Investment Funds** | 1144331 | 0.75 |
| **Non Resident Indians-Repatriable** | 142,986 | 0.09 |
| **Non-Promoter Directors and Relatives** | 88,700 | 0.06 |
| **HUF** | 71,988 | 0.05 |
| **Clearing Members** | 34,241 | 0.02 |
| **Financial Institutions & Banks** | 13,505 | 0.01 |
| **Trusts** | 12,604 | 0.01 |
| **IEPF** | 8,05,587 | 0.53 |
| **Foreign Companies** | 50,000 | 0.03 |
| **Central Government** | 6,953 | 0.00 |
| **Sub-Total** | 5,70,78,919 | 37.24 |
| **Grand Total** | 15,32,89,801 | 100.00 |

## 15. ACCOUNTING TREATMENT

Upon the Scheme becoming effective, PML shall account for the amalgamation as under:

15.1 PML shall account for the amalgamation of PHCPL as per Ind- AS 103 – Business Combinations (pooling of interest method) for the entities under common control and other applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India and as referred to in section 133 of the Companies Act, 2013, subject to the following:-

A) Upon this Scheme becoming effective and with effect from the Appointed Date, all the assets, liabilities, reserves and credit balance of profit and loss account, if any, of PHCPL shall be recorded in the books of PML, under the respective heads of assets & liabilities, subject to such correction and adjustments, if any, as may in the opinion of the Board of Directors of PML be necessary or required and to the extent permissible in law.

B) The balance, if any, in the Reserves account or credit or debit balance of profit and loss account of PHCPL, as the case may be, as on the Appointed Date, shall be transferred to and aggregated with the corresponding reserves in the books of PML.

15.2 PML shall record all the assets and liabilities including reserves and accumulated losses of PHCPL transferred to and vested in PML pursuant to this Scheme, at their respective book values as appearing in the books of PHCPL.

15.3 PML shall credit to its share capital account, the aggregate face value of the Equity Shares issued by it pursuant to this Scheme.

15.4 The book value of investments, if any, held by PML in PHCPL shall stand cancelled.

15.5 The excess or deficit between the net assets and reserves taken over as stated in (15.2) above, share capital issued as stated in (15.3) above and cancellation of investment as stated in (15.4) above shall be

credited / debited to Reserve Account as the case may be in the books of PML.

15.6 Upon coming into effect of this Scheme, to the extent that there are inter-corporate loans/advances or balances between PHCPL and PML, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of PHCPL and PML for the reduction of any assets or liabilities, as the case may be.

15.7 Adjustment for differences in accounting policies

In case of any differences in the accounting policy between PHCPL and PML, the impact of the same till the amalgamation will be quantified and adjusted in Statement of Profit and Loss of PML to ensure that the financial statements of PML reflects the financial position on the basis of consistent accounting policy.

15.8 The provisions of Income Tax has been duly complied.

15.9 The difference between the amounts recorded as Share Capital issued and the amount of Share Capital of PHCPL shall be adjusted in Reserves.

## 16. CHANGE IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF PML:

The Memorandum & Articles of Association of PML shall without any act, instrument or deed be and shall stand altered, modified and amended pursuant to section 13, 14, 61 of the Companies Act, 2013 and other applicable provisions of the Act.

Upon the Scheme becoming effective, the authorized share capital of the PHCPL shall stand combined with and be deemed to be added to the authorized share capital of the PML. Filing fees and stamp duty, if any, paid by PHCPL on its authorized share capital, as applicable, shall be deemed to have been so paid by the PML on the combined authorized share capital and accordingly, the PML shall not be required to pay any fee/stamp duty for its increased authorized share capital

Consequently, existing clause 5 of the Memorandum of Association of the PML shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 61 to 64 and other applicable provisions of the Companies Act, 2013 by substituting the existing Clause with the following

"the Authorised Share Capital of the Company is Rs.49,00,00,000/- (Rupees Forty Nine Crores Only) divided into 24,50,00,000 (Twenty Four Crores Fifty Lakh) Equity Shares of Rs.2/- (Rupees Two only) each with all the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being, with power to increase, decrease or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such."

**17. GENERAL:**

17.1 On the Scheme being agreed to and approved by the respective requisite majorities of members of PHCPL and PML at their meetings held in accordance with the directions of the jurisdictional NCLT(s) on

the Companies' applications, both the Companies shall with reasonable dispatch, file their respective petitions with the NCLT for sanctioning this Scheme of Amalgamation under Section 230 to 232 of the Act and for an order or orders for carrying this Scheme into effect.

17.2 Subject to the approval of the NCLT, PHCPL and PML through their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, are hereby empowered and authorized to assent from time to time to any modifications or amendments or conditions or limitation which the NCLT or any other Government Authority may deem fit to approve, impose and to settle all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things as may be necessary for putting the Scheme into effect. The power of the Board of Directors of PHCPL and PML shall be subject to the final approval of the NCLT.

17.3 If the enterprise value of PHCPL exceeds 10% of the consolidated turnover of PML, the Scheme of Amalgamation between PML and PHCPL shall be a material related party transaction. The approval of the Scheme by the shareholders shall also be deemed an approval for material related party transaction in compliance with Regulation 23 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement), 2015.

17.4 The Scheme is conditional upon and subject to:

(a) The Scheme being agreed to by the respective requisite majorities of the members as are referred to in clause 17.1 hereof on behalf of PHCPL and PML and requisite Order or Orders referred to in clause 17.1 being obtained.

(b) Such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.

(c) The Scheme being approved by the majority of public shareholders of the Transferee Company (by way of e-voting) as required under the SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders, against it as required under the SEBI Circular. The term 'public shareholder' shall carry the same meaning as defined under Rule 2 of the Securities Contracts (Regulations) Rules, 1957"

17.5 After the sanction of the Scheme and in spite of dissolution of PHCPL, PML shall for a period of one year from the date of sanction of the Scheme, be also entitled to continue to operate existing Bank account (s) of PHCPL for the purpose of depositing cheques, drafts, pay orders and or payment advances issued to or to be issued in favor of PHCPL

and for the purpose of transferring such deposits in such accounts of PHCPL to the account of PML.

17.6 Disclosure about the effect of aforesaid Amalgamation on:

| **Particulars** | **Transferor Company** | **Transferee Company** |
|---|---|---|
| Key Managerial personnel (KMP) | Will cease to be KMP | No effect |
| Directors | Will cease to be Directors | No effect |
| Promoters | Will be allotted equity shares as per the Scheme in the Transferee Company | Change in the shareholding the Promoter |
| Non-Promoter members | Not Applicable | Dilution in percentage stake |
| Depositors | Not Applicable | Not Applicable |
| Creditors | Will become Creditors of Transferee Company | Not Effect |
| Debenture holders | Transferee Company being the Debenture holder, their holding will get cancelled | Not Effect |
| Deposit Trustee and Debenture trustee | Not Applicable | No effect |
| Employees | Will become employees of Transferee Company | No effect |

Except as stated in this Scheme, there will not be any effect on material interests of Directors, Key Managerial Personnel and Debenture Trustee, as the case may be. There are no investigations, proceedings instituted or pending against PHCPL and PML under the provisions of the Companies Act, 2013.

17.7 The person may vote in the meeting either in person or by proxies as specifically provided in the notice convening meeting of the shareholders of the Company wherever required.

17.8 The details of the following documents for obtaining extract from or for making copies or for inspection by the members and creditors would also available at the registered office of PHCPL and PML

- Latest audited financial statements of PML including consolidated financial statements for the year ended March 31, 2019.

- Latest audited financial statements of PHCPL for the year ended March 31, 2019.

- Copy of the Scheme

- The certificate issued by the Statutory Auditors of PML and PHCPL to the effect that the accounting treatment, if any, proposed in the Amalgamation Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

17.9 This Scheme will be forwarded / filed with all required regulatory or any other government authorities to seek their approval / no objection / sanctions, if any, as may be required.

17.10 Interse relationship between Directors of PHCPL and PML

The common directors of PHCPL and PML are as under;

| Particulars | PHCPL | PML |
|---|---|---|
| Name of Directors | Shishir Shrivastava | Shishir Shrivastava |
| | Atul Ruia | Atul Ruia |

17.11 Details of relationship between PHCPL and PML

PHCPL is a subsidiary of PML and 13,21,400 equity shares of PHCPL are held by PML and the 10,00,000 balance shares are held by the Ruia International Holding Company Private Limited, a Promoter Group Company, of PML.

## 18. REVOCATION OF THE SCHEME:

18.1 In the event of any of the said sanctions and approvals referred to in Clause 17.1 above, not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed as aforesaid before 31st March, 2021 or such other date as may be mutually agreed upon by the respective Board of Directors of PHCPL and PML who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se PHCPL and PML or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated

hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of PHCPL and PML with the approval of the NCLT shall be entitled to revoke, cancel and declare the Scheme of no effect, if such Boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders of NCLT with any authority or due to change in applicable laws could have adverse implication on either/both of the companies.

**19. COST**

19.1 All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or Tribunal's order of PHCPL and PML respectively in relation to or in connection with negotiations leading upto the scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement of the said Scheme and in pursuance of this Scheme shall be borne and paid by PML exclusively.

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**BSR & Associates LLP**
**Chartered Accountants**
**Lodha Excellus, 1st Floor,**
**Apollo Mills Compound, N.M. Joshi Marg,**
**Mahalakshmi, Mumbai 400 011, India**

**Bansi S. Mehta & Co.**
**Chartered Accountants**
**Metro House, 3rd Floor,**
**Dhobi Talao, M. G. Road,**
**Mumbai - 400 020, Maharashtra, India**

7 August 2019

The Board of Directors
**The Phoenix Mills Limited**
Shree Laxmi Woolen Mills Estate
Off. Dr. E. Moses Road, Mahalaxmi
Mumbai, 400011

The Board of Directors
**Phoenix Hospitality Company Private Limited**
Phoenix Mill Premises
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013

**Sub: Recommendation of equity share exchange ratio for the proposed amalgamation of Phoenix Hospitality Company Private Limited with The Phoenix Mills Limited**

Dear Sirs,

We refer to our engagement letters whereby The Phoenix Mills Limited ("TPML") and Phoenix Hospitality Company Private Limited ("PHCPL") (together referred to as "Clients", the "Companies", "Businesses" or "You") have jointly requested B S R & Associates LLP ("BSR") and Bansi S. Mehta & Co. ( "BSMC") to recommend an equity share exchange ratio in connection with the proposed amalgamation of Phoenix Hospitality Company Private Limited with The Phoenix Mills Limited.

BSR and BSMC are hereinafter jointly referred to as "Valuers" or "we" or "us" and individually referred to as the "Valuer" in this Valuation Report.

**SCOPE AND PURPOSE OF THE VALUATION REPORT**

We understand that the management of the Companies (hereinafter referred to as "the Management") are contemplating the amalgamation of PHCPL with TPML under a Scheme of Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. Under the proposed Scheme of Amalgamation, as consideration for the amalgamation of PHCPL into TPML, the shareholders of PHCPL will be issued equity shares of TPML ("Transaction").

BSR and BSMC have been requested by the Board of Directors/ Audit Committee of the Companies to submit a letter recommending an equity share exchange ratio, as on the date of this report, in connection with the Transaction. This valuation report ("Valuation Report") may be placed before the audit committee, as per SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017 and the circular no. CFD/DIL3/CIR/2017/26 dated 23 March 2017. We understand that this Valuation Report will be used by the Clients for the above mentioned purpose only and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Transaction.

We understand that the appointed date for the amalgamation as per the draft scheme shall be 1 April 2019.

B S R & Associates LLP Chartered Accountants 1st Floor, Lodha Excellus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400 011. India.

BANSI S. MEHTA & CO. MUMBAI CHARTERED ACCOUNTANTS

The scope of our services is to conduct a relative valuation (and not absolute) of the equity shares of TPML and PHCPL to arrive at the equity share exchange ratio of TPML and PHCPL ("Equity Share Exchange Ratio") for the proposed amalgamation in accordance with generally accepted professional standards.

This Valuation Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

## SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the management of the Companies ("Management"):

- Audited financial statements of the Companies for the historical period;
- Management business plan ("Management Business Plan") for TPML, PHCPL, their subsidiaries, joint ventures and special purpose vehicles (SPVs);
- Interviews and discussions with the Management to augment our knowledge of the operations of the Companies;
- Draft Scheme of Amalgamation dated 6 August 2019 ("Scheme");
- Other information, explanations and representations that were required and provided by the Management;
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Client. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis, review and enquiries, as we considered necessary.

We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Valuation Report. Further, we have been informed that all material information impacting the Companies have been disclosed to us. The Management has further confirmed to us that there are no unusual/ abnormal events in the Companies since the last audited accounts till the Valuation Report date materially impacting their operating/ financial performance.

The Companies have been provided with the opportunity to review the draft Valuation Report (excluding the recommended Equity Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.

## SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The service does not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Valuation Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Valuation Report and (iii) the latest available financial statements of the Companies and other information provided by the Management or taken from public sources till 7 August 2019.

A valuation of this nature is necessarily based on (a) prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and (b) the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report.

The ultimate analysis will have to be influenced by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information received by the Companies till 7 August 2019 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of Equity Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single Equity Share Exchange Ratio. While we have provided our recommendation of the Equity Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Equity Share Exchange Ratio of the equity shares of TPML and PHCPL. You acknowledge and agree that you have the final responsibility for the determination of the Equity Share Exchange Ratio at which the proposed amalgamation shall take place and factors other than our Valuation Report will need to be taken into account in determining the Equity Share Exchange Ratio; these will include your own assessment of the Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Valuation Report and (ii) the accuracy of information made available to us by the Companies. We have not carried out a due diligence or audit of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case

of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Companies. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and its impact on the Valuation Report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Valuation Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Valuation Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

The Valuation Report assumes that the specified Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the specified Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in period balance sheet of the specified Companies. Our conclusion of value assumes that the assets and liabilities of the specified Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

The financial forecasts used in the preparation of the Report reflects judgment of management of Companies, based on present circumstances prevailing around the Valuation Date, as to the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period will almost always may differ from the forecasts and as such differences may be material.

This Valuation Report does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claim to title of assets has been made for the purpose of this Valuation Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The fee for the Engagement is not contingent upon the results of the Valuation Report.

We owe responsibility to the Audit Committee of the Board of Directors of TPML and PHCPL which have retained us, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Valuation Report. This Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

This Valuation Report is subject to the laws of India.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Transaction, without our prior consent. In addition, this Valuation Report does not in any manner address the prices at which equity shares will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

## BACKGROUND OF THE COMPANIES

### The Phoenix Mills Limited (TPML)

TPML, a company incorporated in 1905, is based in Mumbai, India. TPML is a leading retail mall developer and operator in India and is the pioneer of retail-led, mixed-use developments in India with completed development of over 17.5 million square feet spread across retail, hospitality, commercial, and residential asset classes. The company has an operational retail portfolio of approximately 6.0 million square feet spread across 8 operational malls in 6 gateway cities of India. The company is further developing 5 malls with over 4.9 million square feet of retail space in 5 gateway cities of India. Besides retail, the company plans to expand its commercial office portfolio from current gross leasable area (GLA) of 1.3 million square feet to 4 – 5 million square feet.

The issued and subscribed equity share capital of TPML as at 7 August 2019 is INR 306.69 million consisting of 153,343,690 equity shares of face value of INR 2 each. The shareholding pattern of TPML as on Valuation Report date is as follows:

| Category | No of Shares | % shareholding |
|---|---|---|
| Promoter & Promoter Group | 96,215,882 | 62.75 |
| Public | 57,127,808 | 37.25 |
| **Total** | **153,343,690** | **100.0** |

*Source: Management*

### Phoenix Hospitality Company Private Limited (PHCPL)

PHCPL is a holding company having investment in four SPVs engaged in the business of real estate development. PHCPL has ownership interests in Graceworks Realty and Leisure, Alliance Spaces, Palladium Constructions and Starboard Hotels. In together, the four SPVs have GLA of approximately one million square feet of leasable commercial and retail development, ~3.19 million square feet of saleable area under residential development and 193 key hotel.

The issued and subscribed equity share capital of PHCPL as at 7 August 2019 is INR 23.21 million consisting of 2,321,400 equity shares of face value of INR 10 each. The shareholding pattern of PHCPL as on Valuation Report date is as follows:

| Category | No of Shares | % shareholding |
|---|---|---|
| The Phoenix Mills Limited | 1,321,400 | 56.92 |
| Promoters and Promoter Group | 1,000,000 | 43.08 |
| **Total** | **2,321,400** | **100.0** |

*Source: Management*

**APPROACH & METHODOLOGY - BASIS OF TRANSACTION**

The Transaction contemplates amalgamation of PHCPL with TPML. Arriving at the Equity Share Exchange Ratio for the proposed amalgamation of the above mentioned companies would require determining the value of PHCPL in terms of the value of the equity shares of TPML. These values are to be determined independently but on a relative basis, and without considering the proposed Transaction.

There are several commonly used and accepted methods for determining the value of the equity shares of a company, which have been considered in the present case by Valuers independently, to the extent relevant and applicable, including:

1. Market Price method
2. Income Approach/ Earnings based Method
3. Net Asset Value method (NAV)

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for a transaction of a similar nature, regulatory guidelines and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The valuation methodologies used by BSR and BSMC to arrive at the value attributable to the equity shareholders of TPML and PHCPL are discussed in Annexure 1A and 1B respectively *(Annexure 1A and 1B together referred to as Annexures)*:

## BASIS OF EQUITY SHARE EXCHANGE RATIO

The basis of amalgamation of PHCPL into TPML would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending an Equity Share Exchange Ratio of equity shares, it is necessary to arrive at a single value for the equity shares of TPML and PHCPL. It is however important to note that in doing so we are not attempting to arrive at the absolute equity values of the Companies but at their relative values to facilitate the determination of a fair Equity Share Exchange Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Equity Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Businesses, having regard to information base, key underlying assumptions and limitations.

As considered appropriate, we have independently applied methodologies discussed in the Annexures and arrived at the value per share of the Companies. To arrive at the consensus on the equity share exchange ratio for the proposed amalgamation, suitable minor adjustments/ rounding off have been done.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the Equity Share Exchange Ratio of equity shares for amalgamation of PHCPL into TPML at 627 (six hundred twenty seven) equity shares of TPML of INR 2 each fully paid up for every 100 (hundred) equity shares of PHCPL of INR 10 each fully paid up.

Our Valuation Report and Equity Share Exchange Ratio is based on the current equity share capital structure of TPML and PHCPL as mentioned earlier in this Report. Any variation in the equity capital of TPML and PHCPL may have material impact on the share exchange ratio.

Respectfully submitted.

**For B S R & Associates LLP**
**Chartered Accountants**
Firm Registration No: 116231W

B S R & Associates LLP, 1st Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400 011. India. Chartered Accountants

**Mahek Vikamsey**
**Partner**
Membership No: 108235
UDIN: 19108235AAAAAH7405

Date: 7 August 2019

**For Bansi S. Mehta & Co.**
**Chartered Accountants**
Firm Registration No: 100991W

BANSI S. MEHTA & CO. MUMBAI CHARTERED ACCOUNTANTS

**Drushti R. Desai**
**Partner**
Membership No: 102062
UDIN: 19102062AAAAAH5733

Date: 7 August 2019

**Annexure 1A**

## APPROACH & METHODOLOGY - BASIS OF TRANSACTION – BSR

The valuation methodologies used by BSR to arrive at the value attributable to the equity shareholders of PHCPL and TPML are discussed hereunder:

### Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in. Further, in the case of a transaction, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the shares of TPML are listed on BSE and NSE and there are regular transactions in its equity shares with reasonable volume. In the circumstances, the share price of TPML has been considered as suggested in regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Accordingly, higher of the below two methods has been taken for determining the value of TPML under the market price methodology:

a) Average of the weekly high and low of the volume weighted average price during the last twenty six weeks preceding the Valuation Report date; and
b) Average of the weekly high and low of the volume weighted average price during the two weeks preceding the Valuation Report date.

### Income Approach

The income approach used for the valuation of TPML and PHCPL includes combination of the rent capitalization method ("Rent Capitalization") and the Discounted Cash Flow ("DCF") method. The approach used by us has been summarized below:

- Residential assets – all are currently under construction and have been valued using DCF method
- Commercial/ retail leasable properties – assets which are fully operationalized (have stabilized Net operating Income (NoI)), have been valued using Rent Capitalization method.
- Under construction/ not fully operational Commercial/ retail leasable properties – assets which are either under construction or are yet to be fully operational (i.e., properties still getting leased out) have been valued using combination of both the methods. For the initial years where the NoI is yet to be stabilized, the cash flows generated have been valued using DCF method. Thereafter, the terminal value has been calculated using Rent Capitalization method to evaluate stabilized commercial operations. The sum of the two results to the value of the property.
- Finally, both TPML and PHCPL has been valued on Sum of the Parts ("SOTP") approach.

The Rent Capitalization method estimates the value of an income generating property based on the level and quality of income the property generates. It capitalizes the stabilized NOI (current year/ one year forward) at a rate known as capitalization rate or cap rate. This cap rate is the rate that is used by the market in recent transactions to capitalize future income into a market value. NoI is a measure of income generated from property after deducting operating expenses and therefore, considered as unleveraged measure of income before tax.

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Under the DCF method, the future cash flows, including the capital expenditures, are projected over the forecast period and discounted to present at the weighted average cost of capital to arrive at the value of the property. This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and lenders), weighted by their relative contribution to the total capital of the company.

To arrive at the total value available to the equity shareholders, value arrived above under Income approach is adjusted, as appropriate, for cash and cash equivalent, borrowings, surplus assets, contingent liabilities, value of investments, proposed dividend (if any) and other matters. The total value is then divided by fully diluted equity shares (considering ESOPs) to arrive at the value per share.

For the purpose of DCF valuation, the free cash flow forecast of the properties/ assets is based on Management Business Plan provided by the Management. Similarly, the Management has also provided the one year forward market rent applicable for the fully operational properties.

We must emphasize that realizations of free cash flow forecast will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. While carrying out this engagement, we have relied extensively on historical information made available to us by the Management and the Management Business Plan for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the Management Business Plan, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

**Net Asset Value (NAV) Method**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The cost approach is based on the assumption that a prudent investor would pay no more for an entity than the amount for which he could replace or re-create it or an asset with similar utility.

Considering the nature and size of the business operations we have not used NAV method for the purpose of evaluating the value of TPML and PHCPL.

**Computation of equity share Exchange ratio as per BSR Analysis**

We have further independently assigned appropriate weightages to the value per equity share of TPML and PHCPL arrived using Market price method, Income approach and NAV method to arrive at the value per equity share of PHCPL and TPML.

| | PHCPL | | TPML | |
|---|---|---|---|---|
| **Valuation Approach** | **Value per Share** | **Weightage** | **Value per Share** | **Weightage** |
| Market Approach | NA | 0% | 661 | 50% |
| Income Approach | 4,543 | 100% | 789 | 50% |
| Asset Approach | 1,300 | 0% | 225 | 0% |
| **Relative Value per share** | **4,543** | **100%** | **725** | **100%** |
| **Exchange Ratio (Rounded off)** | | **6.27** | | |

BSR & Associates LLP Chartered Accountants 1st Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400 011, India.

**Annexure 1B**

## APPROACH & METHODOLOGY - BASIS OF TRANSACTION – BSMC

It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

For the purpose of arriving at valuation of the Valuation Subjects we have considered the valuation base as 'Fair Value'. Our valuation, and this report, is based on the premise of 'going concern value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this Report.

It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018 has issued the ICAI Valuation Standards ("IVS") effective for all the valuation reports issued on or after July 1, 2018. The IVS shall be mandatory for the valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. We have given due cognizance to the same in carrying out the valuation exercise.

IVS 301 on Business Valuations deals with valuation of a business or business ownership interest (i.e. it includes valuation of equity shares).

IVS 301 specifies that generally, the following three approaches for valuation of business/business ownership interest are used:

1. Market approach
2. Income approach
3. Cost approach

Each of the above approaches are discussed in the following paragraphs.

**Market Price Method:**
This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. We have determined the market price of shares of TPML- based on weighted average price on NSE over a period of six months prior to the Valuation Date. Equity Shares of PHCPL are not listed on any stock exchange and therefore, the Market Price Method is not used to determine the value of the equity shares of PHCPL.

**Earnings based Method:**
Under the Earnings Approach we compute the fair value based on the earnings.

We have valued TPML and PHCPL based on Sum of the Parts (SOTP) basis wherein we have capitalized earnings of operational portfolios (including projects housed under Investee Companies) with reasonable level of occupancies. For valuing companies/ projects under construction with lower level of occupancies or new projects, we have used the Discounted Cash Flow Method ("DCF") of Valuation.

Under the DCF Method, the future cash flows are appropriately discounted to arrive at a value of the business on a going concern basis. This value would, primarily, be based on the present value of such future cash flows generated.

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The value per share of TPML and PHCPL is based on the value of proposionate stake in the operational portfolios under them.

**Cost approach:**
Cost Approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

IVS 301 on Business Valuations and IVS 103 on Valuation Approaches and Methods specify that common methodologies for the Cost Approach are the Replacement Cost Method and the Reproduction Cost Method. These methods involve determining the value of the asset based on the cost that would have to be incurred to recreate/replicate the asset with substantially the same utility as that of the asset under valuation.

Value of residential projects would be the present value of the likely realisation, to assume value of such project based on the full market value without considering the time factor would not be reflective of the true value of such project. The value of commercial property held for letting and retail malls can be best valued only on the basis of rental streams. To assume value based on cost approach for such property would be inconsistent with the intent of the companies, and would also not be in line with the basis of valuation viz. going concern.

**Fair Valuation:**
We have arrived at the fair value of equity shares of TPML by applying equal weights to the value derived under the Earnings based Method and the Market Price Method.

The fair value of the equity shares of PHCPL is derived based on the Earnings.

Attention may also be drawn to Regulation 158 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulation") which specifies that preferential issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall conform with the pricing provisions of preferential issue specified under Regulation 164 of the said regulations. Further, it may be noted that Regulation 164 specifies the base price for issue of shares on a preferential basis. In the Proposed Amalgamation, PHCPL, an unlisted entity is amalgamating with TPML, a listed entity. We have therefore, given due cognizance to the base price derived using the formula prescribed under ICDR Regulations after considering the fair value of TPML while determining the swap ratio.

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**Computation of equity share Exchange ratio as per BSMC Analysis**

| | PHCPL (A) | | TPML (B) | |
|---|---|---|---|---|
| **Valuation Approach** | **Value per Share** | **Weightage** | **Value per Share** | **Weightage** |
| Market Price Method | - | 0%* | 633 | 50% |
| Earnings based Method | 4,652 | 100% | 852 | 50% |
| Net worth | 1,300 | 0%** | 225 | 0%** |
| **Relative Value per share (a)** | **4,652** | **100%** | **742** | **100%** |
| Value per Share based on ICDR Pricing (b) | | **NA** | | **661** |
| Relative Value per Share for the purpose of Exchange Ratio (max(a) or (b)) | | **4,652** | | **742** |
| **Exchange Ratio (A/B) (Rounded off)** | | **6.27** | | |

*as mentioned earlier, Market Price Method cannot be used to derive the value of PHCPL as the equity shares of PHCPL are not listed

**based on the reasons specified under Cost Approach earlier, we have not considered it appropriate to use the cost based approach for valuation of equity shares of TPML and PHCPL. Further, it may be noted that the net worth is significantly lower than the value under other methods.

**BSR & Associates LLP**
**Chartered Accountants**
**Lodha Excellus, 1st Floor,**
**Apollo Mills Compound, N.M. Joshi Marg,**
**Mahalakshmi, Mumbai 400 011, India**

**Bansi S. Mehta & Co.**
**Chartered Accountants**
**Metro House, 3rd Floor,**
**Dhobi Talao, M. G. Road,**
**Mumbai - 400 020, Maharashtra, India**

7 August 2019

The Board of Directors
**The Phoenix Mills Limited**
Shree Laxmi Woolen Mills Estate
Off. Dr. E. Moses Road, Mahalaxmi
Mumbai, 400011

The Board of Directors
**Phoenix Hospitality Company Private Limited**
Phoenix Mill Premises
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013

**Sub: Recommendation of equity share exchange ratio for the proposed amalgamation of Phoenix Hospitality Company Private Limited with The Phoenix Mills Limited**

Dear Sirs,

We refer to our engagement letters whereby The Phoenix Mills Limited ("TPML") and Phoenix Hospitality Company Private Limited ("PHCPL") (together referred to as "Clients", the "Companies", "Businesses" or "You") have jointly requested B S R & Associates LLP ("BSR") and Bansi S. Mehta & Co. ( "BSMC") to recommend an equity share exchange ratio in connection with the proposed amalgamation of Phoenix Hospitality Company Private Limited with The Phoenix Mills Limited.

BSR and BSMC are hereinafter jointly referred to as "Valuers" or "we" or "us" and individually referred to as the "Valuer" in this Valuation Report.

**SCOPE AND PURPOSE OF THE VALUATION REPORT**

We understand that the management of the Companies (hereinafter referred to as "the Management") are contemplating the amalgamation of PHCPL with TPML under a Scheme of Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. Under the proposed Scheme of Amalgamation, as consideration for the amalgamation of PHCPL into TPML, the shareholders of PHCPL will be issued equity shares of TPML ("Transaction").

BSR and BSMC have been requested by the Board of Directors/ Audit Committee of the Companies to submit a letter recommending an equity share exchange ratio, as on the date of this report, in connection with the Transaction. This valuation report ("Valuation Report") may be placed before the audit committee, as per SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017 and the circular no. CFD/DIL3/CIR/2017/26 dated 23 March 2017. We understand that this Valuation Report will be used by the Clients for the above mentioned purpose only and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Transaction.

We understand that the appointed date for the amalgamation as per the draft scheme shall be 1 April 2019.

B S R & Associates LLP Chartered Accountants 1st Floor, Lodha Excellus Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400 011. India.

BANSI S. MEHTA & CO. MUMBAI CHARTERED ACCOUNTANTS

The scope of our services is to conduct a relative valuation (and not absolute) of the equity shares of TPML and PHCPL to arrive at the equity share exchange ratio of TPML and PHCPL ("Equity Share Exchange Ratio") for the proposed amalgamation in accordance with generally accepted professional standards.

This Valuation Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

## SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the management of the Companies ("Management"):

- Audited financial statements of the Companies for the historical period;
- Management business plan ("Management Business Plan") for TPML, PHCPL, their subsidiaries, joint ventures and special purpose vehicles (SPVs);
- Interviews and discussions with the Management to augment our knowledge of the operations of the Companies;
- Draft Scheme of Amalgamation dated 6 August 2019 ("Scheme");
- Other information, explanations and representations that were required and provided by the Management;
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Client. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis, review and enquiries, as we considered necessary.

We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Valuation Report. Further, we have been informed that all material information impacting the Companies have been disclosed to us. The Management has further confirmed to us that there are no unusual/ abnormal events in the Companies since the last audited accounts till the Valuation Report date materially impacting their operating/ financial performance.

The Companies have been provided with the opportunity to review the draft Valuation Report (excluding the recommended Equity Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.

## SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The service does not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Valuation Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Valuation Report and (iii) the latest available financial statements of the Companies and other information provided by the Management or taken from public sources till 7 August 2019.

A valuation of this nature is necessarily based on (a) prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and (b) the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report.

The ultimate analysis will have to be influenced by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information received by the Companies till 7 August 2019 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of Equity Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single Equity Share Exchange Ratio. While we have provided our recommendation of the Equity Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Equity Share Exchange Ratio of the equity shares of TPML and PHCPL. You acknowledge and agree that you have the final responsibility for the determination of the Equity Share Exchange Ratio at which the proposed amalgamation shall take place and factors other than our Valuation Report will need to be taken into account in determining the Equity Share Exchange Ratio; these will include your own assessment of the Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Valuation Report and (ii) the accuracy of information made available to us by the Companies. We have not carried out a due diligence or audit of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case

of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Companies. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and its impact on the Valuation Report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Valuation Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Valuation Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

The Valuation Report assumes that the specified Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the specified Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in period balance sheet of the specified Companies. Our conclusion of value assumes that the assets and liabilities of the specified Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

The financial forecasts used in the preparation of the Report reflects judgment of management of Companies, based on present circumstances prevailing around the Valuation Date, as to the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period will almost always may differ from the forecasts and as such differences may be material.

This Valuation Report does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claim to title of assets has been made for the purpose of this Valuation Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The fee for the Engagement is not contingent upon the results of the Valuation Report.

We owe responsibility to the Audit Committee of the Board of Directors of TPML and PHCPL which have retained us, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Valuation Report. This Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

This Valuation Report is subject to the laws of India.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Transaction, without our prior consent. In addition, this Valuation Report does not in any manner address the prices at which equity shares will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

## BACKGROUND OF THE COMPANIES

### The Phoenix Mills Limited (TPML)

TPML, a company incorporated in 1905, is based in Mumbai, India. TPML is a leading retail mall developer and operator in India and is the pioneer of retail-led, mixed-use developments in India with completed development of over 17.5 million square feet spread across retail, hospitality, commercial, and residential asset classes. The company has an operational retail portfolio of approximately 6.0 million square feet spread across 8 operational malls in 6 gateway cities of India. The company is further developing 5 malls with over 4.9 million square feet of retail space in 5 gateway cities of India. Besides retail, the company plans to expand its commercial office portfolio from current gross leasable area (GLA) of 1.3 million square feet to 4 – 5 million square feet.

The issued and subscribed equity share capital of TPML as at 7 August 2019 is INR 306.69 million consisting of 153,343,690 equity shares of face value of INR 2 each. The shareholding pattern of TPML as on Valuation Report date is as follows:

| Category | No of Shares | % shareholding |
|---|---|---|
| Promoter & Promoter Group | 96,215,882 | 62.75 |
| Public | 57,127,808 | 37.25 |
| **Total** | **153,343,690** | **100.0** |

*Source: Management*

### Phoenix Hospitality Company Private Limited (PHCPL)

PHCPL is a holding company having investment in four SPVs engaged in the business of real estate development. PHCPL has ownership interests in Graceworks Realty and Leisure, Alliance Spaces, Palladium Constructions and Starboard Hotels. In together, the four SPVs have GLA of approximately one million square feet of leasable commercial and retail development, ~3.19 million square feet of saleable area under residential development and 193 key hotel.

The issued and subscribed equity share capital of PHCPL as at 7 August 2019 is INR 23.21 million consisting of 2,321,400 equity shares of face value of INR 10 each. The shareholding pattern of PHCPL as on Valuation Report date is as follows:

| Category | No of Shares | % shareholding |
|---|---|---|
| The Phoenix Mills Limited | 1,321,400 | 56.92 |
| Promoters and Promoter Group | 1,000,000 | 43.08 |
| **Total** | **2,321,400** | **100.0** |

*Source: Management*

## APPROACH & METHODOLOGY - BASIS OF TRANSACTION

The Transaction contemplates amalgamation of PHCPL with TPML. Arriving at the Equity Share Exchange Ratio for the proposed amalgamation of the above mentioned companies would require determining the value of PHCPL in terms of the value of the equity shares of TPML. These values are to be determined independently but on a relative basis, and without considering the proposed Transaction.

There are several commonly used and accepted methods for determining the value of the equity shares of a company, which have been considered in the present case by Valuers independently, to the extent relevant and applicable, including:

1. Market Price method
2. Income Approach/ Earnings based Method
3. Net Asset Value method (NAV)

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for a transaction of a similar nature, regulatory guidelines and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The valuation methodologies used by BSR and BSMC to arrive at the value attributable to the equity shareholders of TPML and PHCPL are discussed in Annexure 1A and 1B respectively *(Annexure 1A and 1B together referred to as Annexures)*:

## BASIS OF EQUITY SHARE EXCHANGE RATIO

The basis of amalgamation of PHCPL into TPML would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending an Equity Share Exchange Ratio of equity shares, it is necessary to arrive at a single value for the equity shares of TPML and PHCPL. It is however important to note that in doing so we are not attempting to arrive at the absolute equity values of the Companies but at their relative values to facilitate the determination of a fair Equity Share Exchange Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Equity Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Businesses, having regard to information base, key underlying assumptions and limitations.

As considered appropriate, we have independently applied methodologies discussed in the Annexures and arrived at the value per share of the Companies. To arrive at the consensus on the equity share exchange ratio for the proposed amalgamation, suitable minor adjustments/ rounding off have been done.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the Equity Share Exchange Ratio of equity shares for amalgamation of PHCPL into TPML at 627 (six hundred twenty seven) equity shares of TPML of INR 2 each fully paid up for every 100 (hundred) equity shares of PHCPL of INR 10 each fully paid up.

Our Valuation Report and Equity Share Exchange Ratio is based on the current equity share capital structure of TPML and PHCPL as mentioned earlier in this Report. Any variation in the equity capital of TPML and PHCPL may have material impact on the share exchange ratio.

Respectfully submitted.

**For B S R & Associates LLP**
**Chartered Accountants**
Firm Registration No: 116231W

B S R & Associates LLP, 1st Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400 011. India. Chartered Accountants

**Mahek Vikamsey**
**Partner**
Membership No: 108235
UDIN: 19108235AAAAAH7405

Date: 7 August 2019

**For Bansi S. Mehta & Co.**
**Chartered Accountants**
Firm Registration No: 100991W

BANSI S. MEHTA & CO. MUMBAI CHARTERED ACCOUNTANTS

**Drushti R. Desai**
**Partner**
Membership No: 102062
UDIN: 19102062AAAAAH5733

Date: 7 August 2019

**Annexure 1A**

## APPROACH & METHODOLOGY - BASIS OF TRANSACTION – BSR

The valuation methodologies used by BSR to arrive at the value attributable to the equity shareholders of PHCPL and TPML are discussed hereunder:

### Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in. Further, in the case of a transaction, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the shares of TPML are listed on BSE and NSE and there are regular transactions in its equity shares with reasonable volume. In the circumstances, the share price of TPML has been considered as suggested in regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Accordingly, higher of the below two methods has been taken for determining the value of TPML under the market price methodology:

a) Average of the weekly high and low of the volume weighted average price during the last twenty six weeks preceding the Valuation Report date; and
b) Average of the weekly high and low of the volume weighted average price during the two weeks preceding the Valuation Report date.

### Income Approach

The income approach used for the valuation of TPML and PHCPL includes combination of the rent capitalization method ("Rent Capitalization") and the Discounted Cash Flow ("DCF") method. The approach used by us has been summarized below:

- Residential assets – all are currently under construction and have been valued using DCF method
- Commercial/ retail leasable properties – assets which are fully operationalized (have stabilized Net operating Income (NoI)), have been valued using Rent Capitalization method.
- Under construction/ not fully operational Commercial/ retail leasable properties – assets which are either under construction or are yet to be fully operational (i.e., properties still getting leased out) have been valued using combination of both the methods. For the initial years where the NoI is yet to be stabilized, the cash flows generated have been valued using DCF method. Thereafter, the terminal value has been calculated using Rent Capitalization method to evaluate stabilized commercial operations. The sum of the two results to the value of the property.
- Finally, both TPML and PHCPL has been valued on Sum of the Parts ("SOTP") approach.

The Rent Capitalization method estimates the value of an income generating property based on the level and quality of income the property generates. It capitalizes the stabilized NOI (current year/ one year forward) at a rate known as capitalization rate or cap rate. This cap rate is the rate that is used by the market in recent transactions to capitalize future income into a market value. NoI is a measure of income generated from property after deducting operating expenses and therefore, considered as unleveraged measure of income before tax.

B S R & Associates LLP Chartered Accountants 1st Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400 011. India.

Under the DCF method, the future cash flows, including the capital expenditures, are projected over the forecast period and discounted to present at the weighted average cost of capital to arrive at the value of the property. This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and lenders), weighted by their relative contribution to the total capital of the company.

To arrive at the total value available to the equity shareholders, value arrived above under Income approach is adjusted, as appropriate, for cash and cash equivalent, borrowings, surplus assets, contingent liabilities, value of investments, proposed dividend (if any) and other matters. The total value is then divided by fully diluted equity shares (considering ESOPs) to arrive at the value per share.

For the purpose of DCF valuation, the free cash flow forecast of the properties/ assets is based on Management Business Plan provided by the Management. Similarly, the Management has also provided the one year forward market rent applicable for the fully operational properties.

We must emphasize that realizations of free cash flow forecast will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. While carrying out this engagement, we have relied extensively on historical information made available to us by the Management and the Management Business Plan for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the Management Business Plan, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

**Net Asset Value (NAV) Method**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The cost approach is based on the assumption that a prudent investor would pay no more for an entity than the amount for which he could replace or re-create it or an asset with similar utility.

Considering the nature and size of the business operations we have not used NAV method for the purpose of evaluating the value of TPML and PHCPL.

**Computation of equity share Exchange ratio as per BSR Analysis**

We have further independently assigned appropriate weightages to the value per equity share of TPML and PHCPL arrived using Market price method, Income approach and NAV method to arrive at the value per equity share of PHCPL and TPML.

| | PHCPL | | TPML | |
|---|---|---|---|---|
| **Valuation Approach** | **Value per Share** | **Weightage** | **Value per Share** | **Weightage** |
| Market Approach | NA | 0% | 661 | 50% |
| Income Approach | 4,543 | 100% | 789 | 50% |
| Asset Approach | 1,300 | 0% | 225 | 0% |
| **Relative Value per share** | **4,543** | **100%** | **725** | **100%** |
| **Exchange Ratio (Rounded off)** | | **6.27** | | |

BSR & Associates LLP Chartered Accountants 1st Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400 011, India.

**Annexure 1B**

## APPROACH & METHODOLOGY - BASIS OF TRANSACTION – BSMC

It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

For the purpose of arriving at valuation of the Valuation Subjects we have considered the valuation base as 'Fair Value'. Our valuation, and this report, is based on the premise of 'going concern value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this Report.

It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018 has issued the ICAI Valuation Standards ("IVS") effective for all the valuation reports issued on or after July 1, 2018. The IVS shall be mandatory for the valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. We have given due cognizance to the same in carrying out the valuation exercise.

IVS 301 on Business Valuations deals with valuation of a business or business ownership interest (i.e. it includes valuation of equity shares).

IVS 301 specifies that generally, the following three approaches for valuation of business/business ownership interest are used:

1. Market approach
2. Income approach
3. Cost approach

Each of the above approaches are discussed in the following paragraphs.

**Market Price Method:**
This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. We have determined the market price of shares of TPML- based on weighted average price on NSE over a period of six months prior to the Valuation Date. Equity Shares of PHCPL are not listed on any stock exchange and therefore, the Market Price Method is not used to determine the value of the equity shares of PHCPL.

**Earnings based Method:**
Under the Earnings Approach we compute the fair value based on the earnings.

We have valued TPML and PHCPL based on Sum of the Parts (SOTP) basis wherein we have capitalized earnings of operational portfolios (including projects housed under Investee Companies) with reasonable level of occupancies. For valuing companies/ projects under construction with lower level of occupancies or new projects, we have used the Discounted Cash Flow Method ("DCF") of Valuation.

Under the DCF Method, the future cash flows are appropriately discounted to arrive at a value of the business on a going concern basis. This value would, primarily, be based on the present value of such future cash flows generated.

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The value per share of TPML and PHCPL is based on the value of proposionate stake in the operational portfolios under them.

**Cost approach:**
Cost Approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

IVS 301 on Business Valuations and IVS 103 on Valuation Approaches and Methods specify that common methodologies for the Cost Approach are the Replacement Cost Method and the Reproduction Cost Method. These methods involve determining the value of the asset based on the cost that would have to be incurred to recreate/replicate the asset with substantially the same utility as that of the asset under valuation.

Value of residential projects would be the present value of the likely realisation, to assume value of such project based on the full market value without considering the time factor would not be reflective of the true value of such project. The value of commercial property held for letting and retail malls can be best valued only on the basis of rental streams. To assume value based on cost approach for such property would be inconsistent with the intent of the companies, and would also not be in line with the basis of valuation viz. going concern.

**Fair Valuation:**
We have arrived at the fair value of equity shares of TPML by applying equal weights to the value derived under the Earnings based Method and the Market Price Method.

The fair value of the equity shares of PHCPL is derived based on the Earnings.

Attention may also be drawn to Regulation 158 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulation") which specifies that preferential issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall conform with the pricing provisions of preferential issue specified under Regulation 164 of the said regulations. Further, it may be noted that Regulation 164 specifies the base price for issue of shares on a preferential basis. In the Proposed Amalgamation, PHCPL, an unlisted entity is amalgamating with TPML, a listed entity. We have therefore, given due cognizance to the base price derived using the formula prescribed under ICDR Regulations after considering the fair value of TPML while determining the swap ratio.

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**Computation of equity share Exchange ratio as per BSMC Analysis**

| | PHCPL (A) | | TPML (B) | |
|---|---|---|---|---|
| **Valuation Approach** | **Value per Share** | **Weightage** | **Value per Share** | **Weightage** |
| Market Price Method | - | 0%* | 633 | 50% |
| Earnings based Method | 4,652 | 100% | 852 | 50% |
| Net worth | 1,300 | 0%** | 225 | 0%** |
| **Relative Value per share (a)** | **4,652** | **100%** | **742** | **100%** |
| Value per Share based on ICDR Pricing (b) | | **NA** | | **661** |
| Relative Value per Share for the purpose of Exchange Ratio (max(a) or (b)) | | **4,652** | | **742** |
| **Exchange Ratio (A/B) (Rounded off)** | | **6.27** | | |

*as mentioned earlier, Market Price Method cannot be used to derive the value of PHCPL as the equity shares of PHCPL are not listed

**based on the reasons specified under Cost Approach earlier, we have not considered it appropriate to use the cost based approach for valuation of equity shares of TPML and PHCPL. Further, it may be noted that the net worth is significantly lower than the value under other methods.

***Drushti R. Desai***
*Registered Valuer*

*Address:*
*Bansi S. Mehta & Co*
*Metro House, 3rd Floor,*
*Dhobi Talao, M. G. Road,*
*Mumbai - 400 020*

**Dated: 6 August 2019**

The Board of Directors
**The Phoenix Mills Limited**
Shree Laxmi Woolen Mills Estate,
Off. Dr. E. Moses Road, Mahalaxmi,
Mumbai, 400011

The Board of Directors
**Phoenix Hospitality Company Private Limited**
Phoenix Mill Premises,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013

**Sub: Recommendation of equity share exchange ratio for the proposed amalgamation of Phoenix Hospitality Company Private Limited with The Phoenix Mills Limited**

Dear Sirs,

I refer to my engagement letter whereby The Phoenix Mills Limited ("**TPML**") and Phoenix Hospitality Company Private Limited ("**PHCPL**") (together referred to as "Clients", the "Companies", "Businesses" or "You") have jointly requested me to recommend an equity share exchange ratio in connection with the proposed amalgamation of Phoenix Hospitality Company Private Limited with The Phoenix Mills Limited.

**SCOPE AND PURPOSE OF THE VALUATION REPORT**

I understand that the management of the Companies (hereinafter referred to as "the Management") are contemplating the amalgamation of PHCPL with TPML under a Scheme of Amalgamation under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. Under the proposed Scheme of Amalgamation, as consideration for the amalgamation of PHCPL into TPML, the shareholders of PHCPL will be issued equity shares of TPML ("Transaction").

I have been requested by the Board of Directors/ Audit Committee of the Companies to submit a letter recommending an equity share exchange ratio, as on the date of this report, in connection with the Transaction. This valuation report ("Valuation Report") may be placed before the audit committee, as per SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017 and the circular no. CFD/DIL3/CIR/2017/26 dated 23 March 2017. I understand that this Valuation Report will be used by the Clients for the above mentioned purpose only and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Transaction.

I understand that the appointed date for the amalgamation as per the draft scheme shall be 1 April 2019.

DRUSHTI RAHUL DESAI REGISTERED VALUER

The scope of my service is to conduct a relative valuation (and not absolute) of the equity shares of TPML and PHCPL to arrive at the equity share exchange ratio of TPML and PHCPL ("Equity Share Exchange Ratio") for the proposed amalgamation in accordance with generally accepted professional standards.

This Valuation Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

**SOURCES OF INFORMATION**

In connection with preparing this Valuation Report, I have received the following information from the Management:

- Audited financial statements of the Companies for the historical period;
- Management business plan ("Management Business Plan") for TPML, PHCPL, their subsidiaries, joint ventures and special purpose vehicles (SPVs);
- Interviews and discussions with the Management to augment my knowledge of the operations of the Companies;
- Draft Scheme of Amalgamation dated 6 August 2019 ("Scheme");
- Other information, explanations and representations that were required and provided by the Management;
- For my analysis, I have relied on published and secondary sources of data, whether or not made available by the Client. I have not independently verified the accuracy or timeliness of the same; and
- Such other analysis, review and enquiries, as I considered necessary.

I have taken into consideration the current market parameters in my analysis and have made adjustments for additional facts made known to me till the date of my Valuation Report. Further, I have been informed that all material information impacting the Companies have been disclosed to me. The Management has further confirmed to me that there are no unusual/ abnormal events in the Companies since the last audited accounts till the Valuation Report date materially impacting their operating/ financial performance.

The Companies have been provided with the opportunity to review the draft Valuation Report (excluding the recommended Equity Share Exchange Ratio) as part of my standard practice to make sure that factual inaccuracies/ omissions are avoided in my final report.

DRUSHTI RAHUL DESAI REGISTERED VALUER

**SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

Provision of valuation opinions and consideration of the issues described herein are areas of my regular practice. The service does not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by me or my affiliates.

This Valuation Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of my engagement; and (ii) the date of this Valuation Report and (iii) the latest available financial statements of the Companies and other information provided by the Management or taken from public sources till 7 August 2019.

A valuation of this nature is necessarily based on (a) prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and (b) the information made available to me as of, the date hereof. Events occurring after the date hereof may affect this Valuation Report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Valuation Report.

The ultimate analysis will have to be influenced by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The recommendation(s) rendered in this Valuation Report only represent my recommendation(s) based upon information received by the Companies till 7 August 2019 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice (my recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of Equity Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single Equity Share Exchange Ratio. While I have provided my recommendation of the Equity Share Exchange Ratio based on the information available to me and within the scope and constraints of my engagement, others may have a different opinion as to the Equity Share Exchange Ratio of the equity shares of TPML and PHCPL. You acknowledge and agree that you have the final responsibility for the determination of the Equity Share Exchange Ratio at which the proposed amalgamation shall take place and factors other than my Valuation Report will need to be taken into account in determining the Equity Share Exchange Ratio; these will include your own assessment of the Transaction and may include the input of other professional advisors.

In the course of the valuation, I was provided with both written and verbal information, including market, technical, financial and operating data. In accordance with the terms of my engagement, I have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Valuation Report and (ii) the accuracy of information made available to me by the Companies. I have not carried out a due diligence or audit of

DRUSHTI RAHUL DESAI REGISTERED VALUER

the Companies for the purpose of this engagement, nor have I independently investigated or otherwise verified the data provided. I am not legal or regulatory advisor with respect to legal and regulatory matters for the Transaction. I do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate. Also, with respect to explanations and information sought from the Companies, I have been given to understand by the Companies that I have not omitted any relevant and material factors and that I have checked the relevance or materiality of any specific information to the present exercise with me in case of any doubt. Accordingly, I do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

My conclusions are based on these assumptions and information given by/ on behalf of the Companies. The Management have indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect my valuation analysis/ results. Accordingly, I assume no responsibility for any errors in the information furnished by the Companies and its impact on the Valuation Report. Also, I assume no responsibility for technical information (if any) furnished by the Companies. However, nothing has come to my attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Valuation Report. I do not imply and it should not be construed that I have verified any of the information provided to me, or that my inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Valuation Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

The Valuation Report assumes that the specified Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the specified Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in period balance sheet of the specified Companies. My conclusion of value assumes that the assets and liabilities of the specified Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

The financial forecasts used in the preparation of the Report reflects judgment of management of Companies, based on present circumstances prevailing around the Valuation Date, as to the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period will almost always may differ from the forecasts and as such differences may be material.

DRUSHTI RAHUL DESAI REGISTERED VALUER

This Valuation Report does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claim to title of assets has been made for the purpose of this Valuation Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The fee for the Engagement is not contingent upon the results of the Valuation Report.

I owe responsibility to the Audit Committee and the Board of Directors of TPML and PHCPL which have retained me, and nobody else. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. I do not accept any liability to any third party in relation to the issue of this Valuation Report. This Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

This Valuation Report is subject to the laws of India.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Transaction, without my prior consent. In addition, this Valuation Report does not in any manner address the prices at which equity shares will trade following consummation of the Transaction and I express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

DRUSHTI RAHUL DESAI REGISTERED VALUER

## BACKGROUND OF THE COMPANIES

### The Phoenix Mills Limited (TPML)

TPML, a company incorporated in 1905, is based in Mumbai, India. TPML is a leading retail mall developer and operator in India and is the pioneer of retail-led, mixed-use developments in India with completed development of over 17.5 million square feet spread across retail, hospitality, commercial, and residential asset classes. The company has an operational retail portfolio of approximately 6.0 million square feet spread across 8 operational malls in 6 gateway cities of India. The company is further developing 5 malls with over 4.9 million square feet of retail space in 5 gateway cities of India. Besides retail, the company plans to expand its commercial office portfolio from current gross leasable area (GLA) of 1.3 million square feet to 4 – 5 million square feet.

The issued and subscribed equity share capital of TPML as at 7 August 2019 is INR 306.69 million consisting of 153,343,690 equity shares of face value of INR 2 each. The shareholding pattern of TPML as on Valuation Report date is as follows:

| Category | No of Shares | % shareholding |
|---|---|---|
| Promoter & Promoter Group | 96,215,882 | 62.75 |
| Public | 57,127,808 | 37.25 |
| **Total** | **153,343,690** | **100.00** |

*Source: Management*

### Phoenix Hospitality Company Private Limited (PHCPL)

PHCPL is a holding company having investment in four SPVs engaged in the business of real estate development. PHCPL has ownership interests in Graceworks Realty and Leisure, Alliance Spaces, Palladium Constructions and Starboard Hotels. In together, the four SPVs have GLA of approximately one million square feet of leasable commercial and retail development, ~3.19 million square feet of saleable area under residential development and 193 key hotel.

The issued and subscribed equity share capital of PHCPL as at 7 August 2019 is INR 23.21 million consisting of 2,321,400 equity shares of face value of INR 10 each. The shareholding pattern of PHCPL as on Valuation Report date is as follows:

| Category | No of Shares | % shareholding |
|---|---|---|
| The Phoenix Mills Limited | 1,321,400 | 56.92 |
| Promoters and Promoter Group | 1,000,000 | 43.08 |
| **Total** | **2,321,400** | **100.00** |

*Source: Management*

DRUSHTI RAHUL DESAI REGISTERED VALUER

**APPROACH & METHODOLOGY - BASIS OF TRANSACTION**

The Transaction contemplates amalgamation of PHCPL with TPML. Arriving at the Equity Share Exchange Ratio for the proposed amalgamation of the above mentioned companies would require determining the value of PHCPL in terms of the value of the equity shares of TPML. These values are to be determined independently but on a relative basis, and without considering the proposed Transaction.

There are several commonly used and accepted methods for determining the value of the equity shares of a company, which have been considered in the present case by Valuers independently, to the extent relevant and applicable, including:

1. Market Price method
2. Income Approach/ Earnings based Method
3. Net Asset Value method (NAV)

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The valuation methodologies used by me to arrive at the value attributable to the equity shareholders of TPML and PHCPL are discussed in Annexure I.

DRUSHTI RAHUL DESAI REGISTERED VALUER

**BASIS OF EQUITY SHARE EXCHANGE RATIO**

The basis of amalgamation of PHCPL into TPML would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending an Equity Share Exchange Ratio of equity shares, it is necessary to arrive at a single value for the equity shares of TPML and PHCPL. It is however important to note that in doing so I am not attempting to arrive at the absolute equity values of the Companies but at their relative values to facilitate the determination of a fair Equity Share Exchange Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Equity Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Businesses, having regard to information base, key underlying assumptions and limitations.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, I recommend the Equity Share Exchange Ratio of equity shares for amalgamation of PHCPL into TPML at 627 (six hundred twenty seven) equity shares of TPML of INR 2 each fully paid up for every 100 (hundred) equity shares of PHCPL of INR 10 each fully paid up.

My Valuation Report and Equity Share Exchange Ratio is based on the current equity share capital structure of TPML and PHCPL as mentioned earlier in this Report. Any variation in the equity capital of TPML and PHCPL may have material impact on the share exchange ratio.

Respectfully submitted.

DRUSHTI RAHUL DESAI REGISTERED VALUER

**Drushti R. Desai**
Registered Valuer
Registration Number: IBBI/RV/06/2019/10666

**Place:** Mumbai
**Date:** 7 August 2019

**Annexure 1**

**APPROACH & METHODOLOGY - BASIS OF TRANSACTION**

It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

For the purpose of arriving at valuation of the Valuation Subjects I have considered the valuation base as 'Fair Value'. My valuation, and this report, is based on the premise of 'going concern value'. Any change in the valuation base, or the premise could have significant impact on my valuation exercise, and therefore, this Report.

It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018 has issued the ICAI Valuation Standards ("IVS") effective for all the valuation reports issued on or after July 1, 2018. The IVS shall be mandatory for the valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. I have given due cognizance to the same in carrying out the valuation exercise.

IVS 301 on Business Valuations deals with valuation of a business or business ownership interest (i.e. it includes valuation of equity shares).

IVS 301 specifies that generally, the following three approaches for valuation of business/business ownership interest are used:

1. Market approach
2. Income approach
3. Cost approach

Each of the above approaches are discussed in the following paragraphs.

**Market Price Method:**
This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. I have determined the market price of shares of TPML- based on weighted average price on NSE over a period of six months prior to the Valuation Date. Equity Shares of PHCPL are not listed on any stock exchange and therefore, the Market Price Method is not used to determine the value of the equity shares of PHCPL.

**Earnings based Method:**
Under the Earnings Approach the fair value is computed based on the earnings.

I have valued TPML and PHCPL based on Sum of the Parts (SOTP) basis wherein I have capitalized earnings of operational portfolios (including projects housed under Investee Companies) with reasonable level of occupancies. For valuing companies/ projects under construction with lower level of occupancies or new projects, I have used the Discounted Cash Flow Method ("DCF") of Valuation.

Under the DCF Method, the future cash flows are appropriately discounted to arrive at a value of the business on a going concern basis. This value would, primarily, be based on the present value of such future cash flows generated.

The value per share of TPML and PHCPL is based on the value of proposionate stake in the operational portfolios under them.

DRUSHTI RAHUL DESAI REGISTERED VALUER

**Cost approach:**

Cost Approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

IVS 301 on Business Valuations and IVS 103 on Valuation Approaches and Methods specify that common methodologies for the Cost Approach are the Replacement Cost Method and the Reproduction Cost Method. These methods involve determining the value of the asset based on the cost that would have to be incurred to recreate/replicate the asset with substantially the same utility as that of the asset under valuation.

Value of residential projects would be the present value of the likely realisation, to assume value of such project based on the full market value without considering the time factor would not be reflective of the true value of such project. The value of commercial property held for letting and retail malls can be best valued only on the basis of rental streams. To assume value based on cost approach for such property would be inconsistent with the intent of the companies, and would also not be in line with the basis of valuation viz. going concern.

**Fair Valuation:**

I have arrived at the fair value of equity shares of TPML by applying equal weights to the value derived under the Earnings based Method and the Market Price Method.

The fair value of the equity shares of PHCPL is derived based on the Earnings.

Attention may also be drawn to Regulation 158 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulation") which specifies that preferential issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall conform with the pricing provisions of preferential issue specified under Regulation 164 of the said regulations. Further, it may be noted that Regulation 164 specifies the base price for issue of shares on a preferential basis. In the Proposed Amalgamation, PHCPL, an unlisted entity is amalgamating with TPML, a listed entity. I have therefore, given due cognizance to the base price derived using the formula prescribed under ICDR Regulations after considering the fair value of TPML while determining the swap ratio.

DRUSHTI RAHUL DESAI REGISTERED VALUER

**Annexure D**

Investment Banking

Date: August 7, 2019

**The Board of Directors**
The Phoenix Mills Limited
462, Senapati Bapat Marg,
Lower Parel, Mumbai,
Maharashtra, 400013

Dear Sir,

**Sub: Proposed amalgamation of Phoenix Hospitality Company Private Limited ("PHCPL") into The Phoenix Mills Limited ("PML")**

PML has requested us to issue a fairness opinion ("Opinion") from a financial point of view of the Share Exchange Ratio (as defined below) in relation to the Proposed Transaction.

**Proposed Transaction:** PML and PHCPL are proposing to enter a scheme of amalgamation ('Scheme of Amalgamation'), which envisages the amalgamation of PHCPL into PML and dissolution of PHCPL.

Our scope is restricted to providing an Opinion on the Share Exchange Ratio for the amalgamation of PHCPL into PML.

In arriving at our Opinion, we have reviewed historical financials and future financial and limited business projections and listed stock price data. We have also reviewed certain publicly available information, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions. We have also reviewed the report jointly issued to the management of PML and PHCPL by BSR & Associates LLP and Bansi S. Mehta & Co. dated August 7, 2019 for the share exchange ratio recommended as 627 (Six Hundred and Twenty Seven only) fully paid up equity shares of PML of face value INR 2 each in exchange of every 100 (One Hundred only) fully paid up equity shares of PHCPL of face value INR 10 each (the "Share Exchange Ratio"). The shareholding of PML in PHCPL as on the record date will get cancelled in accordance with the Scheme of Amalgamation.

We have also assumed that the final Scheme of Amalgamation will be substantially the same as the scheme discussed with and reviewed by us.

We have had discussions with members of the management of PHCPL and PML on the past and current business operations of the concerned businesses, their future prospects and operations, and have received management representation letter from PML and PHCPL dated August 7, 2019 ("Management Representation Letters").

**Kotak Mahindra Capital Company Limited**
CIN U67120MH1995PLC134050
Registered Office:
**27BKC**
C - 27, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051, India.
T +91 22 43360000
F+91 22 67132445
www.investmentbank.kotak.com

Further, we have had discussions with BSR & Associates LLP and Bansi S. Mehta & Co., the valuation advisors, on such matters which we believed were necessary or appropriate for the purpose of issuing this Opinion.

Based on our examination and according to the information and explanation provided to us, we note that the Proposed Transaction entails amalgamation of PHCPL into PML and dissolution of PHCPL.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable and we would urge PML and PHCPL to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment. We have further assumed that the Proposed Transaction would be carried out in compliance with applicable laws, rules and regulations.

In giving our Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in verbal or written form, discussed with or reviewed by or for us, or publicly available. We have been given to understand that all information required by us that was relevant for the purpose of our exercise was disclosed to us. We have not conducted any evaluation or appraisal of any assets or liabilities of PML or PHCPL nor have we evaluated the solvency or fair value of PML or PHCPL, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of PML or PHCPL.

Our Opinion does not factor overall economic environment risk, material adverse change and other risks and is purely based on the information and representations provided to us.

We express no view as to, and our Opinion does not address, the underlying business decision of PML and PHCPL to effect the Proposed Transaction or the merits of the Proposed Transaction. Our Opinion does not constitute a recommendation to any shareholder or creditor of PML and PHCPL as to how such shareholder or creditor should vote on the Proposed Transaction or any matter related thereto. We are not expressing any opinion herein as to the prices at which the shares of PML will trade following the announcement or consummation of the proposed transaction or as to the prices at which the shares of PML may be transacted.

Our Opinion is necessarily based on financial, economic, market and other conditions as in effect on the date of this issuing the Opinion, and the information made available to us as of, the date hereof, including the capital structure of PHCPL and PML.

We will receive a fee for our services in connection with the delivery of this Opinion from PML. In addition, PML has agreed to indemnify us in relation to our engagement in providing the Opinion.

We and our affiliates in the past five years have provided, and currently provide, services to PML and their affiliates unrelated to the Proposed Transaction for which services we and such affiliates have

received and expect to receive compensation, including, without limitation as creditors and as financial advisors for the purchase/sale of assets/businesses/securities by/to PML (as the case may be).

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this transaction for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities and may vote at any general meeting as they deem fit. In addition, we and our affiliates maintain relationships with PML and their respective affiliates.

This Opinion is provided solely for the benefit of the Board of Directors of PML, and shall not confer rights or remedies upon, any shareholder of PML or PHCPL, or any other person other than the members of the Board of Directors of PML, or be used for any other purpose. This Opinion may not be used or relied upon by nor is it issued for the benefit of any third party for any purpose whatsoever or disclosed, referred to or communicated by you (in whole or in part) except with our prior written consent in each instance. Provided however, this opinion may only be disclosed to PHCPL or as may be required under any applicable law in India and may be kept open for inspection by shareholders of PML, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Letter may be shown or who may acquire a copy of this Letter.

The laws of India govern all matters arising out of or relating to this Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Opinion the courts of competent jurisdiction in India shall have exclusive jurisdiction.

On the basis of and subject to the foregoing, it is our view that, as of the date hereof, the proposed Share Exchange Ratio is Fair from a financial point of view.

Yours faithfully,

**For,**
**Kotak Mahindra Capital Company Limited**

**Authorised Signatory:**
**Designation:** JOINT MANAGING DIRECTOR
**Date:** AUGUST 7, 2019

**Annexure E**

BSE
EXPERIENCE THE NEW

**DCS/AMAL/SV/R37/1610/2019-20** **November 4, 2019**

The Company Secretary,
**The Phoenix Mills Limited**
462, Senapati Bapat Marg,
Lower Parel, Mumbai, Maharashtra, 400013

Sir,

**Sub: Observation letter regarding the Draft Scheme of Amalgamation of Phoenix Hospitality Company Private Limited with The Phoenix Mills Limited and their respective shareholders and creditors.**

We are in receipt of Draft Scheme of Amalgamation of Phoenix Hospitality Company Private Limited with The Phoenix Mills Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 04, 2019 has inter alia given the following comment(s) on the draft scheme of amalgamation and arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**
- **"Company shall duly comply with various provisions of the Circular."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for


BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
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Corporate Identity Number : L67120MH2005PLC155188
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any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

**Nitinkumar Pujari**
**Senior Manager**

**Sabah Vaze**
**Manager**

National Stock Exchange Of India Limited

Ref: NSE/LIST/21775_II November 04, 2019

The Company Secretary
The Phoenix Mills Limited
462, Senapati Bapat Marg,
Lower Parel,
Mumbai - 400013

**Kind Attn.: Mr. Gajendra Mewara**

Dear Sir,

**Sub**: **Observation Letter for Draft Scheme of Amalgamation of Phoenix Hospitality Company Private Limited ("Transferor Company") with the Phoenix Mills Limited ("Transferee Company") and their respective shareholders**

We are in receipt of the Draft Scheme of Amalgamation of Phoenix Hospitality Company Private Limited ("Transferor Company") with the Phoenix Mills Limited ("Transferee Company") and their respective shareholders vide application dated August 30, 2019.

Based on our letter reference no Ref: NSE/LIST/21775 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated November 04, 2019, has given following comments:

a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*

b. *The Company shall duly comply with various provisions of the Circular.*

c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we conveyed our "No-objection" in terms



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of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from November 04, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Rajendra Bhosale
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

**Annexure F**

THE PHOENIX MILLS LIMITED

**Corp. Office :** Shree Laxmi Woolen Mills Estate, 2nd Floor,
R.R. Hosiery, Off Dr. E. Moses Rd. Mahalaxmi, Mumbai - 400 011
Tel : (022) 3001 6600 Fax : (022) 3001 6601
CIN No. : L17100MH1905PLC000200

**Date: October 11, 2019**

To
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai- 400 001

**Security code: 503100**

Dear Sir(s),

**Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation between Phoenix Hospitality Company Private Limited and The Phoenix Mills Limited ('Scheme')**

**Sub: Submission of Complaints Report ("Complaints Report") as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular")**

This is with reference to application made by the Company under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 for the proposed Scheme of amalgamation of Phoenix Hospitality Company Private Limited with The Phoenix Mills Limited filed on August 30, 2019 and hosted on your website on September 17, 2019.

Pursuant to SEBI Circular, the Company is required to submit a Compliant Report within 7 days of expiry of 21 days from the date of hosting of Draft Scheme and related documents on the website of the Stock Exchanges. Accordingly, please find enclosed herewith Complaints Report indicating NIL complaints received on the Scheme as Annexure I.

This Complaints Report is also being uploaded on the Company's website at http://www.thephoenixmills.com as required under the SEBI Circular.

Yours Faithfully,
**For The Phoenix Mills Limited**

Gajendra

**Gajendra Mewara**
**Company Secretary**

The Phoenix Mills Limited



Regd. Office : The Phoenix Mills Ltd., 462 Senapati Bapat Marg, Lower Parel, Mumbai 400 013. • Tel : (022) 2496 4307 / 8 / 9 • Fax : (022) 2493 8388
E-mail : info@thephoenixmills.com • www.thephoenixmills.com

THE PHOENIX MILLS LIMITED

**Corp. Office :** Shree Laxmi Woolen Mills Estate, 2nd Floor,
R.R. Hosiery, Off Dr. E. Moses Rd. Mahalaxmi, Mumbai - 400 011
Tel : (022) 3001 6600 Fax : (022) 3001 6601
CIN No. : L17100MH1905PLC000200

**Annexure I**

**Complaints Report: The Phoenix Mills Limited**

**(Period of Complaints Report: September 17, 2019 to October 8, 2019)**

**Part A**

| Sr. No. | Particulars | Number |
|---|---|---|
| 1. | Number of complaints received directly | **NIL** |
| 2. | Number of complaints forwarded by Stock Exchange/SEBI | **NIL** |
| 3. | Total Number of complaints/comments received (1+2) | **NIL** |
| 4. | Number of complaints resolved | **NIL** |
| 5. | Number of complaints pending | **NIL** |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---|---|---|---|
| 1. | Not Applicable | Not Applicable | Not Applicable |

Yours Faithfully,
**For The Phoenix Mills Limited**

Gajendra

**Gajendra Mewara**
**Company Secretary**

The Phoenix Mills Limited

Date : October 11, 2019
Place : Mumbai



Regd. Office : The Phoenix Mills Ltd., 462 Senapati Bapat Marg, Lower Parel, Mumbai 400 013. • Tel : (022) 2496 4307 / 8 / 9 • Fax : (022) 2493 8388
E-mail : info@thephoenixmills.com • www.thephoenixmills.com

THE PHOENIX MILLS LIMITED

**Corp. Office :** Shree Laxmi Woolen Mills Estate, 2nd Floor,
R.R. Hosiery, Off Dr. E. Moses Rd. Mahalaxmi, Mumbai - 400 011
Tel : (022) 3001 6600 Fax : (022) 3001 6601
CIN No. : L17100MH1905PLC000200

Date: October 11, 2019

To
**National Stock Exchange of India Limited**
Exchange Plaza,
Bandra-Kurla Complex, Bandra East,
Mumbai- 400051

**Symbol: PHOENIXLTD**

Dear Sir(s),

**Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation between Phoenix Hospitality Company Private Limited and The Phoenix Mills Limited ('Scheme')**

**Sub: Submission of Complaints Report ("Complaints Report") as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular")**

This is with reference to application made by the Company under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 for the proposed Scheme of amalgamation of Phoenix Hospitality Company Private Limited with The Phoenix Mills Limited filed on August 30, 2019 and hosted on your website on September 19, 2019.

Pursuant to SEBI Circular, the Company is required to submit a Compliant Report within 7 days of expiry of 21 days from the date of hosting of Draft Scheme and related documents on the website of the Stock Exchanges. Accordingly, please find enclosed herewith Complaints Report indicating NIL complaints received on the Scheme as Annexure I.

This Complaints Report is also being uploaded on the Company's website at http://www.thephoenixmills.com as required under the SEBI Circular.

Yours Faithfully,
**For The Phoenix Mills Limited**

Gajendra

**Gajendra Mewara**
**Company Secretary**

The Phoenix Mills Limited



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Tel : (022) 3001 6600 Fax : (022) 3001 6601
CIN No. : L17100MH1905PLC000200

**Annexure I**

**Complaints Report: The Phoenix Mills Limited**

**(Period of Complaints Report: September 19, 2019 to October 10, 2019)**

**Part A**

| Sr. No. | Particulars | Number |
|---|---|---|
| 1. | Number of complaints received directly | **NIL** |
| 2. | Number of complaints forwarded by Stock Exchange/SEBI | **NIL** |
| 3. | Total Number of complaints/comments received (1+2) | **NIL** |
| 4. | Number of complaints resolved | **NIL** |
| 5. | Number of complaints pending | **NIL** |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---|---|---|---|
| 1. | Not Applicable | Not Applicable | Not Applicable |

Yours Faithfully,
**For The Phoenix Mills Limited**

Gajendra

**Gajendra Mewara**
**Company Secretary**

The Phoenix Mills Limited

Date : October 11, 2019
Place : Mumbai



Regd. Office : The Phoenix Mills Ltd., 462 Senapati Bapat Marg, Lower Parel, Mumbai 400 013. • Tel : (022) 2496 4307 / 8 / 9 • Fax : (022) 2493 8388
E-mail : info@thephoenixmills.com • www.thephoenixmills.com

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THE PHOENIX MILLS LIMITED AS PER THE PROVISION OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS**

---

**Background**

The Board of Directors ('Board') of The Phoenix Mills Limited ("Company or PML") at their meeting held on August 7, 2019, had approved the Scheme of Amalgamation of Phoenix Hospitality Company Private Limited, a subsidiary of the Company ('PHCPL') with the Company ("Scheme") under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In terms of Section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non- promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties has to be appended with the notice of the meeting of equity shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013 .

For the purpose of making this report, the Board had, inter -alia, considered and taken on record the following documents:

(i) Draft Scheme approved by the Board;
(ii) The Joint Valuation Report on Recommendation of Share Exchange Ratio issued by Independent Valuers namely M/s. Bansi S. Mehta & Co., Chartered Accountants and M/s. BSR & Associates LLP, Chartered Accountants., dated August 7, 2019;
(iii) Valuation Report dated August 6, 2019 by of Ms. Drushti R. Desai, the Registered Valuer on the Share Exchange Ratio;
(iv) Fairness Opinion issued by Kotak Mahindra Capital Company Limited, Merchant Banker dated August 7, 2019;
(v) The certificate issued by DTS & Associates, the Statutory Auditors of the Company dated August 7, 2019, as required under Clause 5 of the Circular, to the effect that the accounting treatment contained in the Draft Scheme is in compliance with the Accounting Standards specified by the Central Government under section 133 of the Companies Act, 2013 read with the rules framed thereunder or the Accounting Standards issued by ICAI, as applicable;
(vi) Report of the Audit Committee of the Board of Directors dated August 7, 2019.

**REPORT**

**A. Rationale of the Scheme**

(1) The proposed Amalgamation of PHCPL with PML will lead to a simplified corporate structure since it will result in the combined businesses of PHCPL and

Company being carried on more economically, efficiently and beneficially and the arrangement would be in the interest of both the companies and their Shareholders as the businesses carried on by both the companies are under common management/shareholders.

(2) The proposed Amalgamation would strengthen the management of the Company effectively because of avoidance and elimination of unnecessary duplication of time, costs and expenses, incurred for administration and operations of both the companies separately and would result in better utlilization of resources and assets and synergies of operations with integration of management and other expertise.

(3) The Amalgamation will also result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by PHCPL;

The Salient features of the proposed Scheme are as under:

1. Appointed Date for the Scheme would be April 1, 2019.

2. Upon the Scheme becoming effective and upon the amalgamation of PHCPL with the Company, the shares held by the Company in PHCPL as on the record date shall stand cancelled. Pursuant to the terms of the Scheme, Company will allot 627 (Six Hundred and Twenty-Seven) fully paid-up equity shares of the Company of face value of INR 2 each for every 100 (One Hundred) fully paid-up equity shares of face value of INR 10 each held by other shareholder, i.e. Ruia International Holding Company Private Limited ('RIHCPL') in PHCPL.

3. The transfer and vesting of the undertakings and business of PHCPL in Company will be effective from Appointed Date.

**Effect of the Scheme of Amalgamation on equity shareholders (promoter and non-promoter shareholders) and Key Managerial Personnel of PML:**

PHCPL is a subsidiary company of the PML. Upon the Scheme becoming effective and upon the amalgamation of PHCPL with the Company, the shares held by PML in PHCPL as on the record date shall stand cancelled. In consideration for the amalgamation of PHCPL with PML, PML will allot 627 (Six Hundred and Twenty-Seven) fully paid-up equity shares of the Company of face value of INR 2 each for every 100 (One Hundred) fully paid-up equity shares of face value of INR 10 each held by other shareholder, i.e. Ruia International Holding Company Private Limited ('RIHCPL') in PHCPL based on the share exchange ratio as determined in the valuation report and fairness opinion.

There will be no change in the Director(s)/ KMP(s) of PML pursuant to Scheme. Except, Mr. Atul Ruia and his relatives, none of the other Directors, the Key Managerial Personnel ('KMPs') of the Company and their respective relatives (as defined under the Companies Act, 2013 and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Company.

**Difficulties in Valuation, if any:**

No Special Valuation difficulties were reported.

**Conclusion**

While deliberating the Scheme, the Board has considered its impact on each of the shareholders, promoters, non-promoter shareholders, key managerial personnel, creditors and employees of the Company and there shall be no prejudice caused to them in any manner by the scheme.

**By order of the Board of Directors**
**The Phoenix Mills Limited**

**Sd/-**

**Name: Shishir Shrivastava**
**Designation: Managing Director**
**DIN: 01266095**

**Date: March 30, 2021**
**Place: Mumbai**

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED AS PER THE PROVISION OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS**

**Background**

The Board of Directors of Phoenix Hospitality Company Private Limited ("Company or PHCPL") at their meeting held on August 7, 2019, had approved the Scheme of Amalgamation of PHCPL with The Phoenix Mills Limited ("PML"), the holding company ("Scheme") under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

PHCPL has filed the application with National Company Law Tribunal ('NCLT'), Mumbai Bench. In the application filed before the NCLT, the Company has requested NCLT to dispense with the requirement of the meeting of its shareholders, as the shareholders of the Company have approved the proposed Scheme of Amalgamation in form of the written consent affidavits.

In terms of Section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non- promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties has to be appended with the notice of the meeting of equity shareholders of PML proposed to be convened pursuant to the directions of the NCLT. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013 .

For the purpose of making this report, the Board had, inter -alia, considered and taken on record the following documents:

(i) Draft Scheme approved by the Board;
(ii) The Joint Valuation Report on recommendation of Share Exchange Ratio issued by Independent Valuers namely M/s. Bansi S. Mehta & Co., Chartered Accountants and M/s. BSR & Associates LLP, Chartered Accountants., dated August 7, 2019;
(iii) Valuation Report dated August 6, 2019 by of Ms. Drushti R. Desai, the Registered Valuer on the Share Exchange Ratio;
(iv) Fairness Opinion issued by Kotak Mahindra Capital Company Limited, Merchant Banker dated August 7, 2019;

**REPORT**

**A. Rationale of the Scheme**

(1) The proposed Amalgamation of PHCPL with PML will lead to a simplified corporate structure since it will result in the combined businesses of PHCPL and Company being carried on more economically, efficiently and beneficially and

the arrangement would be in the interest of both the companies and their Shareholders as the businesses carried on by both the companies are under common management/shareholders.

(2) The proposed Amalgamation would strengthen the management of the Company effectively because of avoidance and elimination of unnecessary duplication of time, costs and expenses, incurred for administration and operations of both the companies separately and would result in better utlilization of resources and assets and synergies of operations with integration of management and other expertise.

(3) The Amalgamation will also result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by PHCPL;

The Salient features of the proposed Scheme are as under:

1. Appointed Date for the Scheme would be April 1, 2019.

2. Upon the Scheme becoming effective and upon the amalgamation of PHCPL with PML, the shares held by PML in PHCPL shall stand cancelled. Pursuant to the terms of the Scheme, PML will allot 627 (Six Hundred and Twenty-Seven) fully paid-up equity shares of PML of face value of INR 2 each for every 100 (One Hundred) fully paid-up equity shares of face value of INR 10 each held by other shareholder, i.e. Ruia International Holding Company Private Limited (' RIHCPL') in PHCPL.

3. The transfer and vesting of the undertakings and business of PHCPL in PML will be effective from Appointed Date.

**Effect of the Scheme of Amalgamation on equity shareholders (promoter and non-promoter shareholders) and Key Managerial Personnel of PHCPL:**

PHCPL is a subsidiary company of the PML. Upon the Scheme becoming effective and upon the amalgamation of PHCPL with PML, the shares held by the PML in PHCPL shall stand cancelled. In consideration for the amalgamation of PHCPL with PML, PML will allot 627 (Six Hundred and Twenty-Seven) fully paid-up equity shares of the face value of INR 2 each for every 100 (One Hundred) fully paid-up equity shares of face value of INR 10 each held by other shareholder, i.e. Ruia International Holding Company Private Limited ('RIHCPL') in PHCPL based on the share exchange ratio as determined in the valuation report and fairness opinion.

Except Mr. Atul Ruia and his relatives, none of the other Directors, the Key Managerial Personnel ('KMPs') of the Company and their respective relatives (as defined under the Companies Act, 2013 and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them directly or indirectly in the Company.

**Difficulties in Valuation, if any:**

No Special Valuation difficulties were reported.

**Conclusion**

While deliberating the Scheme, the Board has considered its impact on each of the shareholders, promoters, non-promoter shareholders, key managerial personnel, creditors and employees of the Company and there shall be no prejudice caused to them in any manner by the scheme.

**By order of the Board of Directors**
**Phoenix Hospitality Company Private Limited**

**Sd/-**

**Name: Shishir Shrivastava**
**Designation: Director**
**DIN: 01266095**

**Date: March 30, 2021**
**Place: Mumbai**

| |
|---|
| **THIS IS A DISCLOSURE DOCUMENT PREPARED IN CONNECTION WITH THE PROPOSED SCHEME OF AMALGAMATION OF PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED ("PHCPL") WITH THE PHOENIX MILLS LIMITED ("PML") AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("SCHEME"). THE SCHEME IS ALSO AVAILABLE ON THE WEBSITES OF PML, BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") WHERE THE EQUITY SHARES OF PML ARE LISTED.** |
| **THIS DISCLOSURE DOCUMENT CONTAINS 10 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.** |
| **NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DISCLOSURE DOCUMENT.** |
| This disclosure document has been prepared in connection with the Scheme, pursuant to the Securities and Exchange Board of India ("**SEBI**") Circular bearing number CFD/DIL3/CIR/2017/21 dated March 10, 2017, ("**SEBI Circular**") read with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended. This disclosure document dated March 30, 2021 should be read together with the Scheme and the notice to the shareholders of The Phoenix Mills Limited in connection with the Scheme. |

**PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED**

| | | |
|---|---|---|
| **Registered Office:** Phoenix Mill Premises, 462 Senapati Bapat Marg, Lower Parel, Mumbai - 400013, Maharashtra, India. | | |
| **Contact Person:** Mr. Shishir Shrivastava, Director | **Email:** secretarial@phoenixmills.com | |
| **Telephone:** 022 -30016600 | **Website:** https://www.thephoenixmills.com | **CIN:**U55209MH2006PTC161066 |

| **NAME OF THE PROMOTERS OF THE COMPANY** |
|---|
| The Phoenix Mills Limited, Ruia International Holding Company Private Limited and Mr. Atul Ruia are the Promoters of the Company. |
| **SCHEME DETAILS, LISTING AND PROCEDURE** |
| **Brief particulars of the Scheme are as follows:**<br>(a) The Scheme involves the Amalgamation of Phoenix Hospitality Company Private Limited ("PHCPL") with The Phoenix Mills Limited ("PML"). PHCPL is a subsidiary of PML.<br>(b) Upon the Scheme becoming effective and upon the Amalgamation of PHCPL with PML, the shares held by PML in PHCPL as on the record date shall stand cancelled. Pursuant to the terms of the Scheme, PML will allot 627 (Six Hundred and Twenty-Seven) fully paid-up equity shares of PML of face value of INR 2 each for every 100 (One Hundred) fully paid-up equity shares of face value of INR 10 each held by other shareholder, i.e. Ruia International Holding Company Private Limited ('RIHCPL') in PHCPL. |

(c) The equity shares of PML to be allotted through the Scheme are proposed to be listed on BSE and NSE, post effectiveness of the Scheme. Further upon effectiveness of the Scheme, PHCPL shall stand dissolved without being wound up.

(d) The Scheme is subject to the approvals and sanctions as mentioned in the Scheme.

**Rationale:**

The proposed amalgamation will lead to a simplified corporate structure since it will result in the combined businesses of PHCPL and PML being carried on more economically, efficiently and beneficially and the arrangement would be in the interest of both the companies and their shareholders as the businesses carried on by both the companies are under common management/shareholders. The proposed amalgamation would strengthen the management of the PML effectively because of avoidance and elimination of unnecessary duplication of time, costs and expenses, incurred for administration and operations of both the companies separately and would result in better utilization of resources and assets and synergies of operations with integration of management and other expertise. The proposed amalgamation will also result to reduction in compliance requirement and reduction in the intermediate holding structure in accordance with section 2(87) of Companies Act, 2013 thereby providing greater flexibility in future.

The Procedure with respect to the Public Issue/Offer would not be applicable as the Scheme does not involve issue of equity shares to public at large.

**ELIGIBILITY**

This Disclosure Document has been prepared in connection with the Scheme pursuant to and in compliance with the SEBI Circular, SEBI circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017 read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**INDICATIVE TIMELINE**

This Disclosure Document is being issued pursuant to the Scheme, and is not, nor should it be deemed to be an offer to the public. Given that the Scheme requires approval of various regulatory authorities including and primarily, the National Company Law Tribunal ("**NCLT**"), the exact time frame cannot be established with certainty.

**GENERAL RISKS**

For taking any investment decision, investors must rely on their own examination of The Phoenix Mills Limited, the Company and the Scheme, including the risks involved. The equity shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Disclosure Document. Specific attention is invited to the section titled "Risk Factors" at page 5 of this Disclosure Document.

**NAME OF THE STATUTORY AUDITORS**

M/s. A.M. Ghelani & Company, Chartered Accountants

## PROMOTERS OF THE COMPANY

The promoters of the PHCPL are a) The Phoenix Mills Limited, b) Ruia International Holding Company Private Limited and c) Mr. Atul Ruia.

a) **The Phoenix Mills Limited ("PML")** is a listed public limited company registered under Act No. VI of 1882 of the Legislative Council of India with the Registrar of Joint Stock Companies, Bombay deemed to be registered under the provisions of the Companies Act, 1913 having its registered office at 462 Senapati Bapat Marg, Lower Parel- West, Mumbai – 400013. The Corporate Identity Number (CIN) of PML is L17100MH1905PLC000200.

   PML at present is engaged in the segment of Property and Related Services and Hospitality Services. PML was established to carry on the business to own, acquire, operate and manage shopping centers, malls, shopping arcades etc., business of developing, buying, selling, and otherwise dealing in land properties etc.

   The equity shares of PML are listed on the NSE and BSE.

b) **Ruia International Holding Company Private Limited ("RIHCPL")** is a private limited company registered under the provisions of the Companies Act, 1956 having its registered office at c/o Market City Resources Pvt. Ltd, Ground Floor, R.R. Hosiery Bldg, Shree Luxmi Woollen Mills Estate Mahalaxmi Mumbai City- 400011. The CIN of RIHCPL is U45201MH2006PTC165254.

c) **Mr. Atul Ruia** is a Non-Executive Chairman of PML and holds a bachelor's degree of science in economics from the University of Pennsylvania. He is on the Board of PML since November 19, 1996 and has served the PML in the capacity of Managing Director from April 16, 2007 until December, 10, 2019.

## BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

**Overview:**

Phoenix Hospitality Company Private Limited ("PHCPL") is a private limited company, incorporated under the provisions of the Companies Act, 1956, on April 10, 2006 as Atlas Hospitality Company Private Limited. The name of the Company was changed from Atlas Hospitality Company Private Limited to Phoenix Hospitality Company Private Limited pursuant to necessary resolution passed by the Company and a fresh certificate of incorporation consequent to the change of name was issued by the Registrar of Companies, Maharashtra at Mumbai on March 4, 2008. PHCPL has made investments in certain project specific companies involved in the business of real estate development. 56.92% shareholding of PHCPL is being held by PML and balance 43.08% shareholding is being held by RIHCPL.

The details of key project specific companies are as follows:

**Starboard Hotels Private Limited ("Starboard") -** Starboard co-owns a mixed use property comprised of an operational mall and an under development planned office space. Starboard is an associate company of PHCPL. PHCPL along with PML holds 50% of the equity share capital of starboard hotel and the remaining 50% being held by the other partners in SPV.

**Alliance Spaces Private Limited ("Alliance")** – Alliance owns a commercial office building in Pune. Alliance is a subsidiary of PHCPL. PHCPL holds 57.99% of the equity share capital in Alliance and the balance 42.01% of equity share capital being held by PML.

**Palladium Constructions Private Limited ("PCPL") -** PCPL has constructed residential developments in Bangalore. It also owns a hospitality asset in Agra, managed by a Hotel Operator. PCPL is an associate company of PHCPL. PHCPL holds 47.71% of the equity share capital and the balance 52.29% of equity share capital being held by PML.

**Graceworks Realty & Leisure Private Limited ("Graceworks")** – Graceworks is a subsidiary of PHCPL. Graceworks has built the commercial office property in Mumbai. PHCPL holds 77.33% of the equity share capital and the balance 22.67% of equity share capital being held by PML.

**Strategy:**

Through our focus, design and customer service, we have created a brand that is trusted by our customers across multiple asset classes. We aim to own and operate retail & commercial assets, with our current pipeline of ongoing projects. We are keeping a very close watch on delivering on our ongoing developments and intend to deliver on our commitments, with the full support and encouragement of our various stakeholders.

**BOARD OF DIRECTORS**

| Sr. No. | Name | Designation | Experience including current/past position held in other firms |
|---|---|---|---|
| 1. | Mr. Atul Ruia | Non-Executive Director | He was appointed on the Board of the Company on April 10, 2006. He is the Promoter and Non-Executive Chairman of The Phoenix Mills Limited. He holds a bachelor's degree of science in economics from the University of Pennsylvania. |
| 2. | Mr. Shishir Shrivastava | Non-Executive Director | He was appointed on the Board of the Company on June 27, 2008. He is the Managing Director of The Phoenix Mills Limited. He also holds directorship on the boards of other group companies including Pallazzio Hotels & Leisure Limited and Classic Housing Projects Private Limited. |
| 3. | Mrs. Sharmila Dalmia | Non-Executive Director | She was appointed on the Board of the Company on June 27, 2008. She also holds directorship in other companies including Jiva Designs Private Limited and is a designated partner in Grandeur Travels and Tours LLP. |
| 4. | Mr. Ajay Kumar Kejriwal | Non-Executive Director | He was appointed on the Board of the Company on June 27, 2008. He has passed his Bachelor of Commerce (Part II) from University of Bombay. He also holds directorship in Omega Knitters Private Limited and Ritz Private Limited. |

| PRE-SCHEME SHAREHOLDING PATTERN | | | |
|---|---|---|---|
| **Sr. No.** | **Particulars** | **Pre-Scheme number of shares** | **% holding of Pre-Scheme** |
| 1 | Promoter and Promoter Group | 23,21,400 | 100 |
| 2 | Public | NIL | NIL |
| | **Total** | **23,21,400** | **100** |

**AUDITED CONSOLIDATED FINANCIAL INFORMATION**

**Amount (Rupees in lakhs)**

| Sr. No | Particulars | As of and for the three months period ended December 31, 2020 | As of and for the year ended | | |
|---|---|---|---|---|---|
| | | | March 31, 2020 | March 31, 2019 | March 31, 2018 |
| 1 | Total income from operations (net)# | 3,620.44 | 5,226.20 | 2,944.20 | 2,184.64 |
| 2 | Net Profit/(loss) before tax and extraordinary items | 803.24 | 243.46 | (294.63) | (1,125.61) |
| 3 | Net Profit/(loss) after tax and extraordinary items* (A) | 1,332.04 | 2,974.93 | 5,614.06 | 173.44 |
| 4 | Equity Share Capital (Face Value of ₹10 per share) (B) | 232.14 | 232.14 | 232.14 | 232.14 |
| 5 | Reserves and Surplus (Other Equity) | 70,821.79 | 69,753.36 | 52,872.10 | 42,061.18 |
| 6 | Net Worth** (C) | 71,053.93 | 69,985.50 | 53,104.24 | 42,293.32 |
| 7 | Basic Earnings per Share (₹)*** | 46.06 | 127.42 | 248.18 | 22.56 |
| 8 | Diluted Earnings per Share (₹)*** | 46.06 | 126.36 | 246.10 | 22.37 |
| 9 | Return on Net Worth (%) [(A/C) x 100] | 1.87% | 4.25% | 10.57 % | 0.41 % |
| 10 | Net asset value per share (₹) [C/(B/10)] | 3,060.82 | 3,014.80 | 2,287.60 | 1,821.89 |

# Represents only Revenue from Operations
*Represents Total Comprehensive Income for the year / period including share of profit in associates
** Net worth = [Total Assets – (Total Liabilities + Non-Controlling Interest)]
*** Calculated on Net Profit attributable to the owner of the company

**INTERNAL RISK FACTORS**

**The below mentioned Risk factors include the Risk factors for the Company, its subsidiaries and Associates:**

- The widespread coronavirus (COVID-19) outbreak has had an adverse impact on our business leading to temporary shutdown of our malls and office spaces, delay in launch of a new mall and construction delays in the under construction malls and office spaces, amongst others. The slowdown in getting lease commitments for new or vacated spaces at our properties due to economic slowdown and cost pressure faced by corporations globally, could affect the financial returns of our assets. Further the ultimate effect of the COVID-19 pandemic on the business and operations may, however, differ from that assessed by us and therefore, we will continue to monitor developments to identify significant uncertainties that may

have an effect on our business and operations. Further, our Auditors have also drawn attention to a detailed note, stating the impact of Corona virus disease (Covid-19) on the operations of the Company as an emphasis of matter in their Audit report dated September 23, 2020 issued on the consolidated audited financial statements for the year ended March 31, 2020 and the audit report dated March 30, 2021 issued on the consolidated financial statements for the nine months period ended December 31, 2020.

- Low occupancy levels of the hotels owned by our Subsidiaries and / or Associates and inability to find new retail or commercial office clients or renew leases for the retail and commercial office properties, may adversely affect the business, profitability and financial performance of such subsidiaries and associates, which would have an impact on our business.

- Inability to sell the ongoing residential projects and other projects owned by our subsidiaries and/or associates at expected prices could materially and adversely affect future revenues, cash flows and earnings.

- Risks relating to holding the good title to the properties owned by our subsidiaries and/or associates and their inability to obtain title insurance guaranteeing title or land development rights and further to obtain various approvals, licenses or permits in a timely manner or failure to comply with the terms of any of these approvals or licenses or applicable laws could adversely affect the financial condition and ability to undertake business activities.

- Our subsidiaries and/or associates rely on independent contractors and other skilled third parties to execute the projects. We cannot assure you these third parties will continue to be available at reasonable costs or at all. As a result, we may be required to make additional investments to ensure the adequate performance and delivery of contracted services and any delay in project execution could adversely affect our business and financial condition.

- Our subsidiaries and/or associates may be subject to third-party indemnification, liability claims or invocation of guarantees, which may adversely affect the business, cash flows, results of operations and reputation.

- One of our associate company, Palladium Constructions Private Limited, has entered into hotel operations and related agreements with a hotel operator to receive operation and marketing services in relation to the hotel. If that hotel operator decides to terminate or not renew any agreements, it may impact our profitability and business operations.

- There are outstanding legal proceedings against our Promoters, directors and subsidiaries, which if decided against us or them, may adversely affect the business, financial condition and results of operations.

- The business of our subsidiaries and/or associates requires debt. Any disruption in debt financing, may have a material adverse impact on the business, cash flows and financial performance.

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

**A. Total number of outstanding litigations against the company and subsidiaries and the amount involved:**

| Nature of Litigation | No. of Outstanding Matters | Amount Involved (₹) |
|---|---|---|
| Criminal Matters | 0 | NIL |
| Civil Matters | 2 | 35,94,74,030 |
| **Tax Matters** | | |
| Direct Tax | 0 | 0 |
| Indirect Tax | 0 | 0 |

*Notes: The above amounts are provided to the extent quantifiable and do not include any interest/ penalty amounts that may be required to be paid thereon.*

**B. Brief details of the top 5 material outstanding litigations against or involving PHCPL and its Subsidiaries and the amount involved:**

| Sr. No. | Brief Description of the Matter(s) | Litigation Filed by | Current Status | Amount Involved (₹) |
|---|---|---|---|---|
| 1. | Graceworks Realty and Leisure Private Limited ('GRLPL') – Subsidiary Company:<br><br>Subhash Dagadu Jadhav ("Petitioner"), has, on November 6, 2004, filed a public interest litigation (no. 4 of 2007) before the Bombay High Court ("PIL"), against, amongst others, the then Revenue Minister of Maharashtra ("Respondent No. 2") and Mukund Limited ("Respondent No. 4") praying that an order dated September 14, 2005 ("Order") passed by Respondent No. 2 in relation to a proposal to redevelop the land be set aside. The Order ruled that the land was sold in 1944 by way of a public auction and was of the absolute ownership of Respondent No. 4, as a result of which the State Government could not restrict the disposal of the land or the manner thereof by Respondent No. 4. Offbeat Developers Private Limited and Graceworks Realty & Leisure Private Limited impleaded themselves in the PIL with respect to their respective projects, although they were not named as Respondents by the | Mr. Subhash Dagadu Jadhav | Petition will come up for hearing in due course. | Not quantifiable at this stage. |

| | | | | |
|---|---|---|---|---|
| | Petitioner, since they acquired a portion of the land in dispute from Respondent No. 4. The PIL has been admitted by the Bombay High Court. The matter is currently pending. | | | |
| 2. | Graceworks Realty and Leisure Private Limited ('GRLPL') – Subsidiary Company:<br><br>Dynamix Realty filed a summary suit dated November 20, 2014, before the Bombay High Court against **GRLPL** claiming a sum of Rs.18,40,60,970 being the amount payable under the agreement for sale of TDR between Dynamix Realty and GRLPL ("Agreement"). This sum of Rs.18,40,60,970 includes the outstanding amounts to be paid by GRLPL to Dynamix Realty under the Agreement, in addition to the interest accumulated on this outstanding amount at the rate of 15% per annum. GRLPL in its written statement dated December 14, 2015 contended that the suit was barred by limitation and GRLPL was prohibited from making payment of the last instalment to Dynamix Realty, as directed by the Enforcement Directorate. The matter is currently pending. | M/s. Dynamix Realty | The matter is currently pending. | Rs.18,40,60,970 as Principal Amount and interest at the rate of 15% thereon from the date of the suit amounts to Rs. 35,94, 74,030 ( as of 29th March, 2021) |

**C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any - Nil**

**D. Brief details of outstanding criminal proceedings against Promoters:**

| Sr. No. | Brief description of the Matter | Litigation Filed by | Current Status | Amount Involved (₹)* |
|---|---|---|---|---|
| 1. | R.R. Hosiery, a Partnership firm ("Assessee") comprising of Mrs. Amla Ruia, Mr. Atul Ruia, and Mrs. Gayatri Ruia as partners, had filed its return of income on 27th October, 2005 and subsequently | Income Tax Departme nt | The matter has been stayed by the Hon'ble High | Rs.66,59,023 |

| | | | | |
|---|---|---|---|---|
| | the case was selected for scrutiny assessment. The Assessing Officer ("AO") concluded the assessment for assessment year 2005-06 by passing the assessment order against all the partners of Assessee and made the following additions:<br><br>1. Deemed Dividend u/s 2(22)(e) of Income Tax Act ("IT Act") – Rs.4,79,744.<br>2. Unexplained Cash Credit u/s 68 of IT Act – Rs. 50,00,000.<br>3. Long Term Capital Gains ('LTCG') claimed as exempt (April 2004 to September 2004) – Rs.75,20,351.<br><br>Assesse has submitted to the Commissioner of Income Tax (Appeal) in respect of 3rd addition that Assesse has wrongly considered LTCG of Rs.75,20,351 instead of Rs.10,49,477 and balance amount of Rs.66,59,023 was liable to tax as LTCG and Commissioner of Income Tax (Appeal) has accepted the same. The Commissioner of Income Tax (Appeal) dismissed the Assessee's appeal in respect of first two additions and assessed the Long Term Capital Gain of Rs.66,59,023/- instead of Rs.75,20,351/-.<br><br>Then Assesse filed an appeal for above first two addition i.e. Deemed Dividend and Unexplained Cash Credit before Hon'ble Income Tax Appellate Tribunal (ITAT) and the Hon'ble Income Tax Appellate Tribunal (ITAT) deleted the addition of Rs.50,00,000/ on account of unexplained cash credit. | | Court | |
| 2. | The Assessing Officer, after Commissioner of Income Tax (Appeal) order, levied penalty for 100% of tax sought to be evaded. Penalty has been levied amounting to Rs.25,25,826/- on the following issues:<br><br>1. Unexplained Cash Credit u/s 68 of Income Tax Act – Rs.50,00,000<br>2. Long Term Capital Gains - Rs.66,59,023<br><br>The Hon'ble Income Tax Appellate Tribunal ("ITAT") deleted the addition on account of unexplained cash credit of Rs.50,00,000/- hence penalty to the extent of this amount also got deleted by Assessing Officer and Assessing Officer passed the order in respect of penalty proceeding and recalculated the penalty of Rs.6,96,200. | Mrs. Amla Ruia, Mr. Atul Ruia and Mrs. Gayatri Ruia | The matter has been admitted by the Hon'ble High Court. | Rs.6,96,200 |

| | | | | |
|---|---|---|---|---|
| | Consequently, Assessee filed an appeal to the Hon'ble ITAT for penalty proceedings of Rs.6,96,200/- but the Hon'ble ITAT dismissed the appeal of Assessee and Commissioner of Income Tax had given the sanction for prosecution against the Assessee. The Assessee has now made an appeal in High Court against the ITAT Order. | | | |

***** *The above amounts are provided to the extent quantifiable and do not include any interest/ penalty amounts that may be required to be paid thereon.*

| ANY OTHER IMPORTANT INFORMATION OF THE COMPANY: NIL |
|---|

| DECLARATION BY THE COMPANY |
|---|
| We hereby declare that all applicable provisions of the Companies Act, 2013 and rules issued thereunder, SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended and or the guidelines/regulations issued by the Securities and Exchange Board of India, have been complied with and no statement made in this document are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements with respect to us in this Disclosure Document are true and correct.<br><br>**Place:** Mumbai<br>**Date:** March 30, 2021 |

**LIMITED REVIEW REPORT**

To,
The Board of Directors
The Phoenix Mills Limited

**LIMITED REVIEW REPORT ON THE UNAUDITED STANDALONE RESULTS OF THE PHOENIX MILLS LIMITED FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2020**

1. We have reviewed the accompanying statement of unaudited standalone financial results of The Phoenix Mills Limited (the 'Company') for the quarter ended December 31, 2020 and year to date from 1st April, 2020 to 31st December, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the recognition and measurement principles laid down in applicable Indian Accounting Standards ('Ind AS') specifies under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note 5 of the Statement, which describes the company's management evaluation of impact of Covid 19 pandemic on the future business operations and it's consequential effects on the carrying value of assets as on 31st Dec, 2020. The Management has made a best estimate of the revenue recoverable for the nine months period ended 31st Dec., 2020 on the basis stated in the said Note. In view of uncertain economic conditions arising out of pandemic, the management's evaluation of impact on subsequent periods and of amounts of revenue recognised during the period is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of this matter.

For **D T S & Associates LLP**
Chartered Accountants
(Firm Registration No. 142412W /W100595)

**Ashish G. Mistry**
Partner
Membership No. 132639
**Place:** Mumbai
**Date:** 12th February, 2021
**UDIN:** 21132639AAAAAO4656

# THE PHOENIX MILLS LIMITED

**STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER /NINE MONTHS ENDED 31ST DECEMBER, 2020**

Regd. Office :- 462, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

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( ₹ in Lakhs )

| Sr. No. | PARTICULARS | Three Months Ended On | | | Nine Months Ended On | | Year Ended |
|---|---|---|---|---|---|---|---|
| | | 31-12-2020 | 30-09-2020 | 31-12-2019 | 31-12-2020 | 31-12-2019 | 31-03-2020 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | **Income** | | | | | | |
| | Net Sales / Income from Operations | 8,059.29 | 4,489.98 | 11,985.54 | 16,565.76 | 34,621.02 | 44,442.68 |
| | Other Income (Refer note 4 ) | 27,004.98 | 905.22 | 548.68 | 28,396.06 | 3,878.05 | 4,248.30 |
| | **Total Income from Operations** | **35,064.27** | **5,395.20** | **12,534.22** | **44,961.82** | **38,499.07** | **48,690.98** |
| 2 | **Expenditure** | | | | | | |
| | a) (Increase)/ Decrease in Stock in Trade/Work in Progress | - | - | - | - | - | - |
| | b) Cost of Materials Consumed | - | - | - | - | - | - |
| | c) Employee Benefits Expenses | 420.57 | 264.03 | 1,012.29 | 904.85 | 1,996.39 | 2,337.85 |
| | d) Finance Cost | 1,332.61 | 1,700.66 | 1,958.14 | 4,971.53 | 5,666.48 | 7,577.72 |
| | e) Electricity Expenses | 627.90 | 378.80 | 1,134.49 | 1,165.58 | 3,539.78 | 4,387.77 |
| | f) Depreciation and Amortisation Expenses | 1,023.72 | 1,153.71 | 1,087.17 | 3,328.40 | 3,197.22 | 4,631.06 |
| | g) Other Expenses | 2,395.05 | 1,802.74 | 3,208.49 | 5,147.18 | 8,802.36 | 11,800.37 |
| | **Total Expenditure** | **5,799.85** | **5,299.94** | **8,400.58** | **15,517.54** | **23,202.23** | **30,734.77** |
| 3 | **Profit before Exceptional items** | **29,264.42** | **95.26** | **4,133.64** | **29,444.28** | **15,296.84** | **17,956.21** |
| 4 | Exceptional Item | - | - | - | - | (125.16) | (125.16) |
| 5 | **Profit from ordinary activities before tax** | **29,264.42** | **95.26** | **4,133.64** | **29,444.28** | **15,171.68** | **17,831.05** |
| 6 | Tax expense | 986.71 | 23.81 | 822.89 | 1,017.80 | 2,429.20 | 3,074.97 |
| 7 | **Net Profit After Tax for the period from continuing operations** | **28,277.71** | **71.45** | **3,310.75** | **28,426.48** | **12,742.48** | **14,756.08** |
| 8 | Other Comprehensive Income (after tax) | 38.83 | 18.05 | (13.42) | 68.32 | (46.85) | (183.07) |
| 9 | **Total Comprehensive Income (after taxes) (7+8)** | **28,316.54** | **89.50** | **3,297.33** | **28,494.80** | **12,695.63** | **14,573.01** |
| 10 | Paid-up equity share capital (Face Value ₹ 2/- per share) | 3,435.55 | 3,433.67 | 3,067.99 | 3,435.55 | 3,067.99 | 3,069.25 |
| 11 | Other Equity | | | | | | 2,81,743.18 |
| 12 | Basic EPS (not annualised) (₹) | 17.43 | 0.04 | 2.16 | 17.52 | 8.31 | 9.62 |
| | Diluted EPS (not annualised) (₹) | 17.39 | 0.04 | 2.15 | 17.48 | 8.29 | 9.60 |

1. The above Financial Results of the Company for the quarter and nine months ended 31st December, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12th February, 2021.

2. The company has issued 93,865 Equity Shares under the ESOP scheme at an exercise price of Rs. 333.90/- per equity share (including premium of Rs. 331.90 per equity share), during the quarter ended 31st December, 2020.

3. The Board of Directors approved the Scheme of Amalgamation ("Scheme") under section 230 to 232 of the Companies Act, 2013 for merger of Phoenix Hospitality Company Private Limited ("PHCPL"), a subsidiary company with the Company from the Appointed Date 1st April, 2019. The effect of the merger would be accounted for after the Scheme is approved by National Company Law Tribunal ("NCLT") and other authorities.

4. Other income for the current quarter includes profit on sale of Property Plant & Equipment (certain commercial units and certain parcels of undivided share in land) aggregating to ₹ 25,315.46 Lakhs to wholly owned subsidaries.

5. In preparation of these results, the Company has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity and going concern, recoverable values of its financial and non-financial assets.

   For recognition of revenues from mall operations, management has considered certain concessions/relief on rentals extended to its retailers/licensees for the period of lockdown as well as some further period considering the extended impact of the pandemic. Such concessions are determined based on discussions concluded with retailers/licensees on case to case basis. Where discussions are ongoing, the revenue is accrued considering the management estimate of most likely agreeable amounts of concession based on its ongoing discussions and the relationship with the retailers / licensee.

   Based on the current estimates, the management expects to recover the carrying amounts of the assets including the revenue recognized during the nine months period ended 31st December, 2020. Considering the evolving nature of the pandemic, its actual impact in future could be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor uncertainties arising of material changes to the future economic conditions.

6. Considering the impact of concessions given in lease rentals and other recoveries during the quarter ended 31st December, 2020, the above results and performance for the quarter is not representative of revenue and performance for the entire year.

7. The Company is predominantly engaged in the business of property and related services, whose results are reviewed regularly by chief operating decision maker for making decisions about resource allocation and performance assessment. As such , there are no separate reporting segments as per Ind-AS108.

8. The figures for the corresponding previous periods have been restated/regrouped, wherever necessary, to make them comparable with the current periods.

Mumbai

Dated : 12th February, 2021

For and on behalf of the Board of Directors

Shishir Shrivastava

Managing Director

*A.M.GHELANI &COMPANY*
*CHARTERED ACCOUNTANTS*

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CHINTAN A. GHELANI
*B.Com (Hons), F.C.A., C.S*

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To,
The Board of Directors
Phoenix Hospitality Company Private Limited.

**LIMITED REVIEW REPORT OF THE UNAUDITED RESULTS OF PHOENIX HOSPITALITY COMPANY PRIVATE LIMITED FOR THE QUARTER/NINE MONTHS ENDED 31.12.2020**

1. We have reviewed the accompanying statement of Unaudited Financial Results of **Phoenix Hospitality Company Private Limited**("the Company") for the Quarter/Nine months ended 31st December,2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ("Listing Regulations").

2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India, to the extent applicable. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in term of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. This report is provided to you solely for use in the preparation of financial information in terms of Clause 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 by The Phoenix Mills Limited, the Holding Company, for the quarter/nine month ended 31st December, 2020 on specific request of the Company. It should not be distributed to any other person and/or used for any other purposes.

**For A.M. Ghelani & Company**
Chartered Accountants
Firm Registration No.–103173W

**Chintan Ghelani**
**Partner**
Membership No. 104391
Place : Mumbai
Date : 11/02/2021
UDIN : 21104391AAAABQ7597

Enclosed: Unaudited financial results for the Quarter/Nine month ended as at 31st December, 2020 of Phoenix Hospitality Company Private Limited.

## Phoenix Hospitality Company Private Limited.

### Unaudited Financial Result for the Quarter ended and Nine Months ended on 31st December, 2020.

(Rs. In lacs)

| Sr. No. | PARTICULARS | Three Months Ended on | | | Nine Months Ended on | | Year Ended on |
|---|---|---|---|---|---|---|---|
| | | 31/12/2020 | 30/09/2020 | 30/12/2019 | 31/12/2020 | 31/12/2019 | 31/03/2020 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | **Income from Operations** | | | | | | |
| | Net Sales / Income from operations | - | - | - | - | - | - |
| | Other Income | 0.72 | 0.69 | 0.64 | 2.02 | 2.08 | 8.10 |
| | **Total Income from Operations** | **0.72** | **0.69** | **0.64** | **2.02** | **2.08** | **8.10** |
| 2 | **Expenditure** | | | | | | |
| | a) Electricity Expenses | - | - | - | - | - | - |
| | b) Employee Benefits Expenses | - | - | - | - | - | - |
| | c) Finance Costs | 4.41 | 4.41 | 4.40 | 13.18 | 13.15 | 17.50 |
| | d) Depreciation and Amortisation Expenses | - | - | - | - | - | - |
| | e) Other Expenses | 1.24 | 0.22 | 0.31 | 1.70 | 0.92 | 1.37 |
| | **Total Expenditure** | **5.64** | **4.62** | **4.71** | **14.88** | **14.07** | **18.87** |
| 3 | **Profit before Exceptional items** | **(4.92)** | **(3.94)** | **(4.07)** | **(12.86)** | **(11.98)** | **(10.77)** |
| 4 | Exceptional Item | - | - | - | - | - | - |
| 5 | **Profit from ordinary activities before tax** | **(4.92)** | **(3.94)** | **(4.07)** | **(12.86)** | **(11.98)** | **(10.77)** |
| 6 | **Tax Expense** | | - | - | - | - | - |
| 7 | Tax Expense - Current Tax | - | - | - | - | - | - |
| | Deferred Tax | - | - | - | - | - | - |
| | Tax Adjustments of earlier years | - | - | - | - | - | - |
| 8 | **Net Profit After Tax for the period from continuing operations** | **(4.92)** | **(3.94)** | **(4.07)** | **(12.86)** | **(11.98)** | **(10.77)** |
| 9 | Other Comprehensive income (after Tax) | - | - | - | - | - | - |
| 10 | **Total Comprehensive Income (after Tax)** | **(4.92)** | **(3.94)** | **(4.07)** | **(12.86)** | **(11.98)** | **(10.77)** |
| 11 | Paid-up equity share capital (Face Value Rs.10/- per share) | 232.14 | 232.14 | 232.14 | 232.14 | 232.14 | 232.14 |
| 12 | Reserves excluding revaluation reserves (As per the latest audited balance sheet) | - | - | - | - | - | 17,736.25 |
| 13 | Basic EPS (not annualised) (Rs.) (face value - Rs. 10/-) | (0.21) | (0.17) | (0.18) | (0.55) | (0.52) | (0.46) |

For Phoenix Hospitality Company Private Limited

Director

# Phoenix Hospitality Company Private Limited

**(CIN : U55209MH2006PTC161066)**

**Balance sheet as at 31st December, 2020**

| Particulars | Notes | As At December 31, 2020 | As At March 31, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non-Current Assets** | | | |
| (a) Property, Plant & Equipment | 5 | 5,265 | 5,265 |
| (b) Financial Assets | | | |
| (i) Investments | 6 | 1,84,28,54,959 | 1,84,28,54,959 |
| (c) Other Non-Current Asset | 7 | 95,000 | 95,000 |
| **(2) Current assets** | | | |
| (a) Financial Assets | | | |
| (i) Trade receivables | 8 | 25,000 | 4,75,000 |
| (ii) Cash and Cash Equivalents | 9 | 3,08,739 | 1,86,639 |
| (iii) Loans | 10 | 24,20,000 | 21,25,000 |
| (iv) Others | 11 | 3,19,918 | 1,27,597 |
| (b) Current Tax Assets ( Net) | 12 | 1,11,092 | 2,66,592 |
| **Total** | | **1,84,61,39,973** | **1,84,61,36,052** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a) Equity Share Capital | 13 | 2,32,14,000 | 2,32,14,000 |
| (b) Other Equity | 14 | 1,77,23,39,357 | 1,77,36,25,013 |
| **LIABILITIES** | | | |
| **(1) Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 4,91,20,810 | 4,91,20,810 |
| (ii) Trade Payables | 16 | | |
| Dues to micro and small enterprises | | - | - |
| Dues to others | | 81,000 | 81,000 |
| (iii) Other Financial Liabiities | 17 | 13,18,431 | 265 |
| (b) Other Current Liabilities | 18 | 66,375 | 94,964 |
| **Total** | | **1,84,61,39,973** | **1,84,61,36,052** |

For Phoenix Hospitality Company Private Limited

Director

## Phoenix Hospitality Company Private Limited

**(CIN : U55209MH2006PTC161066)**

**Statement of Profit and Loss for the Nine Months Period Ended December 31, 2020**

| Particulars | Notes | For the period ended December 31, 2020 | For the financial year ended March 31, 2020 |
|---|---|---|---|
| **Income:** | | | |
| Other Income | 19 | 2,02,431 | 8,09,595 |
| **Total Income** | | **2,02,431** | **8,09,595** |
| **Expenses:** | | | |
| Other Expenses | 20 | 1,69,920 | 1,37,056 |
| Finance cost | 21 | 13,18,166 | 17,49,565 |
| **Total Expenses** | | **14,88,086** | **18,86,621** |
| **Profit / ( Loss ) Before Tax** | | (12,85,655) | (10,77,026) |
| Tax Expenses : | | | |
| Current Tax | | - | - |
| **(A) Profit / ( Loss ) for the Period** | | **(12,85,655)** | **(10,77,026)** |
| **(B) Other Comprehensive Income** | | - | - |
| **Total Comprehensive Income for the Period (A+B)** | | **(12,85,655)** | **(10,77,026)** |

For Phoenix Hospitality Company Private Limited

Director

**Phoenix Hospitality Company Private Limited**
(CIN : U55209MH2006PTC161066)
Notes to the Financial Statements For Nine Months Period Ended December 31, 2020

| Notes | Particulars | As at December 31, 2020 | As at March 31, 2020 |
|---|---|---|---|
| 6 | **Investments** | | |
| | Investments at cost, unless otherwise stated | | |
| | **Investments in equity instruments (Unquoted)** | | |
| | *(Equity Shares of Rs. 10/- each, fully paid up & percentage of holding)* | | |
| | Investment in subsidiaries | | |
| | 52,250 - 77.73% ( P.Y. 52,250 - 77.33% ) Graceworks Realty & Leisure Pvt. Ltd. | 5,22,500 | 5,22,500 |
| | 1,158,950 - 57.99% (P.Y.1,158,950 - 57.99%) Alliance Spaces Pvt. Ltd. | 17,67,59,520 | 17,67,59,520 |
| | **Investment in fellow subsidiary** | | |
| | 80 - 0.8% (P.Y.80-0.8%) Mugwort Land Holdings Private Limited | 800 | 800 |
| | 15,759,062 - 47.71% (P.Y.15,759,062 - 47.71% ) Palladium Construction Pvt Ltd | 1,54,41,50,161 | 1,54,41,50,161 |
| | **Investment in Associates** | | |
| | 2,499,374 - 49.99% (P.Y. 2,499,374- 49.99%) Star Board Hotels Pvt. | 2,49,93,740 | 2,49,93,740 |
| | 5,000- 50% (P. Y. 5,000- 50%) Mirabel Entertainment Pvt Ltd. | 53,528 | 53,528 |
| | **Investment in Debentures (Unquoted)** | | |
| | Investment in subsidiaries | | |
| | 601,183 ( P.Y. 6,01,183) OCD's in Graceworks Realty & Leisure Pvt. Ltd. | 6,01,18,300 | 6,01,18,300 |
| | **Investment in Associates** | | |
| | 7,000 ( P.Y. 7,000 ) CCD's in Mirabel Entertainment Pvt Ltd. Face value | 7,00,000 | 7,00,000 |
| | 351,564 ( P.Y. NIL ) OFCD's in Star Board Hotels Pvt Ltd. - Face value Rs 100 each. * | 3,51,56,410 | 3,51,56,410 |
| | * On Account of Conversion of CCD's into OFCD during the period under reoort | | |
| | **Investment in Others** | | |
| | 4,000 ( P.Y. 4,000 ) ACME Hospitality Services Pvt Ltd. - Face value Rs 100 each. *** | 4,00,000 | 4,00,000 |
| | *** Each CCD's shall be converted into 10 fully paid up equity shares at the request of the CCD Holders not before the expiry of 10 years from date of allotement. CCD's carrying coupon rate of 0.0001% | | |
| | | 1,84,28,54,959 | 1,84,28,54,959 |
| | **1. Aggregate value of Quoted Investments:** | | |
| | Book Value | - | - |
| | Market Value | - | - |
| | **2. Aggregate book value of other Unquoted Investments:** | | |
| | Category wise Non Current Investments | - | - |
| | Financial Assets Measured at Cost | 1,84,28,54,959 | 1,84,28,54,959 |
| | Financial Assets Measured at Fair value through Other Comprehensive Income | - | - |
| | Financial Assets Measured at Fair value through Profit & Loss account | - | - |
| | Total | 1,84,28,54,959 | 1,84,28,54,959 |
| 7 | **Other Non-Current Asset** | | |
| | Capital advances - Holding Company | 95,000 | 95,000 |
| | | 95,000 | 95,000 |
| 8 | **Trade receivables** | | |
| | ( Unsecured ) | | |
| | a ) Considered Good | 25,000 | 4,75,000 |
| | Less : Allowance for Expected Credit loss | - | - |
| | | 25,000 | 4,75,000 |
| | b) Significant Increase in Credit Risk | - | - |
| | Less : Allowance for Expected Credit loss | - | - |
| | | - | - |
| | c) Credit Impaired | - | - |
| | Less : Allowance for Expected Credit loss | - | - |
| | | - | - |
| | | 25,000 | 4,75,000.0 |
| 9 | **Cash & Cash Equivalents** | | |
| | a. Balances with Banks | | |
| | In current accounts | 3,05,045 | 1,82,894 |
| | b. Cash on hand | 3,694 | 3,745 |
| | | 3,08,739 | 1,86,639 |

**Phoenix Hospitality Company Private Limited**
(CIN : U55209MH2006PTC161066)
Notes to the Financial Statements For Nine Months Period Ended December 31, 2020

| Notes | Particulars | As at December 31, 2020 | As at March 31, 2020 |
|---|---|---|---|
| 10 | **Loans** | | |
| | (Unsecured and Considered Good) | | |
| | Associates | 24,20,000 | 21,25,000 |
| | | 24,20,000 | 21,25,000 |
| 11 | **Other Financial Assets** | | |
| | Interest Receivable on ICD [From Associates] | 3,19,748 | 1,27,500 |
| | Accured Interest on CCD | 170 | 97 |
| | | 3,19,918 | 1,27,597 |
| 12 | **Current Tax Assets ( Net)** | | |
| | Taxes Paid (Net of Provisions) | 1,11,092 | 2,66,592 |
| | | 1,11,092 | 2,66,592 |
| 13 | **Equity Share Capital** | | |
| | **Authorised** | | |
| | 4,000,000 (P.Y. 4,000,000) Equity Shares of Rs.10/- each | 4,00,00,000 | 4,00,00,000 |
| | **Issued, subscribed and fully paid up** | | |
| | 2,321,400 (P.Y. 2,321,400) Equity Shares of Rs.10/- each fully paid up | 2,32,14,000 | 2,32,14,000 |
| | | 2,32,14,000 | 2,32,14,000 |
| | **a] Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period** | | |
| | Equity Shares | | |
| | Shares outstanding at the beginning | 23,21,400 | 23,21,400 |
| | Shares issued during the Period | - | - |
| | Shares bought back during the Period | - | - |
| | Shares outstanding at the end of the Period | 23,21,400 | 23,21,400 |
| | **b] Shares held by :-** | | |
| | **Holding Company** | | |
| | The Phoenix Mills Limited, | | |
| | 1,321,400 (P.Y. 1,321,400) equity shares of Rs 10 each fully paid | 1,32,14,000 | 1,32,14,000 |
| | **Associates** | | |
| | 1) Rula International Holding Company Private Limited<br>999,800 (P.Y. 999,800) equity shares of Rs 10 each fully paid | 99,99,000 | 99,99,000 |
| | 2) Rula International Holding Company Private Limited Jointly with Atul Rula<br>100 (P.Y. 100) equity shares of Rs 10 each fully paid | 1,000 | 1,000 |

| c] Details of shareholders holding more than 5% Shares in the company | December 31, 2020 | | March 31, 2020 | |
|---|---|---|---|---|
| Equity Shares of Rs. 10 each fully paid | Number of shares | % of Holdings | Number of shares | % of Holdings |
| The Phoenix Mills Limited - Holding Company | 13,21,400 | 56.92 | 13,21,400 | 56.92 |
| Rula International Holding Company Private Limited - Associates | 9,99,900 | 43.07 | 9,99,900 | 43.07 |

**d] The company has only one class of Equity Shares having a face value of Rs. 10 per share. Each holder of**

| | | December 31, 2020 | March 31, 2020 |
|---|---|---|---|
| 14 | **Other Equity** | | |
| | Equity Component of Compound Financial Instrument | | |
| | 23,41,350 ( P.Y. 23,41,350 ) OFCD of Rs 100 each, (Ref note below) | 23,41,35,000 | 23,41,35,000 |

Note : Note : The OFCD's with a face value of Rupees 100/-, carry a coupon rate of 0.0001%. Each OFCD shall be converted into fully paid -up equity shares of the Company at the request of the OFCD holders. 2. The OFCDs shall have the tenure of 10 years from the date of allotment. However, the parties shall extend the period of conversion as may be agreed to between the OFCD holders and approved by the shareholders in general meeting. After the expiry of 10 years or such other period as may be agreed by the OFCD holders and approved by the shareholders, , 1 OFCDs having face value of Rs 100/- each would be optionally converted into such number of equity shares of Rs 10 each of the Company at the premium of Rs 651/- per share.

**Phoenix Hospitality Company Private Limited**
(CIN : U55209MH2006PTC161066)
Notes to the Financial Statements For Nine Months Period Ended December 31, 2020

| Notes | Particulars | As at December 31, 2020 | As at March 31, 2020 |
|---|---|---|---|
| | 3.03.180 ( P.Y. 3.03.180 ) OFCD of Rs 100 each. (Ref note below) | 3,03,18,000 | 3,03,18,000 |
| | Note : Note : The OFCD's with a face value of Rupees 100/-, carry a coupon rate of 0.0001%. Each OFCD shall be converted into fully paid -up equity shares of the Company at the request of the OFCD holders, 2. The ODCDs shall have the tenure of 10 years from the date of allotment. However, the parties shall extend the period of conversion as may be agreed to between the OFCD holders and approved by the shareholders in general meeting. After the expiry of 10 years or such other period as may be agreed by the OFCD holders and approved by the shareholders, , 1 OFCDs having face value of Rs 100/- each would be optionally converted into such number of equity shares of Rs 10 each of the Company at the premium of Rs 1540/- per share. | | |
| | **Securities Premium** | 1,52,84,20,836 | 1,52,84,20,836 |
| | **Surplus/(deficit) in the statement of Profit and Loss** | | |
| | As at the Beginning Period / Year | (1,92,48,823) | (1,81,71,797) |
| | (+) Net Loss For the Period / Year | (12,85,655) | (10,77,026) |
| | As at the end | (2,05,34,479) | (1,92,48,823) |
| | | 1,77,23,39,357 | 1,77,36,25,013 |

**Nature and purpose of reserves**
A.Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve,dividends or other distributions paid to shareholders

B.Securities Premium : Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

| | | | |
|---|---|---|---|
| 15 | **Borrowings** | | |
| | (Unsecured) | | |
| | Inter Corporate Deposits [Repayable on Demand]: | | |
| | The Phoenix Mills Limited - Holding Company | 4,91,20,810 | 4,91,20,810 |
| | | 4,91,20,810 | 4,91,20,810 |
| 16 | **Trade Payables** | | |
| | Micro and Small Enterprises # | | |
| | Dues to others | 81,000 | 81,000 |
| | | 81,000 | 81,000 |
| 17 | **Other Financial Liabilites** | | |
| | Interest accrued and due [On ICD from Holding Company] | 13,17,966 | - |
| | Interest accrued and due [On CCD/ OFCD From Fellow Subsidiary] | 465 | 265 |
| | | 13,18,431 | 265 |
| 18 | **Other Current Liabilities** | | |
| | Statutory Dues | - | 94,964 |
| | Provision for Expenses | 66,375 | - |
| | | 66,375 | 94,964 |

## Phoenix Hospitality Company Private Limited
### (CIN : U55209MH2006PTC161066)
### Notes to the financial statements for the Nine Months Period ended 31st December, 2020

(Amount in Rs.)

| Notes | Particulars | For the Period ended December 31, 2020 | For the financial Year ended March 31, 2020 |
|---|---|---|---|
| 19 | **Other Income** | | |
| | Interest on ICDs | 1,92,248 | 2,67,750 |
| | Interest on CCD | 73 | 97 |
| | Interest on Income Tax Refund | 10,110 | 16,748 |
| | | **2,02,431** | **8,09,596** |
| 20 | **Other Expenses** | | |
| | Filing Fees | 96,685 | 21,937 |
| | Legal and Professional expenses | 4,720 | 25,758 |
| | Payment to the Auditors | | |
| | Audit Fees | 66,375 | 88,500 |
| | Bank charges | - | 861 |
| | Interest on Late payment of TDS | 2,140 | - |
| | | **1,69,920** | **1,37,056** |
| 21 | **Finance cost** | | |
| | Interest On ICD [From Related Parties] | 13,17,966 | 17,49,300 |
| | Interest on OFCD | 200 | 265 |
| | | **13,18,166** | **17,49,565** |