

Date: 25th August, 2020

To,
The National Stock Exchange of India Limited
Exchange Plaza
Bandra (East), Mumbai – 400051.
Scrip Code: PROZONINTU

Subject: Scheme of Amalgamation between two Wholly Owned Subsidiary Companies-
Announcement dated 8th August 2020

Reference: Your email dated 21st August 2020 seeking further clarification

This refers to your email received by us on 21st August, 2020 in continuation to our reply dated 14th August, 2020 (to your mail dated 13th August, 2020 pursuant to an announcement dated 8th August 2020), submitted by the Company on the captioned subject regarding proposed amalgamation of two wholly owned subsidiaries i.e. Royal Mall Private Limited ('RMPL' or Transferor Company) with Prozone Developers & Realtors Private Limited ('PDRPL' or 'Transferee Company').

With respect to your queries, we would like to submit point wise reply to the same as per the Annexure enclosed herewith.

We hope that we have been able to clarify your query. In case you need any further information or explanation, we would be happy to submit the same.

Thanking you,

Yours faithfully,
For Prozone Intu Properties Limited

AJAYEN
DRA JAIN

Digitally signed by
AJAYENDRA JAIN
Date: 2020.08.25
20:53:22 +05'30'

Ajayendra Pratap Jain
CS & Chief Compliance Officer
Enclosed as above

ANNEXURE

Query 1	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.		
Reply	Entities forming part of Scheme are as under: 1. Royal Mall Private Limited (“Amalgamating Company” or “RMPL”) 2. Prozone Developers & Realtors Private Limited (“Amalgamated Company” or “PDRPL”) Both are 100% subsidiaries of “Prozone Intu Properties Limited” (“the Reporting Listed Company” or “PIPL”). The brief financials of the aforesaid companies as on the Appointed Date are as under: (Amount in INR)		
	Particulars	RMPL	PDRPL
	Equity Paid up Capital	1,00,000	5,00,000
	Other Equity	(1,78,275)	(1,21,74,375)
	Net Worth	(78,275)	(1,16,74,375)
	7%, 340 Unsecured Listed Rated Redeemable Non-Convertible Debentures (NCDs)	0	34,00,00,000
	Interest Accrued on above NCDs	0	18,83,52,127
	Unsecured Loan (From Holding Company)	2,81,844	33,44,88,269
	Total Assets	2,82,012	85,47,07,959
	Income from Operations	0	0
	Other Income	2,846	8,60,87,247
	Total Income	2,846	8,60,87,247
	Total Expenditure	23,862	10,81,48,961
	Profit before Tax	(21,016)	(2,20,61,714)
	Profit after Tax	(21,016)	(2,20,61,714)
	Cash profit	(21,016)	(2,20,26,767)
	Earnings per share (EPS) (INR)	(2.10)/-	(88.25)/-
	Book value per share (INR)	(7.83)/-	(46.70)/-
	Notes: 1. Net Worth = Paid-up Equity Share Capital + Other Equity 2. Cash Profit = Profit after Tax + Depreciation 3. Book value per share = (Total Assets - Total Liabilities) / Total Outstanding Equity Shares 4. The above financial details are without giving effect of the Scheme		
	Query 2	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	
Reply	Yes. However, the same is on the arm’s length basis.		
Query 3	Area of business of the entity(ies)		
Reply	Both companies are in same line of business. Details of area of business is as under; a. RMPL is engaged in the business of development, owning and operation of entertainment center, shopping malls, townships and other real estate developments. b. PDRPL is also engaged in the business of development, owning and operation of		

	entertainment center, shopping malls, townships and other real estate developments.
Query 4	<i>Rationale for Amalgamation / Merger</i>
Reply	The rationale for amalgamation as considered by the Board of directors of both the companies as well as shareholders, is as under: - Both the Amalgamating and the Amalgamated Companies are held by a single parent company, the proposed amalgamation will rationalize and optimize the group structure to ensure greater alignment with the businesses; - Merged Entity will be able to generate / raise additional funds and diversify and expand into other profitable ventures with larger resources; - It is expected that consolidation of entities will provide operational synergies which in turn will eliminate inefficiencies and will streamline corporate structure and cash flows; - A single operating entity will result in better centralized management and cost efficiency.
Query 5	<i>In case of cash consideration – amount or otherwise share exchange ratio</i>
Reply	The entire issued, subscribed, and paid-up share capital of the Amalgamating Company and Amalgamated Company is held by “Reporting Listed Company” and its nominees. In other words, both are 100% subsidiaries of the “Reporting Listed Company”. Therefore, upon approval of the Scheme, even if no shares are issued by Amalgamated Company (PDRPL) to the shareholders of the Amalgamating Company (RMPL), the Scheme complies with the provisions of Section 2(1B) of the Income Tax Act, 1961 and hence no share exchange ratio is required to be determined. However, to avoid any other consequences following consideration is agreed upon: - 5 (Five) fully paid-up Equity Share of Rs.2/- each of the Amalgamated Company for all 10,000 (Ten Thousand) Equity Share of Rs.10/- of Amalgamating Company.
Query 6	<i>Brief details of change in shareholding pattern (if any) of listed entity.</i>
Reply	As the Scheme of Amalgamation is between two wholly owned subsidiary companies of “Reporting Listed Company” and does not involve “Reporting Listed Company”, hence there will be no change in shareholding pattern of “Reporting Listed Company”.