

ANNUAL REPORT 2015



prozone  
intu 



## VISION

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





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## PROZONE INTU PROPERTIES LTD

Prozone Intu is a specialist retail and residential-led mixed-use real estate development company, harnessing Intu Properties plc experience as UK's largest retail real estate developer combined with Provogue (India) Ltd's in-depth knowledge of the Indian market. The company has a strong balance sheet, a large land bank fully paid, a planned pipeline of projects and a strong domestic execution team.

Intu Properties plc is a FTSE-100 Company listed in UK and has an asset valuation of more than 9.5 billion British pounds. Intu Properties plc owns 15 properties, 9 of the top 20 shopping centers with a dominant market share. Two senior board members of Intu sit on the board of Prozone Intu.

The business model is to acquire large land parcels at select locations in high growth corridors within city limits. Subsequently design, develop, execute and manage high quality Regional Shopping and Entertainment Centres and on the conjugant land bank to develop and sell mixed-use Residential Townships and Commercial Office Blocks to create new 'city centres' across the rapidly evolving Indian urban landscape.

The overarching plan is to develop long term scarce assets with properties that optimize the intrinsic value of the land with sale of Residential and Commercial units to monetize the land banks facilitating the creation of debt-free retail assets generating annuity income over the long term. As India's retail market matures, quality retail real estate assets are expected to develop high yield compression ratios.

Prozone Intu has attracted investments from major institutional investors, notably the Triangle Fund (anchored by Old Mutual Group, South Africa) and the Lewis Trust Group, UK.

The Company owns six land banks in strategic city locations across the country comprising a total of 17.8 million square feet of developable area. By 2018, In the next 2-3 years, Prozone Intu forecasts to develop 2.2 million square feet of retail assets, plus 9.7 million square feet of mixed-use assets, with a balance of 6 million square feet of FSI, on its existing land banks, available for further development. The company has achieved financial closure on construction finance required for projects in the pipeline and construction is ongoing at three locations.

# LETTER TO SHAREHOLDERS

## Dear Shareholders

It's been a challenging year for the real estate market in general. Lack of confidence among end users has depressed demand, delayed start-ups and squeezed prices.

During such down-cycles there is a huge opportunity for players who are well funded. Experience shows that when malls are built in downturns, demand increases as supply dries up. This is proving to be the case in Coimbatore as we pre-lease.

In the residential sector, whilst the general market is depressed, there are some localized bright spots where location demand and affordability are favourable. We have found this to be the case in Nagpur.

With a strong balance sheet we can also look into opportunities for JVs and JDs that often crop up at low points in the cycle.

So overall I feel we're well positioning for the future.

## Market Overview

The retail sector has been hit hard this past year by the emergence of e-commerce marketplaces offering consumers deeply discounted prices with convenient drop shipping to the home. This has put pressure on the more unviable shopping centres and many have been forced to close as their retailers failed. This bottom-slicing of malls is leaving a void of quality retail infrastructure in the market.

There are signs now that online retailing alone is not sustainable as a long term consumer proposition. Online to Offline (O2O) is increasingly being discussed as a solution where even the online majors will have an omni-channel presence. This will fare well for developers who own the quality modern retail infrastructure in the country.

The Residential market has remained largely dormant during most of 2014. With a pro-development Government and with the key drivers of higher GDP growth, increased standard of living and rapid urbanisation in place, there is optimism that we'll see an upswing in the near term, but this has not happened yet. Absorption and sale velocity is only being witnessed in selective affordable housing developments in certain metro suburbs and tier-2 and tier-3 cities.

The Government has taken steps to accelerate the real estate sector by providing greater access

to funding and extending liquidity and tax credits to the end-user to strengthen affordability. Both these initiatives should lead to an improved balance of demand and supply in the future.

FDI is also now permitted up to 100% under the automatic route for housing, townships, commercial and industrial construction designed to boost infrastructure activities in the country. This should especially help urbanisation in tier-2 and tier-3 cities, which were struggling to develop large projects.

## Business Strategy

Our long term strategy remains in place. To build and manage regionally dominant, high quality shopping centres that offer retailers a strong aggregated footfall and a trading environment that will ensure them long term success. International brands entering India who need world class trading platforms and value quality retail space are showing great interest in our schemes. The scarcity of high quality malls will cement demand for our centres long term.

Retail infrastructure can become one of the most valuable, 'sticky' assets in a real estate portfolio over the long term if the centres can consistently attract shoppers. So, to offset the e-commerce surge we needed to provide shoppers with more experiential shopping environments. We've therefore tweaked the tenant mix in favour of more leisure and family entertainment for consumers, which in turn reinforces Prozone Intu as a strong partner for retailers to optimize sales densities.

Under the economic conditions of the past couple of years, we had slowed down our retail development pipeline and reduced mall sizes to align with the market. We've decided this is now the time to bring centres on stream but we are pushing ahead one scheme at a time to ensure we have the focus and dedication of resources to make each one perfect.

Our mall management experience, in partnership with Intu Properties plc, is unparalleled in India and allows us to develop valued long term relationships with retailers.

In the residential sector, our strategy is to anchor each scheme with required site infrastructure and facilities first and have all approvals in place before we launch a project. This way we exhibit the quality of our homes and give our customers the



We are now at the inflection point where monetization of our assets will begin to flow

confidence of on-time delivery. This has proven a highly successful approach and all the units released for sale so far have seen a strong demand.

### Operations Update

Over the past few years, the priority has been on preservation of assets during an uncertain economic environment. Now with general market momentum improving we've kick-started our pipeline and the projects that are under construction will begin to fructify our investments.

With the support of our partners we are restructuring balance sheets such that each business unit becomes self-sustaining. This is a powerful means of bringing focus to critical areas of each development and will improve overall operational excellence.

Our focus is on timely execution, attuned to market demand, and cash flow management. With construction underway across three projects, we are now at the inflection point where monetization of our assets will begin to flow.

### Financial Performance

The Company achieved total consolidated revenue of Rs 68.02 Crores against the previous year of Rs 58.84 Crores and earned consolidated EBITDA margin of Rs 21.22 Crores against Rs 21.39 last year.

Going forward we can expect a sharp climb in the top line as Nagpur residential revenue recognition kicks in now that the project well under construction. Aurangabad retail revenues have stabilized and will underpin the overall performance long term.

### The Future

I'm confident that our cautious approach not to hurry developments has proven to be the wisest strategy and we are now in a position of strength that will enable us to reap strong dividends for a long time to come.

My sincere thanks go to our Board and our strategic investors, the Triangle Fund and the Lewis Trust Group, whose continued support is greatly appreciated. I'm also proud of our employees throughout the company for their consistent teamwork to achieve our goals.

I'm confident of a great future ahead and that our patience will pay off handsomely as value realization begins.

With best wishes,

Nikhil Chaturvedi  
Managing Director



# LETTER TO SHAREHOLDERS

## Dear Shareholders

I'm pleased to address you this year at a time when we believe our business is at a tipping point for value realization. The goal has always been to create a high quality real estate business that will deliver consistently excellent returns. The right mix of long term and short term assets in the portfolio is key to our strength as a business and provides us the platform for growth.

Residential will be the focus of my report this year. This is the engine that can release cash to fund investment into retail infrastructure and fuel acquisition of new land banks and JVs for growth. With this model we are building a world-class company with a strong balance sheet, headroom for growth and sustainable value.

## Residential Real Estate

It's been a tough year for the Residential sector. In the general market, as far as returns are concerned, investments have underperformed, as prices remained subdued in most markets. Sales were poor due to low demand from depressed consumer sentiment. Even the festive season failed to push sales.

However, the economy is now showing signs of recovery and there are some positive signals with inflation in decline and lower interest rates on the horizon. The election of a stable government has buoyed longer term investor sentiment. Furthermore, announcement of steps to boost affordable housing, "the housing for all by 2022" plan, will make it easier for many more people to buy a house.

As enquiries are not yet converting into sales, many builders are holding on from launching new projects. High inventories and low absorption rates indicate it will take time for the general market to recover.

Commercial properties were slightly better off in 2014 as fall in capital values increased rental yield and are an attractive investment at this moment in several key markets.

## Development Strategy

Market conditions depend upon the dynamics of individual cities, each with its own market drivers. Our investment locations remain sound and we're going ahead with project developments in sensible phases that preserve value.

The Nagpur project is residential-led. By developing residential first we are creating a community of potential retail demand and unlocking cash flows that will allow us to build debt-light retail assets on adjacent land later, once residential has been established.

Our residential strategy is to fully develop the land infrastructure, clubhouse and gardens before we go to market to sell homes. Residential sales in Nagpur have received an overwhelming response to our design and quality as well as the facilities we are providing the residents.

Even when all our present residential projects are completed we will still have residual balance FSI primed for further development at scarce land values. Specifically, in our current land bank of 17.9 million square feet of constructible area, fully paid, once our 4 mixed-use projects are completed, we will have a residual FSI of 6 million square feet of high potential value realization.

The developments under execution will mature by 2015/16 and, as new projects take 2-3 years to fructify, we are alert to other land parcel opportunities at a time when attractive options are available because of the tightening in the economy.

## Valued Relationships

We highly value the experience and confidence of our partners and investors. Intu Properties plc, UK allow us to harness more than 36 years of invaluable experience across real estate sectors





and a proven track record of solid financial performance and consistent delivery.

We also benefit greatly from the hands-on relationships with Triangle Real Estate India Fund and LTG International. The Triangle Real Estate India Fund is co-promoted by ICS Realty Group, India and Old Mutual Investment Group Property Investments, South Africa, who have developed large real estate projects on a global scale for over 50 years. LTG International, promoted by Lewis Trust Group, UK is an investment company that operates retail stores, real estate, wealth management business and hotels globally.

I want to acknowledge our experienced and well-qualified professional teams in architecture, engineering, construction, project supervision, finance and accounting, marketing and sales for their consistent hard work and support. We also hugely benefit from relationships with our renowned consultants and contractors, who have the proven track records to deliver the best quality and disciplines into our projects.

Finally I want to thank you, our shareholders, for your continued support. 2015 will be the year we begin to see our investments bear fruit. It going to be a great journey ahead together and we've only just begun.

Sincerely,

**Salil Chaturvedi**  
Deputy Managing Director



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

## CORPORATE INFORMATION

### Board of Directors

Mr Punit Goenka	Independent Director & Chairman
Mr Rajiv Singh	Independent Director
Mr Nikhil Chaturvedi	Managing Director
Mr Salil Chaturvedi	Deputy Managing Director
Mr David Fischel	Non Executive Director
Mr John Abel	Non Executive Director

### Chief Financial Officer

Mr Anurag Garg

### Company Secretary

Ms Snehal Bansode

### Statutory Auditors

SGCO & Co.

Chartered Accountants

4A, Kaledonia-HDIL, 2nd Floor,  
Sahar Road, Near Andheri Station,  
Andheri (East), Mumbai, 400069, India

### Bankers

Corporation Bank

HDFC Bank Limited

### Registered Office & Corporate Office

Prozone Intu Properties Limited

CIN: L45200MH2007PLC174147

105/106, Provogue House

Off New Link Road, Andheri (W)

Mumbai 400 053, India

Website: [www.prozoneintu.com](http://www.prozoneintu.com)

### Registrar & Transfer Agent

Link Intime India Pvt. Ltd.

C/13, Pannalal Silk Mills Compound

L.B.S. Road, Bhandup (W)

Mumbai 400 078, India

### E-mail ID for Investors' Grievance

[investorservice@prozoneintu.com](mailto:investorservice@prozoneintu.com)

## BOARD OF DIRECTORS

### **Punit Goenka**

Mr. Punit Goenka, Managing Director & CEO of Zee Entertainment Enterprises Limited, has an extensive, diversified background in the areas of media, entertainment, and tele-communications in global markets. Being a part of the promoter group of Essel Group, Mr. Goenka is also the Director of many Essel Group companies

### **Rajiv Singh**

Mr Singh is Director Finance of the Karamtara Group of companies. Rajiv holds a Bachelor of Commerce degree from Mithibai College, Mumbai and a MBA Finance degree from the European University in Switzerland

### **Nikhil Chaturvedi**

Managing Director, Nikhil is a visionary and hands-on leader, who inspires the organisation with a passion for excellence and single-mindedness to build shareholder value, which is his driving force

### **Salil Chaturvedi**

Deputy Managing Director, Salil leads corporate strategy of the Company from a track record of spearheading successful business development across sectors. He is also responsible for the new asset class initiatives in the residential and commercial sectors

### **David Fischel (Non Executive Director)**

David Fischel is the Chief Executive of CSC Plc. He has led the development of the Company for over 20 years, including conversion to a REIT, and is today one of the most respected retail property professionals of his generation

### **John Abel (Non Executive Director)**

John Abel joined the Liberty International Group in 1972 and was appointed an Executive Director in 2000. He was appointed a Director of CSC in 1994 and Managing Director in 2005 and he continues as non-executive Director of CSC with special focus on India



## PROZONE INTU PHILOSOPHY

Providing customers with world-class quality and experience is the core philosophy behind Prozone Intu.

Regional Shopping centres are designed and developed to be convenient, comfortable and safe. Overall we aim to provide people with the perfect shopping experience allowing us to nurture enduring relationships with retailers that delivers long-term growth for our retail vertical.

We believe that luxury is in the details, so every aspect of design and development is planned 'inside-out' to the minutest detail. Residential townships are planned in large open-spaces to the highest quality standards, with world-class features, delivered on time to create affordable luxury residences in India's booming new urban landscape.

Typically the business model is to utilize 75% of the land as Residential & Commercial on a Build & Sell model and 25% of the land to developed Retail on a Build & Lease Model. Cash flows from the sale of Residential and Commercial support the construction costs of Retail assets enabling debt retirement sooner and the surplus cash flows fuel future growth.





## CONSUMPTION-LED REAL ESTATE

India is a unique opportunity having 17% of the world's population but only 3% of the world's landmass and 25% of the world's youth under 25, with 54% of India below 25 years and 72% below 35 years. Youth is the trustee of prosperity and India's modern society is an 'earn and spend' culture unlike the older generation.

India is also experiencing massive urbanization with over 50% of the population expected to be urbanized by 2020, from current level of 29%. This will result in over 300 million new people flocking to urban centres thereby fuelling demand as society shifts to a nuclear family culture. This rapid urbanization is changing the urban landscape as large cities such as Mumbai and Delhi are choked giving rise to the emergence of Tier II and III cities as India's new urban metros.

In a savings driven economy, and with no real social security system, the propensity is to buy homes as protection for the future. Over 50% of India's projected savings of \$10 trillion over the next 10 years is expected to be invested in residential real estate.

The combination of these three factors fuels consumption and is creating an urban housing supply/demand gap that is forecast to last for a decade or more, thereby unveiling opportunities to develop affordable, luxury residential real estate across the Indian landscape.

## CONSUMPTION-LED REAL ESTATE

India has one of the highest growth retail sectors in the world with youth being the main driver behind the robust long term consumption story. Retail is the prime driver of the new Indian economy and represents approximately two-thirds of overall consumption. At over \$500 bn in 2013 retail is forecast to grow to \$1,000 bn by 2020. This is reinforced with 100% FDI now allowed for single brand retail and 51% FDI allowed for multi-brand, encouraging the entry of foreign players that is spurring growth of the organised retail sector. Organised retail is currently only 6% of India's total retail but is growing at approximately 15% per annum leading to strong demand for quality retail infrastructure.

### SHOPPING CENTRES

Large scale Regional Shopping Centres provide shoppers with all their needs,

in one place for the whole family. By developing and actively managing our centres to offer the right mix of retail, leisure and catering we deliver compelling destinations for shoppers and become the landlord that retailers want to do business with. Our mall management philosophy is to develop powerful footfall, and to ensure our centres provide the right trading environment for the community. This results in attracting a broad cross section of retailers in order to create long-term and sustainable growth in net rental income.

Prozone Aurangabad mall was successfully launched in October 2010. Anchored by India's leading retailers, the mall is operating with 79% of its retail spaces filled. In a city of 1 million people, the mall is averaging 600,000 customer





visits per month and is acclaimed as the major shopping and entertainment hub for the Marathwada region of Maharashtra. Two more projects are in advanced stages of design and preparation in Nagpur and Coimbatore.

### RESIDENTIAL COLONIES

In a market where there are concerns related to delivery of residential real estate, our differentiated strategy is to develop and have in place all site infrastructure, landscaping and the clubhouse before we launch the project.

The mission is to create aspirational living environments with all modern amenities to luxury standards on the lines of successful international models. Prozone Residences are designed not just as a way of living, but also as a lifestyle.

We believe in designing homes as affordable luxury, keeping in mind the dwellers perspective. The overall deliverable is a gated community with a traffic free landscape, uninterrupted views, privacy and a safe & secure environment for the family.

We design timeless facades in a way that the elevation of the building remains clutter free. Our attention to the details and convenience finds expression in spacious living rooms, which open in to delightful sun decks and Master bedrooms with grand walk-in wardrobes.

Private sun decks attached to the living rooms, luxurious french windows in all rooms ensure ample natural light and ventilation for the home. We understand the desire for privacy and we have therefore sacrificed additional



residential structures and increased the distance between buildings just so that no two apartments look in to each other.

A members-only residential club of around 40,000 square feet with 4 acres of landscaping incorporating banqueting, swimming pool, Jacuzzi, spa/sauna, outdoor games like lawn tennis, cricket practice net, basketball and indoor games like squash and badminton make Prozone residential colonies an ideal family centric community.

The landscape areas are adorned with walking/jogging paths and meditation areas, outdoor dining gazebos, amphitheatres and more plus separate play areas for kids, free from vehicular movement ensuring safety for the children.

Prozone townships provide high level security such as swipe card entry for residents, video door phone, security passes for maids & service staff, intercom connectivity, advanced fire





fighting systems, high speed elevators with automatic rescue devices and 24 hour power back-up for elevators and common areas.

Three residential colonies are in advance stages of development in Nagpur, Coimbatore and Indore.

### COMMERCIAL OFFICES

Experience from other markets has proven that people want to live near their workplace and live close to great retail and entertainment destinations.

Companies are also keen to move their offices into these locations as it attracts and retains the best staff. Commercial developments therefore form the third tier of Prozone Intu's development model, designed to create India's new city centres.

In Aurangabad, the first commercial office tower above the mall of 190,000 square feet was pre-sold within its first week of launch and construction is well advanced.









QUALITY  
RETAIL  
INFRASTRUCTURE





## INTU PROPERTIES PLC

Intu Properties plc is a leading specialist developer, owner and manager of pre-eminent regional shopping centres including 12 of the top 25 centres in the UK attracting more than 400 million shopper visits per annum. The business had assets under management of £9.5 billion in 2014.

Intu's assets comprise five major out-of-

town centres including four of the UK's top six – The Trafford Centre, Manchester; Lakeside, Thurrock; Metrocentre, Gateshead; Braehead, Glasgow and The Mall at Cribbs Causeway, Bristol – and nine in-town centres including centres in prime destinations such as Cardiff, Manchester, Newcastle, Norwich and Nottingham.

Intu Properties plc have appointed two of their most senior Directors to the Board of Prozone Intu Properties Limited, namely Mr David Fischel, Chief Executive and Mr John Abel, Director







### **David Fischel, Chief Executive**

David Fischel is the Chief Executive of Intu Properties plc. He has been at the helm of the company through its major growth phase and is today one of the most respected retail property professionals of his generation. He converted the business into a Real Estate Investment Trust (REIT) to make Intu one of the top 20 REITs in the world, operating business on three continents. David also pioneered Intu's position on corporate social responsibility in providing environments that can uplift local economies and provide a better lifestyle for the community.



### **John Abel, Director**

John Abel joined the Company in 1972 and was appointed an Executive Director in 2000. He was appointed a Director of Capital Shopping Centres in 1994 and Managing Director of Capital Shopping Centres in September 2005 and continues as a non-executive Director of Intu Properties plc. He has been integrally involved with the Company's shopping centre activities from its very first major development, The Victoria Centre, Nottingham, which opened in the early 1970s.





## FINANCIAL SECTION



## NOTICE

Notice is hereby given that the 8th Annual General Meeting of the members of Prozone Intu Properties Limited (Erstwhile "Prozone Capital Shopping Centres Limited") will be held on Wednesday, 30th September 2015 at 2.00 p.m. at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West), Mumbai - 400053 to transact the following business:

### As ordinary business:

1. To receive, consider and adopt the audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended 31st March 2015 including audited Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of **Mr. David Fischel (DIN: 01217574)**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s SGCO & Co., Chartered Accountants (ICAI Firm Registration No. 112081W) as Statutory Auditors of the Company to hold such office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company on such remuneration as may be determined by the Board of Directors of the Company.

### As Special Business:

4. **To approve the payment of remuneration to Mr. Nikhil Chaturvedi, Managing Director for a further period of two years with effect from 27th February 2015 and in this regard, to consider and if thought fit to pass the following resolution, with or without modification, as a SPECIAL RESOLUTION:**

**"Resolved that** pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and all other applicable circulars, notifications and guidelines issued by the Ministry of Corporate Affairs or any other authorities from time to time and subject to necessary approvals, permissions and sanctions, as may be required and such conditions and modifications as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions and are agreed to by the Board of Directors (hereinafter referred to as 'the Board', which term shall be deemed to include any 'Committee' thereof and any person authorised by the Board in this behalf) and further to the approval of Nomination and Remuneration Committee and

Board of Directors the consent of the Members be and is hereby accorded for payment of remuneration to Mr. Nikhil Chaturvedi, Managing Director for a further period of two years from 27th February 2015 (i.e. upto the terms of his appointment) on such terms and conditions as set out below:

- a. Salary Grade of ₹ 6,00,000 to ₹ 10,00,000 per month
- b. Commission: Such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point no. C
- c. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule V to the Companies Act, 2013.
- d. Subject to superintendence, control and direction of the Board, he shall perform such duties and functions as would be commensurate with his position as the Managing Director of the Company and as may be delegated by the Board from time to time.

**Resolved further that** the Board of Directors (which term shall always be deemed to include any Committee of the Board thereof) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent as the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or any such other competent authority.

**Resolved further that** notwithstanding anything contained herein above, where in any financial year during the currency of his tenure, the company has no profit or its profits are inadequate, the remuneration stated above shall be paid as minimum remuneration to Mr. Nikhil Chaturvedi, subject to the maximum ceiling of remuneration prescribed under Schedule V of the Companies Act 2013 and/ or the approval of the Central Government wherever required or applicable.

5. **To approve the payment of remuneration to Mr. Salil Chaturvedi, Deputy Managing Director for a further period of two years with effect from 27th February 2015 and in this regard, to consider and if thought fit to pass the following resolution, with or without modification, as a SPECIAL RESOLUTION:**

**Resolved that** pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) from time to time or any re-enactment thereof for the

time being in force) read with Schedule V to the said Act, and all other applicable circulars, notifications and guidelines issued by the Ministry of Corporate Affairs or any other authorities from time to time and subject to necessary approvals, permissions and sanctions, as may be required, and such conditions and modifications as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions and are agreed to by the Board of Directors (hereinafter referred to as 'the Board', which term shall be deemed to include any 'Committee' thereof and any person authorised by the Board in this behalf) and further to the approval of Nomination and Remuneration Committee and Board of Directors the consent of the Members be and is hereby accorded for payment of remuneration to Mr. Salil Chaturvedi, Deputy Managing Director for a further period of two years from 27th February 2015 (i.e. upto the terms of his appointment) on such terms and conditions as set out below:

- a. Salary Grade of ₹ 5,00,000 to ₹ 6,00,000 per month
- b. Commission: Such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as stated in point no. C
- c. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limit(s) as specified in Schedule V to the Companies Act, 2013.
- d. Subject to superintendence, control and direction of the Board, he shall perform such duties and functions as would be commensurate with his position as the Deputy Managing Director of the Company and as may be delegated by the Board from time to time.

**Resolved further that** the Board of Directors (which term shall always be deemed to include any Committee of the Board thereof) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent as the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or any such other competent authority.

**Resolved further that** notwithstanding anything contained herein above, where in any financial year during the currency of his tenure, the company has no profit or its profits are inadequate, the remuneration stated above shall be paid as minimum remuneration to Mr. Salil Chaturvedi, subject to the maximum ceiling of remuneration prescribed under Schedule V of the Companies Act 2013 and/ or the approval of the Central Government wherever required or applicable.

**6. To approve the related party transactions and in this regard, to consider and if thought fit to pass the following resolution, with or without modification, as a SPECIAL RESOLUTION:**

**“Resolved that** pursuant to the provisions of Section 188 read with the applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013 (“the Act”) and any other applicable provisions of the Act read with clause 49 of the Listing Agreement (including any amendment, modification(s) or re-enactment thereof), the consent of the members of the Company be and is hereby accorded to ratify, continue and enter into, the related party transactions with related parties as defined under section 2(76) of the Companies Act 2013 as per the details given below:

Name of the related party	Subsidiary Companies	Provogue (India) Limited
Name of the Director or KMP who is related, if any	Mr. Nikhil Chaturvedi, MD Mr. Salil Chaturvedi, Dy. MD & KMP	Mr. Nikhil Chaturvedi, MD Mr. Salil Chaturvedi, Dy. MD & KMP
Nature of relationship	Subsidiary Companies	Company in which two Directors are common and holds more than 2% of its share capital
Nature, material terms, monetary value and particulars of the contract or arrangement	<ol style="list-style-type: none"> <li>Nature: Rendering of management consultancy services Value: Not exceeding to ₹ 20 Crores during any financial year. Duration: on continual basis up to completion of project</li> <li>Nature: Grant of Loan/Inter corporate deposit Value : Not exceeding to ₹ 200 Crore during any financial year. Duration: Temporary loans repayable on demand.</li> </ol>	Nature: Payment of rent of office premises Value: As per the agreement entered into between the parties but not exceeding to fair market value Duration: Continual transaction basis, on year to year



**Resolved further that** for the purpose of giving effect to this resolution, the Board and/or its committee be and is hereby authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any questions and difficulties that may arise in the matter and incidental thereto, without being required to seek any further consent or approval of the members of the Company shall be deemed to have given their consent, authority and approval thereto expressly by the authority of this resolution.

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

**Date: 11th August 2015  
Place: Mumbai**

**Nikhil Chaturvedi  
Managing Director**

**NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from Thursday 24th September 2015 to Wednesday 30th September 2015 (both days inclusive) for the purpose of Annual General Meeting.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.  
Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. All documents referred to in the accompanying notice and the explanatory statement are open for inspection at the Registered Office of the Company during business hours on any working day except Saturdays up to the date of the this Annual General Meeting of the Company

5. Corporate Members intending to send their authorized representative to attend the meeting pursuant to section 113 of the Companies Act 2013 are requested to send to the Company a certified true copy of Board resolution together with their specimen signature authorizing their representative to attend and vote on their behalf at the meeting
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
9. The notice of AGM along with Annual Report for 2014-15 is being sent by electronic mode to all the members whose email IDs are registered with the Company/Depository Participant(s) unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.
10. Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately the change in the residential status on return to India for permanent settlement.
11. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DPID number, as the case may be.
12. **This notice is being sent to all members of the Company whose names appear in the Register of Members/ list of beneficiaries received from the depositories on the end of Friday 21st August 2015.**

13. The entry to the meeting venue will be regulated by means of attendance slips. For attending the meeting, members, proxies and authorised representatives of the members, as the case may be, are requested to bring the enclosed attendance slip completed in all respects, including client ID and DP ID, and signed. Duplicate attendance slips will not be issued.
14. All members are requested to support Green Initiative of the Ministry of Corporate Affairs, Government of India and register their email addresses to receive all these documents electronically from the Company in accordance with Rule 18 of the Companies (Management & Administration) Rules 2014 and Rule 11 of the Companies (Accounts) Rules 2014. All the aforesaid documents have been uploaded on and are available for download from the Company's website, being [www.prozoneintu.com](http://www.prozoneintu.com). Kindly bring your copy of Annual Report to the meeting.
15. Rule 3 of the Companies (Management and Administration) Rules 2014 mandates that the register of members of all companies should include details pertaining to email address, permanent account number (PAN) or CIN, unique identification number, if any; father's/ mother's/ spouse's name, occupation, status, nationality; in case member is a minor, name of guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository.
16. No gifts shall be provided to members before, during or after the AGM.
17. Members may pursuant to section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules 2014 file nomination in prescribed form SH-13 with the respective depository participant.
18. Members are requested to notify change of address and update bank accounts details to their respective depository participants directly.

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

- a. Pursuant to the provisions of section 108 of the Companies Act, 2013, rules 20 and 21 of the Companies (Management & Administration) Rules 2014 and clause 35B of the Listing Agreement, the Company provides its members the electronic facility to exercise their right to vote at the AGM. The business at the AGM may be transacted through e-voting services provided by the Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/ her/

its discretion, subject to compliance with the instructions prescribed below.

- b. The facility for voting through polling paper shall be made available at the meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through polling paper.

The instructions for members voting by remote e-voting are as under:

**A. In case of members receiving the Notice of AGM via-email**

- i. The remote e-voting period begins on Sunday, 27th September 2015 from 10.00 a.m. and ends on Tuesday, 29th September 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, 23rd September 2015 may cast their vote by Remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

**Cut-off date means the date on which the right of voting of the members shall be reckoned and a person who is not a member as on the cut-off date should treat this notice for information purposes only.**

Persons who have acquired shares and become members of the Company after the dispatch of the Notice of the AGM but on or before the cut-off date i.e. Wednesday, 23rd September 2015, may obtain their user ID and password for e-voting from Company's registrar and transfer Agent, Link Intime India Private Limited or from CDSL. However, if the person is already registered with CDSL for remote e-voting then the existing User ID and Password can be used for remote e-voting.

- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders.
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,



- c. Members holding shares in physical form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address sticker pasted on your envelope of this report.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

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

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the PROZONE INTU PROPERTIES LIMITED.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then, enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

Members holding shares in either Demat or physical mode who are in receipt of Notice of AGM in physical form may cast their vote using the Polling Paper. Please refer to instructions "C" below for more details.

Members may alternatively opt for e-voting. Please follow steps from sr. no. (i) to (xix) under the heading "A" above to vote through e-voting platform.

#### **C. Members who wish to vote using Polling Paper:**

Members may fill in the Polling Paper and submit the same in a sealed envelop to the Scrutiniser, Mr. Hemant Shetye, Practicing Company Secretary Unit: Prozone Intu Properties Limited, C/o Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (W), Mumbai 400078, so as to reach there by 5.00 p.m. on Tuesday, 29th September 2015. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decisions of the Scrutiniser on the validity of form will be final.

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

The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.prozoneintu.com](http://www.prozoneintu.com) and on the website of CDSL, i.e. [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the resolutions at the 8th AGM of the Company on Wednesday, 30th September 2015 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

### **DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN 8TH ANNUAL GENERAL MEETING**

<b>Name of the Director</b>	<b>Mr. David Fischel</b>	<b>Mr. Nikhil Chaturvedi</b>	<b>Mr. Salil Chaturvedi</b>
Date of Birth	01.04.1958	01.04.1969	22.04.1971
Date of first appointment	20.04.2012	27.02.2012	27.02.2012
Qualification	Post graduate	B.com	B. Sc
Shareholding of directors	Nil	5000 equity shares	Nil
Directors Inter-se relationship	N.A.	Note-1	Note-1
Years of experience	40 +	15 +	15+
No. of Board Meeting attended in FY	3	4	4
Area of expertise	Mr. David Andrew Fischel is a Chief Executive of Intu Properties Plc. He converted the business into a Real Estate Investment Trust (REIT) to make Intu one of the top 20 REITs in the world operating business on three continents. and today he is one of the most respected retail property professionals of his generation.	Mr. Nikhil Chaturvedi is a Managing Director of the Company. He is a visionary and hands-on leader, who inspires the organisation with a passion for excellence and single-mindedness to build shareholder value, which is his driving force	Mr. Salil Chaturvedi is a Deputy Managing Director of the Company. He leads corporate strategy of the Company from a track record of spearheading successful business development across sectors. He is also responsible for the new asset class initiatives in the residential and commercial sectors

Directorships held in public Companies including private companies which are subsidiaries of public companies (excluding foreign and private companies) and details of memberships and chairmanships in Committees (includes only Audit Committee and Stakeholders' Relationship Committee)



Name of Company	Details of Committee and position
<b>Name of Director: Mr. David Fischel</b>	
Prozone Intu Properties Limited	Nil
<b>Name of Director: Mr. Nikhil Chaturvedi</b>	
Provogue (India) Limited	Nil
Prozone Intu Properties Limited	Member- Stakeholders' Relationship Committee
<b>Name of Director: Mr. Salil Chaturvedi</b>	
Prozone Intu Properties Limited	Member- Stakeholders' Relationship Committee and Audit Committee
Provogue (India) Limited	Chairman - Stakeholders' Relationship Committee
Empire Mall Private Limited	Nil
Flowers, Plants & Fruits Pvt. Ltd	Nil
Provogue Personal Care Private Limited	Nil

Note-1: Mr. Nikhil Chaturvedi and Mr. Salil Chaturvedi are brothers.

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

**Date: 11th August 2015**

**Place: Mumbai**

**Nikhil Chaturvedi**

**Managing Director**

#### **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No 4 & 5**

The Company in their extra-ordinary general meeting held on 5th March 2012 vide passing special resolutions approved the appointments of Mr. Nikhil Chaturvedi, Managing Director and Mr. Salil Chaturvedi, Dy. Managing Director of the Company for a period of 5 years effective from 27th February 2012. Further, the Central Government upon the applications made by the Company approved the said appointments.

In terms of provisions prescribed under sub-section 1(c) of section II part II of erstwhile Schedule XIII of the Companies Act, 1956, the payment of remuneration to managerial personnel in case of absence/ inadequacy of profit as approved by the members in their general meeting remains effective only for a period of three years i.e. up to 26th February 2015.

Schedule V of the new Companies Act 2013 prescribed the new norms for payment of managerial remuneration without Central Government's approval where companies having no profit or inadequate profit based on effective capital of the Company. The Board had reviewed the revised provisions of the Companies Act 2013 and effective capital of the Company as of 31st March 2014 calculated in compliance thereof and noted that the Company may pay up to ₹ 60 Lac per annum to each executive director and also that the said limit shall be doubled if approved by the members by passing special resolution.

In view of the above, it is proposed to extend the period of payment of remuneration within limit prescribed under Companies Act 2013 for a further period of two years i.e. upto 26th February 2017, with the approval of members of the Company. Your directors propose to pass above resolutions as Special resolutions.

Mr. Nikhil Chaturvedi and Mr. Salil Chaturvedi are brothers hence both of them and their respective relatives are deemed to be directly or indirectly concerned or interested in the resolution nos. 4 & 5 and are not entitled to vote on the resolutions. Further, no voting done by any members of the Company, if such member is a related party, shall be counted for the purpose of passing of these resolutions.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolutions set out at item Nos. 4 & 5.

##### **Item No 6**

The Provisions of section 188 read with Rule 15(3) of the Companies (Meeting of the Board and its Power) Rules 2014 of the Companies Act 2013 ("the Act") and Clause 49 of the Listing Agreement provides that certain kind of transactions with related parties as defined u/s 2(76) of the Act, hereinafter referred to as 'Related Party Transactions' or 'RPT', beyond the prescribed limits requires approval of members of the Company.

In the light of provisions of Companies Act 2013, the Board of Directors of your Company has ratified,

continued and approved the transactions with related parties entered or to be entered into with them, subject to the limit specified in the resolution.

The details as per the requirement of Rule 15(3) of the Companies (Meeting of the Board and its Power) Rules 2014 are given in the resolution.

Your Directors propose to pass the above resolution as Special Resolution.

Except Mr. Nikhil Chaturvedi and Mr. Salil Chaturvedi, none of the Directors and Key Managerial Personnel

of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. Further, no voting done by any members of the Company, if such member is a related party, shall be counted for the purpose of passing of this resolution.

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

**Date: 11th August 2015**

**Place: Mumbai**

**Nikhil Chaturvedi  
Managing Director**

# DIRECTORS' REPORT

To the Members,

Prozone Intu Properties Limited

(Erstwhile "Prozone Capital Shopping Centres Limited")

Your Directors are delighted to present their report on the business and operations of your Company for the year ended March 31, 2015.

## FINANCIAL RESULTS & OPERATIONS

(₹ in Lakhs)		
Particulars	Current Year 31.03.2015	Previous Year 31.03.2014
Income from Operations	807.48	886.05
Other Income	701.88	999.52
<b>Total Income</b>	<b>1,509.36</b>	<b>1,885.57</b>
Total Expenditure	1,104.61	1,249.59
Exceptional item	39.09	NIL
<b>Profit/ (loss) before Tax</b>	<b>365.66</b>	<b>635.98</b>
Less: Tax expenses	111.11	155.18
<b>Profit/ (loss) after Tax for the year</b>	<b>254.55</b>	<b>480.80</b>

## PERFORMANCE REVIEW

### Standalone

The Company's gross (total) income for the financial year ended 31st March, 2015 decreased to ₹ **1,509.36** lakhs against ₹ **1,885.57** lakhs during the previous year. The profit before tax decreased to ₹ **365.66** lakhs from ₹ **635.98** lakhs as recorded during previous year. The profit after tax decreased to ₹ **254.55** lakhs from ₹ **480.80** lakhs in the previous year.

### Consolidated

The Company's gross (total) income for the financial year ended 31st March, 2015 increased to ₹ **6,801.59** lakhs from ₹ **5,883.50** lakhs during the previous year. The profit/(loss) before tax decreased to ₹ **(1,199.29)** lakhs from ₹ **(1,633.83)** lakhs as recorded during previous year. The profit/(loss) after tax after minority interest decreased to ₹ **(649.95)** lakhs from ₹ **(916.21)** lakhs in the previous year.

## CHANGE OF NAME OF THE COMPANY

The Members of the Company vide passing a Special resolution through Postal Ballot approved the change of name of the Company from "**Prozone Capital Shopping Centres Limited**" to "**Prozone Intu Properties Limited**". Subsequently upon application made by the Company, the office of Registrar of Companies, Mumbai approved the new name of the Company and issued a fresh certificate pursuant to Change of name dated 24th July, 2014 to the Company. Accordingly, the new name of the company became effective from 24th July, 2014.

## LISTING

The equity shares of the Company are listed on The BSE Limited (BSE) and The National Stock Exchange of India Ltd. (NSE) and the listing fee for the year 2015-16 has been already paid.

## SUBSIDIARY AND JOINT VENTURE COMPANIES

The Company has 10 subsidiary companies as on 31st March, 2015 including step-down subsidiaries and 2 Joint Venture Companies.

### Direct Subsidiaries:

1. Alliance Mall Developers Co. Private Limited
2. Jaipur Festival City Private Limited.
3. Kruti Multitrade Private Limited
4. Royal Mall Private Limited
5. Prozone Liberty International Limited, Singapore

### Step-down subsidiaries:

6. Empire Mall Private Limited
7. Hagwood Commercial Developers Private Limited
8. Omni Infrastructure Private Limited
9. Prozone Overseas Pte. Limited, Singapore
10. Prozone International Coimbatore Limited, Singapore

### Joint Venture Companies

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

The Board of Directors ("the Board") regularly reviews the affairs of the subsidiaries. In compliance with section 129 (3) of the Companies Act 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statements of subsidiaries in the prescribed format AOC-1 is appended to this Report. The Statement also provides the details of performance, financial positions of each of the subsidiaries.

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

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



## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several corporate governance practices. The report on Corporate Governance as stipulated under clause 49 of the Listing Agreement forms an integral part of this Report. The requisite certificate from a company secretary in whole-time practice confirming compliance with the conditions of corporate governance, is attached to the report on Corporate Governance. The report is self explanatory and does not require any further comments/explanation on matters contained therein.

## MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of operations, performance and future outlook of the Company and its business, as stipulated under clause 49 of the Listing Agreement, is presented in a separate section forming part of Annual Report under the head 'Management Discussion and Analysis'.

## FIXED DEPOSITS

Company has not accepted any fixed deposits and, as such, no amount of principle or interest was outstanding as of the Balance sheet date.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### • Director retire by rotation

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

A brief resume of Mr. David Fischel consisting nature of expertise in specific functional areas and name of companies in which he holds directorship and/or membership/ chairmanships of committees of the respective Boards, shareholding and relationship between directorship inter-se as stipulated under clause 49 of the Listing Agreement, is given in the section of notice of AGM forming part of the Annual Report.

### • Payment of remuneration to executive Directors for a further period of 2 years of appointment

The Nomination & Remuneration Committee and Board of Directors in their respective meetings held on 5th February 2015 subject to the approval of members of the Company at ensuing annual general meeting approved the payment of remuneration to Mr. Nikhil Chaturvedi, Managing Director and Mr. Salil Chaturvedi, Dy. Managing Director of the

Company for a further period of two years with effect from 27th February 2015. More details on the matter are given in explanatory statement of notice of this AGM, forming part of this report.

A brief resume of Mr. Nikhil Chaturvedi and Mr. Salil Chaturvedi consisting nature of expertise in specific functional areas and name of companies in which they hold directorship and/or membership/ chairmanships of committees of the respective Boards, shareholding and relationship between directorship inter-se as stipulated under clause 49 of the Listing Agreement, is given in the section of notice of AGM forming part of the Annual Report.

### • Independent Directors

The Company has received necessary declarations from all independent directors as per the requirement of section 149(7) of the Companies Act 2013 that they fulfill the criteria of independence laid down in section 149(6) of the Companies Act 2013 and clause 49 of the Listing Agreement.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the following link: <http://www.prozoneintu.com/investor/Policies>

### • Key Managerial Personnel

Pursuant to section 203 of the Companies Act, 2013, Company has appointed/ nominated its Key Managerial Personnel viz; Mr. Salil Chaturvedi as the Dy. Managing Director, Mr. Anurag Garg as the Chief Financial Officer and Ms. Snehal Bansode as the Company Secretary of the company.

### • Board evaluation

Clause 49 of the Listing Agreement directed that the Board shall monitor and review the Board evaluation framework. The Companies Act 2013 states that a formal annual evaluation needs to be conducted by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Board based on evaluation criteria recommended by the 'Nomination and Remuneration Committee' and 'Code for Independent Directors' prescribed under schedule IV of the Companies Act, 2013 evaluated the performance of Board members one by one. The Board after due discussion and executing evaluation methodology noted a satisfactory performance and contribution by all members of the Board.

- **Remuneration Policy**

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

## **DIRECTORS RESPONSIBILITY STATEMENT**

Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **AUDITORS**

### **Statutory Auditors**

The members of the Company in their Annual General Meeting held on September 30, 2014, appointed M/s SGCO & Co., Statutory Auditors of the Company for the period of three financial years from 2014-2015 to 2016-2017 subject to the ratification of their appointment at every subsequent Annual General Meetings (AGMs). Hence, the appointment of statutory auditors is required

to be ratified by the members in ensuing Annual General Meeting for second financial year i.e. 2015-16 pursuant to provisions of section 139(1) of the Companies Act 2013.

The Company had received a letter from the Statutory Auditors confirming that their re-appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013.

As recommended by the Audit Committee in its meeting held on 20th May, 2015 the Board recommends the ratification of appointment of Statutory Auditors for approval of members for the financial year 2015-16 to hold the office from conclusion of 8th Annual General Meeting to the conclusion of 9th Annual General Meeting.

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

### **Secretarial Auditor**

Pursuant to Section 204 of Companies Act, 2013, the Board of Directors had appointed M/s. HS Associates, Practising Company Secretaries (C. P. No 1483) to undertake the Secretarial Audit of the Company. The Secretarial Auditor's Report is attached to this report as **'Annexure 2'**.

Secretarial Auditors' in their report observed that the Company had not appointed Woman Director on Board of the Company pursuant to section 149 of the Companies Act 2013 and Clause 49(II)A of the Listing Agreement

**Management Response:** The Company is in process of appointment of a Woman Director, over a period of time, management of the Company has interviewed several professionals to freeze this appointment, but could not find a suitable person having required experience and expertise considering nature of the Industry. However, management is making all its best efforts and we hope that the appointment shall be frozen shortly.

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

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

There was no complaint received from any employees during the Financial Year 2014-15 and hence no complaint is outstanding as on 31st March, 2015 for redressal.

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

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under sub-section (3) (m) of Section 134 of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 are given as under:

### A. Conservation of Energy

- i) The steps taken or impact on conservation of energy: The operations of your Company are not energy intensive.
- ii) The steps taken by the Company for utilizing alternate sources of energy: Nil
- iii) The capital investment on energy conservation equipments: Nil

### B. Technology Absorption

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

### C. Foreign Exchange Earnings and Outgo

During the year under review there were no actual foreign exchange earnings and outgo.

## DISCLOSURES UNDER COMPANIES ACT 2013

### • Extract of Annual Return

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

### • Number of meetings of the Board

The Board met four times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act 2013 and Listing Agreement.

### • Committees of the Board

The Board has established committees as per the requirement of Companies Act 2013 and Listing Agreement including Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report. The composition of the Committees as per the applicable provisions of the Act, Rules and listing Agreement are as under:

Committee Name	Composition of the Committee
Audit Committee	1. Mr. Punit Goenka, Chairman 2. Mr. Rajiv Singh 3. Mr. Salil Chaturvedi
Nomination & Remuneration Committee	1. Mr. Rajiv Singh, Chairman 2. Mr. Punit Goenka 3. Mr. David Fischel 4. Mr. Jon Abel
Stakeholders Relationship Committee	1. Mr. Rajiv Singh, Chairman 2. Mr. Punit Goenka 3. Mr. Nikhil Chaturvedi 4. Mr. Salil Chaturvedi

### • Vigil Mechanism/ Whistle Blower Policy

Your Company has established a Vigil Mechanism Policy for its Directors and employees to safeguard against victimization of persons who use vigil mechanism and report genuine. The Audit Committee of your Company oversees the Vigil Mechanism on regular basis.

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

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

### • Particulars of loans, guarantees and investments

The details of Loans, guarantees and investments are as per the requirement of section 186 of the



Companies Act 2013 form part of the notes to the financial statements provided in this Annual Report.

- **Particulars of contracts or arrangements made with related parties**

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

- **Particulars of employees**

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

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

- **Transfer to Reserves**

During the year, company has not transferred any amount to reserve.

- **Material changes and commitments**

No material changes and commitments affecting the financial position of your Company have occurred between 31st March, 2015 and the date of the report.

- **Risk Management**

Pursuant to clauses 49(I) and 49(VI) of the Listing Agreement and section 134 of the Companies Act 2013 the Board of Directors of the Company in its meeting held on 5th February 2015 noted the Risk Management Plan for the company and Succession Plan for Board members and senior management personnel

- **Corporate Social Responsibility**

The provisions of Section 135 of the Companies Act, 2013 as to Corporate Social Responsibility are not applicable to your Company.

## **E-VOTING FACILITY TO MEMBERS**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company

is pleased to provide members the facility to exercise their right to vote at the 8th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Securities (India) Limited (CDSL). The company has also sent Polling Paper to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

## **CLAUSE 5A OF THE LISTING AGREEMENT**

Pursuant to 'Composite Scheme of Arrangement and Amalgamation' ('The Scheme') between Provogue (India) Limited ('Provogue' or 'Demerged Company'), Prozone Enterprises Private Limited ('PEPL' or 'Transferor Company') and the Company ('Transferee Company') approved by Hon'ble High Court of Bombay on 10th February, 2012, the Company on 12th March, 2012 made allotment to shareholders of 'Provogue' in exchange ratio of 1:1.

Prior to the said allotment by the Company, 3400 shares of 'Provogue' were lying in suspense account as unclaimed by shareholders of Provogue. The Company, in pursuance of the Scheme, allotted same number of shares to the same shareholders, and treated the same as unclaimed shares. As per the Clause 5A of the Listing Agreement, any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., shall also be credited to such demat suspense account hence the Company has transferred said 3400 shares to 'Provogue Demat Suspense Account'.

## **ELECTRONIC FILING**

The Company periodically uploads the Annual Reports, Financial Results, Shareholding Pattern, Corporate Governance Reports etc. and other information on its website viz. [www.prozoneintu.com](http://www.prozoneintu.com).

## **APPRECIATION**

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

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

**Date: 11.08.2015** **Nikhil Chaturvedi**

**Salil Chaturvedi**

**Place: Mumbai** **Managing Director** **Dy. Managing Director**

## REMUNERATION POLICY

### Preamble

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

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

### Principles governing the remuneration decisions

- 1. Support for strategic objective:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company’s vision and strategy.
- 2. Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3. Flexibility:** Remuneration and rewards offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other obligations.
- 4. Internal equity:** The Company shall remunerate the Board members and the executives in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 5. External equity:** The company shall endeavor to pay equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality personnel and the influence of external remuneration pressures.
- 6. Affordability and sustainability:** The Company shall ensure that remuneration of affordable on a sustainable basis.

### Procedure for selection and appointment

#### 1. Criteria for Board Members:

The Nomination and Remuneration Committee (“the Committee”), along with the Board, will review on an annual basis, appropriate skills, characteristics and experience required by the Board as a whole and its individual member. The objective is to have a Board with diverse background and experience in business, government, academics, technology

and in areas that are relevant for the company’s operations.

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

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

#### Criteria for evaluation of performance of Independent Directors:

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

## 2. Criteria for other executives:

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

### Compensation structure

#### a. Compensation to non-executive directors including Independent Directors

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

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

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

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

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

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

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

### Disclosure of information

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

### Application and amendment to the policy

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

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

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

### Dissemination

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



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015.

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

To,

The Members,

### PROZONE INTU PROPERTIES LIMITED

(Formerly known as "Prozone Capital Shopping Centres Limited")

105/106, Provogue House, Off New Link Road,  
Andheri (West), Mumbai- 53

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

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit year covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books as mentioned in **Annexure I**, Forms and returns filed and other records maintained by Company, for the year ended on 31st March, 2015 according to the applicable provisions, if any, of:

- I. The Companies Act, 1956 and the Companies Act, 2013 (**the Act**) and the Rules made there under, as applicable;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable to the Company during the audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the audit period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the audit period) and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the audit period);
- VI. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for Compliances under other applicable Act, Laws and Regulations to the Company.

We report that, since the Secretarial Standard-1 "Meeting of Board of Directors" and Secretarial Standard-2 "General Meetings" are effective from 1st July, 2015, compliance are not mandatorily required for the year ended 31st March, 2015 as

per notification dated 23rd April, 2015 issued by the Institute of Company Secretaries of India. We further report that the Company has complied with the Listing Agreement entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- Non-Appointment of Women Director on Board of the Company pursuant to section 149 of the Companies Act 2013 and Clause 49(II) of the Listing Agreement.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors except one Women Director required to be appointed on the Board of the Company. No changes in the composition of the Board of Directors took place during the year under review.

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

All majority decisions are carried with the majority and accordingly recorded as part of the minutes.

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

**We further report that** during the audit period the Company has;

- Changed its name from Prozone Capital Shopping Centres Limited to Prozone Intu Properties Limited by passing of special resolution through Postal Ballot.
- Passed Special Resolution for borrowing limit of the Company under section 180 (1) (C) of the Companies Act, 2013 in an Annual General Meeting dated 30.09.2014.

- Passed Special Resolution for creation of Charge on the Properties of the Company under section 180 (1) (a) of the Companies Act, 2013 in an Annual General Meeting dated 30.09.2014.

**For HS Associates  
Company Secretaries**

**Sd/-  
Mr. Hemant S. Shetye  
Partner  
FCS No: 2827**

Date: 11.08.2015  
Place: Mumbai

**This report is to be read with our letter of even date which is annexed as Annexure II and forms an integral part of this report.**

**ANNEXURE – I**

**BOOKS, PAPERS AND MINUTE BOOKS  
MAINTAINED BY THE COMPANY**

1. Book containing the Minutes of Board Meeting, General Meeting and Committee Meeting
2. Book of accounts
3. Register of Members
4. Register of index of members
5. Register of Postal Ballot
6. Register of transfer
7. Register of Directors, and Key Managerial personnel and their shareholding.
8. Register of Charges
9. Register of investments or loans made, guarantee or security provided.
10. Register of particulars of contracts.
11. Attendance Register.

**ANNEXURE – II**

To,

The Members,

PROZONE INTU PROPERTIES LIMITED

(Formerly known as Prozone Capital Shopping Centres Limited)

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

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

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations,

standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For HS Associates  
Company Secretaries**

**Sd/-  
Mr. Hemant S. Shetye  
Partner  
FCS No: 2827**

Date: 11.08.2015  
Place: Mumbai



## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

**as on financial year ended on 31.03.2015**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L45200MH2007PLC174147
ii	Registration Date	14th September, 2007
iii	Name of the Company	Prozone Intu Properties Limited (Esrtwhile 'Prozone Capital Shopping Centres Limited')
iv	Category/Sub-category of the Company	Company Limited by share/ Indian Non-government Company
v	Address of the Registered office & contact details	105/ 106, Provogue House, Off New Link Road, Andheri (West), Mumbai-400053
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai - 400 078

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL. No.	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Management consultancy activities	7020	100.00%

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

SL. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Alliance Mall Developers Co. Pvt Ltd	U70101MH2007PTC173672	SUBSIDIARY	61.50%	2(87)(ii)
2	Empire Mall Pvt Ltd	U52110MH2006PTC159594	STEP DOWN SUBSIDIARY	-	2(87)(ii)
3	Hagwood Commercial Developers Pvt. Ltd.	U45201MH2006PTC164110	STEP DOWN SUBSIDIARY	-	2(87)(ii)
4	Jaipur Festival City Pvt Ltd	U45201MH2007PTC174150	SUBSIDIARY	100%	2(87)
5	Kruti Multitrade Pvt. Ltd.	U51909MH2006PTC159476	SUBSIDIARY	100%	2(87)
6	Royal Mall Pvt Ltd.	U45202MH2007PTC174144	SUBSIDIARY	100%	2(87)
7	Omni Infrastructure Pvt. Ltd.	U45202MP2007PTC019196	STEP DOWN SUBSIDIARY	-	2(87)
8	Prozone Liberty International Ltd.	Foreign Company	FOREIGN SUBSIDIARY	100%	2(87)
9	Prozone Overseas Pte Ltd.	Foreign Company	FOREIGN STEP DOWN SUBSIDIARY	-	2(87)(ii)
10	Prozone International Coimbatore Limited	Foreign Company	FOREIGN STEP DOWN SUBSIDIARY	-	2(87)(ii)
11	Moontown Trading Company Pvt Ltd	U51900MH2005PTC157787	ASSOCIATE	25%	2(6)
12	Emerald Buildhome Pvt. Ltd.	U45201RJ2006PTC023431	JOINT VENTURE THROUGH SUBSIDIARY COMPANY	50%	2(6)

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

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	26,492,336	0	26,492,336	17.36	4,981,236	0	4,981,236	3.26	-14.10
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corporates	250,000	0	250,000	0.16	250,000	0	250,000	0.16	0.00
d) Bank/FI	0	0	0	0	0	0	0	0	0.00
e) Any other	25,695,976	0	25,695,976	16.84	46,938,576	0	46,938,576	30.76	13.92
<b>SUB TOTAL (A) (1)</b>	<b>52,438,312</b>	<b>0</b>	<b>52,438,312</b>	<b>34.36</b>	<b>52,169,812</b>	<b>0</b>	<b>52,169,812</b>	<b>34.19</b>	<b>-0.18</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
e) Any other...	0	0	0	0.00	0	0	0	0	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>52,438,312</b>	<b>0</b>	<b>52,438,312</b>	<b>34.36</b>	<b>52,169,812</b>	<b>0</b>	<b>52,169,812</b>	<b>34.19</b>	<b>-0.18</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	2,564,342	0	2,564,342	1.68	2,564,342	0	2,564,342	1.68	0.00
b) Banks/FI	715,037	0	715,037	0.47	715,037	0	715,037	0.47	0.00
c) Central govt	0	0	0	0.00	0	0	0	0	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
g) FIs	16,390,903	0	16,390,903	10.74	11,029,050	0	11,029,050	7.23	-3.51
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0	0.00
<b>SUB TOTAL (B)(1):</b>	<b>19,670,282</b>	<b>0</b>	<b>19,670,282</b>	<b>12.89</b>	<b>14,308,429</b>	<b>0</b>	<b>14,308,429</b>	<b>9.38</b>	<b>-3.51</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	8,187,759		8,187,759	5.37	6,209,054	0	6,209,054	4.07	-1.30
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	12,402,834	13,267	12,416,101	8.14	12,517,920	11,267	12,529,187	8.21	0.07
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	14,384,440	120,175	14,504,615	9.50	15,570,138	52,875	15,623,013	10.24	0.74
c) Others	45,385,814	0	45,385,814	29.74	51,763,388	0	51,763,388	33.92	4.18
<b>SUB TOTAL (B)(2):</b>	<b>80,360,847</b>	<b>133,442</b>	<b>80,494,289</b>	<b>52.75</b>	<b>86,060,500</b>	<b>64,142</b>	<b>86,124,642</b>	<b>56.44</b>	<b>3.69</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>100,031,129</b>	<b>133,442</b>	<b>100,164,571</b>	<b>65.64</b>	<b>100,368,929</b>	<b>64,142</b>	<b>100,433,071</b>	<b>65.82</b>	<b>0.18</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	<b>152,469,441</b>	<b>133,442</b>	<b>152,602,883</b>	<b>100.00</b>	<b>152,538,741</b>	<b>64,142</b>	<b>152,602,883</b>	<b>100.00</b>	<b>0.00</b>

(ii) Share Holding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2014)			Shareholding at the end of the year (31.03.2015)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	NIKHIL CHATURVEDI	10,611,995	6.95	0.00	0	0.00	0.00	-6.95
2	NIKHIL CHATURVEDI (In his capacity as Trustee of NIKHIL CHATURVEDI FAMILY TRUST)	0	0.00	0.00	14,050,955	9.21	0.00	9.21
3	NIKHIL CHATURVEDI and SHITAL CHATURVEDI	5,000	0.00	0.00	5,000	0.00	0.00	0.00
4	SALIL CHATURVEDI (In his capacity as Trustee of SALIL CHATURVEDI FAMILY TRUST)	10,295,135	6.75	0.00	13,732,991	9.00	0.00	2.25
5	RAKESH RAWAT	4,111,750	2.69	0.00	4,111,750	2.69	0.00	0.00
6	DEEP GUPTA	5,673,445	3.72	0.00	0	0.00	0.00	-3.72
7	DEEP GUPTA (In his capacity as Trustee of DEEP GUPTA FAMILY TRUST)	0	0.00	0.00	7,061,173	4.63	0.00	4.63
8	NIGAM PATEL	2,312,830	1.52	0.00	0	0.00	0.00	-1.52
9	NIGAM PATEL (In his capacity as Trustee of NIGAM PATEL FAMILY TRUST)	0	0.00	0.00	3,528,558	2.31	0.00	2.31
10	AKHIL CHATURVEDI	2,912,830	1.91	0.00	0	0.00	0.00	-1.91
11	AKHIL CHATURVEDI (In his capacity as Trustee of AKHIL CHATURVEDI FAMILY TRUST)	0	0.00	0.00	4,204,058	2.75	0.00	2.75
12	ANISHA CHATURVEDI	144,225	0.09	0.00	144,225	0.09	0.00	0.00
13	VEENA GUPTA	70,005	0.05	0.00	70,005	0.05	0.00	0.00
14	VANDANA VAIDH	1,620	0.00	0.00	1,620	0.00	0.00	0.00
15	ANISHA CHHABRA	22,035	0.01	0.00	22,035	0.01	0.00	0.00
16	GHANSHYAM RAWAT	20,500	0.01	0.00	20,500	0.01	0.00	0.00
17	PUSHPLATA RAWAT	36,501	0.02	0.00	36,501	0.02	0.00	0.00
18	BALA CHHABRA	100,000	0.07	0.00	100,000	0.07	0.00	0.00
19	SUSHANT CHHABRA	67,300	0.04	0.00	67,300	0.04	0.00	0.00
20	VIRENDRA CHHABRA	392,300	0.26	0.00	392,300	0.26	0.00	0.00
21	MEERUT FESTIVAL CITY LLP	4,360,841	2.86	0.00	4,360,841	2.86	0.00	0.00
22	FLORO MERCANTILE LLP	6,240,000	4.09	0.00	0	0.00	0.00	-4.09
23	TOPSPEED TRADING COMPANY LLP	4,800,000	3.15	0.00	0	0.00	0.00	-3.15
24	PROVOGUE (INDIA) LIMITED	250,000	0.16	0.00	250,000	0.16	0.00	0.00
25	MRS. SANTOSH SUBHASH GUPTA	10,000	0.01	0.00	10,000	0.01	0.00	0.00
	<b>Total</b>	<b>52,438,312</b>	<b>34.36</b>	<b>0.00</b>	<b>52,169,812</b>	<b>34.19</b>	<b>0.00</b>	<b>-0.18</b>



(iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year		Reason
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company	
<b>1</b>	<b>Nigam Patel</b>					
	At the beginning of the year	2,312,830	1.52%	2,312,830	1.52%	NA
	04.06.2014	-100,000	-0.07%	2,212,830	1.45%	Market sale
	06.06.2014	-2,212,830	-1.45%	0	0.00%	Transfer to Private family trust
	At the end of the year	0	0.00%	0	0.00%	NA
<b>2</b>	<b>Nigam Patel Family Trust</b>					
	At the beginning of the year	0	0.00%	0	0.00%	NA
	05.06.2014	1,387,728	0.91%	1,387,728	0.91%	
	06.06.2014	2,212,830	1.45%	3,600,558	2.36%	
	At the end of the year	3,600,558	2.36%	3,600,558	2.36%	NA
<b>3</b>	<b>Nikhil Chaturvedi</b>					
	At the beginning of the year	10,616,995	6.96%	10,616,995	6.96%	NA
	09.06.2014	-10,611,995	-6.95%	5,000	0.00%	Transfer to Private family trust
	At the end of the year	5,000	0.01%	5,000	0.01%	NA
<b>4</b>	<b>Nikhil Chaturvedi Family Trust</b>					
	At the beginning of the year	0	0.00%	0	0.00%	NA
	05.06.2014	3,438,960	2.25%	3,438,960	2.25%	
	09.06.2014	10,611,995	6.95%	14,050,955	9.21%	
	At the end of the year	14,050,955	9.21%	14,050,955	9.21%	NA
<b>5</b>	<b>Akhil Chaturvedi</b>					
	At the beginning of the year	2,912,830	1.91%	2,912,830	1.91%	NA
	09.06.2014	-2,912,830	-1.91%	0	0.00%	Transfer to Private family trust
	At the end of the year	0	0.00%	0	0.00%	NA
<b>6</b>	<b>Akhil Chaturvedi Family Trust</b>					
	At the beginning of the year	0	0.00%	0	0.00%	NA
	05.06.2014	1,387,728	0.91%	1,387,728	0.91%	
	09.06.2014	2,912,830	1.91%	4,300,558	2.82%	
	18.02.2015	-10,000	-0.01%	4,290,558	2.81%	Market sale
	20.02.2015	-30,000	-0.02%	4,260,558	2.79%	Market sale
	27.02.2015	-16,500	-0.01%	4,244,058	2.78%	Market sale
	02.03.2015	-40,000	-0.03%	4,204,058	2.75%	Market sale
	At the end of the year	4,204,058	2.75%	4,204,058	2.75%	NA
<b>7</b>	<b>Deep Gupta</b>					
	At the beginning of the year	5,673,445	3.72%	5,673,445	3.72%	NA
	05.06.2014	-5,673,445	-3.72%	0	0.00%	Transfer to Private family trust
	At the end of the year	0	0.00%	0	0.00%	NA
<b>8</b>	<b>Deep Gupta Family Trust</b>					
	At the beginning of the year	0	0.00%	0	0.00%	NA
	05.06.2014	1,387,728	0.91%	1,387,728	0.91%	
	09.06.2014	5,673,445	3.72%	7,061,173	4.63%	
	At the end of the year	7,061,173	4.63%	7,061,173	4.63%	NA

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year		Reason
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company	
<b>9</b>	<b>Salil Chaturvedi Family Trust</b>					
	At the beginning of the year	10,295,135	6.75%	10,295,135	6.75%	NA
	05.06.2014	3,437,856	2.25%	13,732,991	9.00%	
	At the end of the year	13,732,991	9.00%	13,732,991	9.00%	NA
<b>10</b>	<b>Floro Mercantile LLP (please refer note)</b>					
	At the beginning of the year	6,240,000	4.09%	6,240,000	4.09%	NA
	05.06.2014	-1,943,760	-1.27%	4,296,240	2.82%	Transferred to Nikhil Chaturvedi family trust
	05.06.2014	-1,943,136	-1.27%	2,353,104	1.54%	Transferred to Salil Chaturvedi family trust
	05.06.2014	-784,368	-0.51%	1,568,736	1.03%	Transferred to Deep Gupta Family Trust
	05.06.2014	-784,368	-0.51%	784,368	0.51%	Transferred to Akhil Chaturvedi family trust
	05.06.2014	-784,368	-0.51%	0	0.00%	Transferred to Nigam Patel Family Trust
	At the end of the year	0	0.00%	0	0.00%	NA
<b>11</b>	<b>Topspeed Trading Company LLP (please refer note)</b>					
	At the beginning of the year	4,800,000	3.15%	4,800,000	3.15%	NA
	05.06.2014	-1,495,200	-0.98%	3,304,800	2.17%	Transferred to Nikhil Chaturvedi family trust
	05.06.2014	-1,494,720	-0.98%	1,810,080	1.19%	Transferred to Salil Chaturvedi family trust
	05.06.2014	-603,360	-0.40%	1,206,720	0.79%	Transferred to Deep Gupta Family Trust
	05.06.2014	-603,360	-0.40%	603,360	0.40%	Transferred to Akhil Chaturvedi family trust
	05.06.2014	-603,360	-0.40%	0	0.00%	Transferred to Nigam Patel Family Trust
	At the end of the year	0	0.00%	0	0.00%	NA

Note: There were off market transfer of shares as gift by LLP Partners to private family trusts of respective partners in proportion of their entitlement in respective LLPs. LLP Partners mutually agreed to distribute the shares held by said LLPs in target Company amongst themselves in proportion of their contribution in LLPs. Each partner of said LLPs had decided to gift the shares of target company equivalent to his entitlement to his own private family as a private arrangement with intent to streamline the succession and welfare of his own family, where respective promoter is sole trustee of the trust and beneficiaries are immediate family members only.

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

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Nailsfield Limited	49,410,788	32.38	49,410,788	32.38
2	Rakesh Jhunjunwala	3,150,000	2.06	3,150,000	2.06
3	Lombard Odier Funds A/C Lo Funds-Asia Consumer	3,247,312	2.13	2,850,000	1.87
4	SBI Magnum Balanced Fund	2,564,342	1.68	2,564,342	1.68
5	Rajesh R Narang Nimish Manoharlal Arora	2,324,160	1.52	2,324,160	1.52
6	Sandeep G Raheja	2,249,600	1.47	2,249,600	1.47
7	Acacia Partners, Lp	2,243,375	1.47	2,243,375	1.47
8	Sandeep G Raheja	2,240,000	1.47	2,240,000	1.47
9	Cavendish Asset Management Ltd	1,797,065	1.18	1,797,065	1.18
10	Fairprice Traders (India) Pvt Ltd	1,525,195	1.00	1,525,195	1.00
11	Elegant Capital Private Limited	1,382,881	0.91	267,899	0.18

Note: The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding ID consolidated based on permanent account number (PAN) of the shareholder.

(v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year		Reason
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	<b>Nikhil Chaturvedi, Director</b>					
	At the beginning of the year	10,616,995	6.96%	10,616,995	6.96%	NA
	09.06.2014	-10,611,995	-6.95%	5,000	0.00%	Transfer to Private family trust
	At the end of the year	5,000	0.01%	5,000	0.01%	NA

Note: None of the KMPs is holding shares of the Company

**V. INDEBTEDNESS**

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

(INR in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	44.53	1,729.49	-	1,774.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>44.53</b>	<b>1,729.49</b>	<b>-</b>	<b>1,774.02</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	11.19	-	-	11.19
<b>Net Change</b>	<b>(11.19)</b>	<b>-</b>	<b>-</b>	<b>(11.19)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	33.34	1,729.49	-	1,762.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>33.34</b>	<b>1,729.49</b>	<b>-</b>	<b>1,762.83</b>



## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(INR in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/ Manager		Total Amount
		Mr. Nikhil Chaturvedi, Managing Director	Mr. Salil Chaturvedi, Dy. Managing Director	
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	84.00	60.00	144.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	84.00	60.00	144.00
	<b>Ceiling as per the Act</b>	<b>Within the Prescribed Limits</b>		

### B. Remuneration to other directors:

(INR in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors				Total Amount paid/ payable
		Mr. Punit Goenka, ID	Mr. Rajiv Singh, ID	Mr. David Fischel, NED	Mr. John Abel, NED	
<b>1</b>	<b>Independent Directors</b>					
	(a) Fee for attending board & committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>					
<b>2</b>	<b>Other Non Executive Directors</b>					
	(a) Fee for attending board & committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-
	<b>Total (2)</b>					
	<b>Total (B)=(1+2)</b>	-	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-	-
	<b>Overall Ceiling as per the Act.</b>	-	-	-	-	-

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

(INR in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
<b>1</b>	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	26.04 *	6.15	32.19
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>26.04</b>	<b>6.15</b>	<b>32.19</b>

\* Mr. Anurag Garg, was appointed as CFO and KMP of the Company on 23.05.2014.

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

## FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.  
Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

Sr. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangement or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
(INR in lakhs)								
Not applicable								

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

Sr. No.	Name (s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements including the value, if any	Date of approval by the Board/ its Committee	Amount paid/ (received) as advances, if any
1	Provogue (India) Limited	Company in which two Directors are common and holds more than 2% of its share capital	Payment of rent of office premises	Up to 31st March 2018	₹ 120.00	27.02.2013	NIL
2	Alliance Mall Developers Co. Private Limited	Subsidiary Companies	Rendering of management consultancy services	Up to 31st August 2017	₹ 370.36	12.03.2012	NIL
3	Empire Mall Private Limited			Up to 28th February 2016	₹ 189.34	12.03.2012	NIL
4	Hagwood Commercial Developers Private Limited.			Up to 31st December 2016	₹ 247.78	12.03.2012	NIL



## ANNEXURE 5

Statement of particulars of employees pursuant to the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration) Rules 2014 and forming part of Directors' Report for the year ended 31st March 2015

### A. Employed throughout the financial year under review and were in receipt of gross remuneration for the financial year in aggregate of not less than ₹ 60 lacs per annum.

Sr. No.	Name of Employee	Age	Designation	Qualification	Experience (In years)	Gross Remuneration (In ₹)	Date of commencement of employment	Last Employment Name of Employer	Position held	% of Equity Shares held by employee in the Company	Relation with Director/ Manager of the Company
1	Mr. Nikhil Chaturvedi	46	Managing Director	B. Com	22+	84,00,000.00	27.02.2012	Prozone Enterprises Pvt. Ltd	Managing Director	9.21%	Brother of Sali Chaturvedi
2	Mr. Sali Chaturvedi	44	Dy. Managing Director	B.Sc	17+	60,00,000.00	27.02.2012	Prozone Enterprises Pvt. Ltd	Dy. Managing Director	9.11%	Brother of Nikhil Chaturvedi
3	Mr. Bipin Gurnani	44	President	Associate Degree in Management	23+	65,35,092.00	01.04.2008	Pyramid Retail	-	0.006%	-

### B Employed for the part of financial year and were in receipt of average gross remuneration not less than ₹ 5 lacs per month

Sr. No.	Name of Employee	Age	Designation	Qualification	Experience (In years)	Gross Remuneration (In ₹)	Date of commencement of employment	Last Employment Name of Employer	Position held	% of Equity Shares held by employee in the Company	Relation with Director/ Manager of the Company
1	Mr. Nigam Patel	46	COO	B Com	18	2,000,000.00	27.02.2012	Prozone Enterprises Pvt. Ltd	Whole time Director	Nil	-

#### Notes:

- Other terms and conditions as per Company's rules/ schemes and terms of individual appointment letter.
- Mr. Nigam Patel resigned from the post of COO of the Company on 31st July 2014

## ANNEXURE 6

# PARTICULARS OF EMPLOYEES AND RELATED DETAILS

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

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

No.	Requirements	Disclosures		
1	The ratio of remuneration of each Director to the Median remuneration of employees for the financial year	Mr. Nikhil Chaturvedi, MD	7.72 : 1	
		Mr. Salil Chaturvedi, Dy MD	5.51 : 1	
		Mr. Punit Goenka, ID	Nil	
		Mr. Rajiv Singh, ID	Nil	
		Mr. David Fischel, NED	Nil	
		Mr. John Abel, NED	Nil	
2	Percentage increase in Remuneration of each director, CFO, CEO, CS in the Financial Year	Mr. Nikhil Chaturvedi, MD	No increase	
		Mr. Salil Chaturvedi, Dy MD	No increase	
		Mr. Anurag Garg, CFO	No increase	
		Ms. Snehal Bansode, CS	No increase	
3	The Percentage increase in the median remuneration of employees in the financial year	There was no increase in the remuneration of median employee during the financial year		
4	The Number of permanent employees on the rolls of the Company	There were 12 employees as on 31st March 2015		
5	The explanation on the relationship between average increase in remuneration and the Company Performance	There was no increase in the remuneration of employees of the company during the FY		
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	During the FY, KMPs were paid 36.91% of net profit of the Company		
7	Variation in the <b>market capitalization</b> of the Company, <b>price earnings ratio</b> as at closing date of the current financial year and previous financial year and, percentage increase over decrease in the <b>market quotation</b> of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of a listed Companies, the <b>variation in the net worth</b> of the Company as at the close of the current financial year and previous financial year	<b>Particular</b>	<b>On 31.03.2015</b>	<b>On 31.03.2014</b>
		Market Capitalisation	₹ 439 Crore	₹ 235 Crore
		Price Earnings ratio	169.41	48.28
		Variation in market quotation	15.2%	(38.2%)
		Net worth	₹ 408.09 Crore	₹ 405.65 Crore
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	There is no increase the remuneration of managerial personnel and employees of the Company during the Financial year.		
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	<b>Name of KMPs</b>	<b>% of net profit</b>	
		Mr. Salil Chaturvedi, Dy MD	23.57%	
		Mr. Anurag Garg, CFO	10.99%	
		Ms. Snehal Bansode, CS	2.35%	
10	The key parameters for any variable component of remuneration availed by the directors	There are no variable components in the remuneration of director.		
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	There is no employee of the Company who draws the remuneration higher than the highest paid director		
12	Affirmation that the remuneration is as per the remuneration policy of the Company	It is confirmed that the remuneration is paid as per the remuneration policy of the Company.		

# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC OVERVIEW

Growth picked up in 2014, inflation markedly declined, and the external position was comfortable, helped by positive policies and lower global oil prices. The outlook for India is for economic strengthening through higher infrastructure spending, increased fiscal devolution to states, and continued reform to financial and monetary policy. The government underscored its intention to move steadily to tackle politically difficult structural issues that have stalled investment and limited economic performance in recent years.

A more robust economic performance than was earlier indicated emerges from revised data based on an updated base year, wider coverage of goods and services, and the inclusion of tax data to estimate economic activity. Real growth in India was previously estimated as a change in volume, but the new series estimates value added at each stage.

The government's initial estimates for year ending 31 March 2015 show that economic growth accelerated to 7.4%. Growth is forecast to further grow to 8.1 percent in 2015 and 8.2 percent in 2016, benefiting from the acceleration of infrastructure projects, strong consumer spending due to lower inflation and monetary easing and gradual improvements in market sentiments.

## INDUSTRY OVERVIEW

The Indian real estate sector is one of the most globally recognised sectors in the Indian economy. In the country, it is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations.

India's real estate market is expected to increase seven times by 2028 to reach US\$ 853 billion by 2028 from US\$ 121 billion in 2013. It is currently the fourth-largest sector in the country in terms of foreign direct investment (FDI) inflows. FDI in the sector is estimated to grow to US\$ 25 billion in 10 years. India needs to invest approximately US\$ 1.2 trillion over next 20 years to modernise urban infrastructure and keep pace with the burgeoning urbanization.

### The Road Ahead

Real estate contribution to India's gross domestic product (GDP) is estimated to increase to about 13 per cent by 2028, on the back of increasing industrial activity, improving income level and urbanization. Private equity (PE) investments in real estate in 2014 stood at US\$ 1.1 billion, a 13 per cent increase in INR terms from US\$ 1.2 billion in 2013.

The Government of India has allocated US\$ 1.3 billion for Rural Housing Fund in the Union Budget and has

also allocated US\$ 0.7 billion for National Housing Bank (NHB) to increase the flow of cheaper credit for affordable housing.

## BUSINESS OVERVIEW

### Business Policy

Prozone Intu maintains generally accepted standards of corporate conduct towards its employees, consumers and society at large. We believe that the policies must balance individual interest with corporate goals and operate within the accepted norms of propriety, equity and sense of justice. The Company believes that it is rewarding to be better managed and governed and to align and intensify its activities with the national interest. The Company makes all round efforts in its pursuit to enhance market share and enhance shareholders value in the industry.

### Prozone Intu Operations

To capitalize the opportunities in the retail business, the Company is in the process of developing properties for commercial purposes including development of regional shopping malls. The Board Directors of the Company comprise of two directors appointed by Intu Properties plc (formerly known as Capital Shopping Centres Group Plc), largest financial investor in the Company. Intu Properties plc is a UK FTSE 100 listed Company owning and managing assets worth more than 8.9 bn pounds. They own 17 properties, 12 of which are among the top 25 shopping centers in the UK, representing ~ 38% UK market share. Being associated with one of the leaders of retail real estate development, the Company is aiming to open international scale shopping centres across India designed and built to international standards. Aurangabad was the first to open in October 2010 housing approximately 0.8 million square feet of India's best retailers, entertainment centres and restaurants.

In addition to the retail shopping centres, Prozone Intu is developing mixed-use properties in the residential colonies and commercial office blocks segment on land adjacent to the retail developments.

### Internal Control System and Adequacies

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



## OPPORTUNITIES AND THREATS

### Opportunities

The retail sector in India is today one of the fastest growing business segments in the country, comprising over 13 million outlets and employing over 18 million people. Rise in disposable income, changing lifestyles and favourable demographics are the key factors driving this growth.

With organised retail expected to grow at a steady rate of over 20% per annum, India's consumption story continues to provide the Company immense opportunities. Our strong partnership with Intu Properties plc further helps the company to leverage this position.

Large investments in new retail concepts are changing the rapidly evolving organized retail landscape in India. This is not just restricted to the metros but has also spread to Tier-2 and Tier-3 cities. Prozone Intu is expected to benefit significantly from a combination of the growth in retail and as the rise of the consuming class in Tier-2 and Tier-3 cities continues.

### Threats

Apart from the ever shifting real estate scenario and the emergence of new retail estate players, demand for talent in India and abroad may result in increasing attrition of employees. The Company has adopted policies that will attract and retain the best talent.

## RISK MANAGEMENT

### Economic Risk

A slowdown in economic growth in India could cause the business to suffer as the Company's performance is highly dependent on the growth of the economy, which in turn leads to a rise in disposable incomes and resultant consumption.

Favourable population growth, a large pool of highly skilled workers, greater integration with the world economy and increasing domestic and foreign investment suggest that the Indian economy will continue its growth momentum for several years to come. This will also provide impetus to the retail industry, which is expected to nearly double to US\$ 1 trillion by 2020 from US\$ 600 billion in 2015, driven by income growth, urbanisation and attitudinal shifts.

### Business Risk

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

### Shopping Mall Risk

Large scale retail infrastructure's success is subject to well designed architecture and services that will meet the needs of retailers and consumers over the long term and a strong and growing catchment area that will provide an increasing supply of consumers. The company believes that in the case of Aurangabad, which is open, and in other cities, which are preparing for development, both these risks have been mitigated. The population numbers in the catchment areas of each site in these Tier II cities are growing and therefore should present no major long term risk to the business. In addition Company guided by the advice and expertise of Intu Properties Plc.'s representative directors on the Board has ensured that architecture and services have been designed with a long term perspective to meet the needs of retailers and consumers alike and therefore do not represent significant risk to the business.

### Brand Risk

Any event that tarnishes the image of the Prozone Intu brand can lower the value of the brand and adversely affect the Company's business.

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

## HUMAN RESOURCES

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potentials of its employees.

Focused and organized investment in training and development, continuance of productivity improvement efforts and an employee satisfaction survey are some of the highlights of our ongoing HR activities.

Industrial relations across different locations of the Company were cordial during the year and the Company continues to maintain its focus on human resources development. The total number of employees of the Company as on 31st March 2015 stood at 12.

## OUTLOOK

A strong latent demand for retail, residential and commercial real estate with the markets Prozone Intu has selected, positions the Company as an integrated real estate player in the growing domestic consumption

story. With the Indian economy on a firm foundation and the organized retail industry surging, the Company is confident that it is well placed to take advantage of the growth opportunities in the coming years.

## **FINANCIAL PERFORMANCE**

### **Revenue, EBITDA and Profit after Tax**

The company achieved total consolidated revenue of ₹ 68.02 Crore against the last year's total consolidated revenue of ₹ 58.84 Crore. During the year, the company earned consolidated EBITDA margin of ₹ 21.22 Crore against ₹ 21.39 Crore during the previous year, variant of 0.80%.

The idle funds of the company were temporarily invested into liquid funds and interest bearing securities, which has resulted in higher income earning to the company.

### **Cautionary Statement**

This report contains forward-looking statements based on certain assumptions and expectations of future events. Actual performance, results or achievements may differ from those expressed or implied in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

# CORPORATE GOVERNANCE REPORT

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Corporate Governance Report of the Company for the year ended 31st March 2015 is as follows:

## II. BOARD OF DIRECTORS

### a. Composition of the Board

At present the Board of Directors comprises 6 Directors, out of which two (2) are Executive Directors, two (2) are Independent Directors and two (2) are Non-executive Directors. The Chairman is Independent Director and 1/3rd of the Board comprises of Independent Directors and 2/3rd of the Board comprises of Non-executive Directors. However, the Company is in process of appointment of a Woman Director on the Board of the Company, we hope that the same shall be frozen shortly.

During the financial year 2014-15, four Board Meetings were held on 23rd May 2014, 7th August 2014, 13th November 2014 and 5th February 2015 and the gap between two meetings did not exceed one hundred twenty days. The constitution of Board of Directors, details of meeting attended by Directors and the information with regard to membership of Committees are as under:

Name of the Director	Category	No. of Board Meetings attended	Last AGM Attended	No. of Directorships and Committee Memberships and Chairmanships including the Company's		
				Directorship	Committee	
					Chairmanship	Membership
Mr. Punit Goenka	C & ID	4	Yes	4	1	2
Mr. Rajiv Singh	ID	4	Yes	2	1	2
Mr. David Fischel	NED	3	-	1	-	-
Mr. John Abel	NED	4	-	1	-	-
Mr. Nikhil Chaturvedi	MD	4	-	2	-	1
Mr. Salil Chaturvedi	Dy. MD	4	Yes	6	1	2

1. Only Directorships in Indian Public Limited Companies (listed or unlisted) have been considered.
2. None of the Directors is a member of more than 10 Board level Committees of Public Companies in which they are Directors nor is Chairman of more than 5 such Committees.
3. In accordance with Clause 49, Membership / Chairmanship includes Audit Committees and Stakeholders' Relationship Committees of all Public Limited Companies.
4. In above table the term 'C&ID' refers to Chairman & Independent Director, 'MD' refers to Managing Director, 'ID' refers to Independent Director, 'Dy. MD' refers to Deputy Managing Director and 'NED' refers to Non- executive Director.

### b. Independent Director

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013, and rules made thereunder and meet the requirements of clause 49 of the listing agreement with the stock exchanges. The Company has received necessary declaration from independent director under section 149(7) of the Companies Act 2013 that he meets the criteria of independence laid down in section 149(6) of the Companies Act 2013 and clause 49 of the Listing Agreement.

### c. Familiarization Programme for Independent Directors

Each newly appointed Director is taken through a formal induction and familiarization programme. The Programme has been designed to familiarize the independent directors with the Company, their roles, rights, responsibilities and liabilities in the Company, nature of the industry in which the Company operate, business model of the Company etc., through various programmes/ sessions. The Programme aims to provide insights into the

Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

The details of programmes for familiarisation of Independent Directors are put up on the website of the Company at the following link: <http://www.prozoneintu.com/investor/Policies>

**d. Board Evaluation**

Clause 49 of the Listing Agreement directed that the Board shall monitor and review the Board evaluation framework. The Companies Act 2013 states that a formal annual evaluation needs to be conducted by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Board based on evaluation criteria recommended by the 'Nomination and Remuneration Committee' and 'Code for Independent Directors' prescribed under schedule IV of the Companies Act, 2013 evaluated the performance of Board members one by one. The Board after due discussion and executing evaluation methodology noted a satisfactory performance and contribution by all members of the Board.

However the Board advised to conduct more familiarisation programme for the Board Members to keep them updated with any amendment in statutory requirements, business updates and operations of the Company etc. enabling them to contribute better for business development and implement good corporate governance practice in the Company.

**e. Details of Director seeking appointment/reappointment at the forthcoming Annual General Meeting**

Pursuant to section 152(6) of the Companies Act 2013 the office of Mr. David Andrew Fischel, Non executive Director is liable to retire by rotation. Mr. David Andrew Fischel is a Chief Executive of Intu Properties Plc. He converted the business into a Real Estate Investment Trust (REIT) to make Intu one of the top 20 REITs in the world operating business on three continents and today he is one of the most respected retail property professionals of his generation. Mr. Fischel does not hold any shares of the Company in his name as at 31st March 2015.

**f. Payment of compensation to Non-Executive directors**

During the financial year 2014-15, no amount has been paid to Non-Executive Directors of the Company either as fees, compensation or otherwise. The Non-Executive Directors of the Company do not hold any shares of the Company.

**g. Meetings of Independent Directors**

In compliance with the provisions of Section 149(8) read alongwith Schedule IV of the Companies Act, 2013 and clause 49 of the listing agreement with the Stock Exchanges, a meeting of the Independent Directors of the Company was held on 26th March 2015 without the presence of Non-Independent Directors and members of management. All the Independent Directors were present at the said meeting, to discuss the following matters;

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

**III. COMMITTEES OF THE BOARD**

The Board has set up various level committees in accordance with the Listing Agreement with the Stock Exchanges. The details of which are given as under:

**(i) Audit Committee**

**a. Composition:**

The Audit Committee comprises two Independent Directors namely Mr. Punit Goenka and Mr. Rajiv Singh, and one executive director Mr. Salil Chaturvedi, Dy. Managing Director of the Company. The Chairman of the Committee is Mr. Punit Goenka, Independent Director. Ms. Snehal Bansode, Company Secretary acts as secretary of the Audit Committee. The members of the Committee are well versed in finance, accounts, company law and general business practices.



**b. Meetings and attendance of the Audit Committee:**

Audit Committee met four times during the financial year 2014-15 on 23rd May 2014, 7th August 2014, 13th November 2014 and 5th February 2015. The gap between two Audit committee meetings was not more than four months. The audit committee meetings are also generally attended by the representatives of statutory auditors, Chief Financial Officer and Company Secretary of the Company. The Minutes of the meeting of audit committee were discussed and taken note by the Board of Directors.

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

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

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

The Audit Committee exercises all powers, performs such functions and reviews information as prescribed in clause 49 of the Listing Agreement read with section 177 of the Companies Act, 2013.

**(ii) Stakeholders Relationship Committee**

**a. Change in nomenclature:**

The Board of Directors in its Meeting held on 7th August 2014 changed the nomenclature of the Committee from 'Shareholders' & Investors Grievance Committee' to 'Stakeholders' Relationship Committee' in view of requirement of section 178 of the Companies Act, 2013.

**b. Composition:**

The Stakeholders Relationship Committee is constituted by the Board to redress any grievances of the Investors and it comprises of two independent directors namely, Mr. Rajiv Singh and Mr. Punit Goenka, and two executive directors namely, Mr. Nikhil Chaturvedi and Mr. Salil Chaturvedi.

Mr. Rajiv Singh Independent Director is the Chairman of the Committee. Ms. Snehal Bansode, Company Secretary acts as Compliance Officer of the Company in compliance with the requirement under SEBI (Prohibition of Insider Trading) Regulation 1992 and Clause 49 of the Listing Agreement.

**c. Meetings and attendance of the Committee**

During the year 2014-15, the Committee met four times on 23rd May 2014, 7th August 2014, 13th November 2014 and 5th February 2015. The details of attendance of the members in meetings are as follows:

Name of the Director	Category	Position	SIGC Meetings	
			Held	Attended
Mr. Rajiv Singh	ID	Chairman	4	4
Mr. Punit Goenka	ID	Member	4	1
Mr. Nikhil Chaturvedi	MD	Member	4	4
Mr. Salil Chaturvedi	Dy. MD	Member	4	4

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

**d. Functions of the Committee:**

The Stakeholders Relationship Committee functions with the objective of looking into redressal of Shareholders' and Investors' grievances relating to shares sent for registration of transfer, non-receipt of Annual Report etc.

**e. Details of Shareholders' Complaints Received, Solved and Pending Share Transfers**

The total number of complaints received and replied to the shareholders during the year ended March 31, 2015 were 4 (Four). There were no complaints outstanding as on March 31, 2015. The number of pending share transfers and pending requests for dematerialization as on March 31, 2015 were Nil. Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended/pending for more than thirty days as on March 31, 2015.

### (iii) Nomination and Remuneration Committee

#### a. Change in nomenclature

The Board of Directors in its Meeting held on 7th August 2014, changed the nomenclature of the Committee from 'Remuneration Committee' to 'Nomination and Remuneration Committee' in view of requirement of section 178 of the Companies Act, 2013.

#### b. Composition

The Nomination & Remuneration Committee comprises of two independent directors namely, Mr. Rajiv Singh and Mr. Punit Goenka, and two Non- executive directors namely, Mr. David Fischel and Mr. John Abel. Mr. Rajiv Singh Independent Director is the Chairman of the Committee.

#### c. Meeting and attendance of the Committee

The Nomination & Remuneration Committee met once during the financial year on 5th February 2015. The details of attendance of the members in meetings are as follows:

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

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

#### d. Terms and References

The Board has framed the Nomination & Remuneration Committee Charter which ensures effective compliance of section 178 of the Companies Act 2013 and amended clause 49 (effective from 1st October 2014) of the listing agreement. The Board has defined terms of reference for the Nomination & Remuneration Committee, which are as follows:

1. Committee shall formulate the criteria for determining qualification, positive attributes and independence of directors;
2. Committee shall recommend to the Board a policy relating to remuneration of directors, KMPs and other employees;
3. Committee shall formulate the criteria for evaluation of independent directors;
4. Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and shall recommend to the Board their appointment and removal;
5. Committee shall form a policy on Board diversity.

#### e. Remuneration Policy

The Remuneration policy is a forming part of this Annual Report

#### Remuneration to Directors

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

The details of remuneration paid to Directors during the year 2014-15 are as under:

Name of the Director	Salary Paid (₹)	Sitting Fees paid (₹)
1 Mr. Punit Goenka	-	-
2 Mr. Nikhil Chaturvedi **	84,00,000	-
3 Mr. Salil Chaturvedi **	60,00,000	-
4 Mr. Rajiv Singh	-	-
5 Mr. David Fischel	-	-
6 Mr. John Abel	-	-

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

#### IV. SUBSIDIARY MONITORING FRAMEWORK

The Company has 10 subsidiary companies as on 31st March, 2015. As per the definition given under clause 49 of the Listing Agreement, Alliance Mall Developers Co. Pvt. Ltd., has been recognised as a 'Material non listed Indian subsidiary company'. Accordingly, Mr. Rajiv Singh, an Independent Director of the Company has been appointed as Director on the Board of Alliance Mall Developers Co. Pvt. Ltd.

A policy for determining 'Material Subsidiary' is forming part of a 'Policy governing Related Party Transactions' framed by the Company and the same is available on the website of the Company at the following link: <http://www.prozoneintu.com/investor/Policies>

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

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

#### V. AFFIRMATIONS AND DISCLOSURES

##### a. Listing Agreement Compliances

The Company complies with all the requirements of the listing agreement with the stock exchanges and the mandatory requirements of clause 49 of the listing agreement with the stock exchanges except Clause 49(II)A which requires the appointment of Woman Director on the Board. The Company is in process of appointment of a Woman Director and hope that the same shall be frozen shortly.

##### b. Related party transactions

All transactions entered into with the related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement have been disclosed under the note 23(E) of accompanying notes to accounts forming part of the financial statements in accordance with "Accounting Standard 18". A statement in summary form of transactions with related parties periodically placed before the Audit committee of the Board.

As required under Clause 49, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website at the following link: <http://www.prozoneintu.com/investor/Policies>

##### c. Statutory Compliances, Penalties and strictures.

The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI except as mentioned in para (a) above. There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

##### d. Vigil Mechanism/Whistle Blower Policy

Pursuant to Subsections of (9) and (10) of Section 177 of the Companies Act, 2013, and clause 49 of the listing agreement with the stock exchanges, the Company has established a Vigil Mechanism Policy for its directors and employees to safeguard them against victimization of persons who use vigil mechanism and report genuine. The Audit Committee of the Company oversees the Vigil Mechanism on regular basis.

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

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

##### e. Insider Trading Code

With a view to regulate trading in securities by the promoters, directors and designated/ specified employees, the Company had adopted a Code of Conduct for prevention/prohibition of Insider Trading. The Board of Directors in its meeting held on 20th May 2015 adopted a new "Code of Conduct for Insider Trading and Fair disclosure of UPSI" in compliance with SEBI (Prohibition of Insider Trading) Regulation 2015, effective from 15th May 2015.

##### f. Disclosure of Accounting Treatment

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

##### g. Risk Management

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

#### h. Management Discussion and Analysis Report

A Management Discussion and Analysis Report forms part of the annual report and includes discussion on various matters specified under Clause 49[VIII][D] of the Listing Agreement.

#### i. CEO & CFO certification

Mr. Nikhil Chaturvedi, Managing Director and Mr. Anurag Garg, Chief Financial Officer have provided certification on financial reporting and internal control to the Board as required under clause 49(IX) of the Listing Agreement.

#### j. Code of Conduct

The Board has adopted a Code of Conduct applicable to all Board members and senior management personnel of the Company. The Code has been circulated to all members of the Board and Senior Management personnel and also uploaded on the website of the Company i.e. [www.prozoneintu.com](http://www.prozoneintu.com). The compliance of Code is affirmed by all of them on annual basis. A declaration by the Managing Director of the Company in this respect is given below:

*I, Nikhil Chaturvedi, Managing Director of Prozone Intu Properties Limited, in terms of provisions of clause 49 of the Listing Agreement entered into with the Stock Exchanges, hereby confirm that all Board Members and Senior Management Personnel have affirmed the compliance with the "Code of Conduct and business ethics" of the Company during the financial year ended March 31, 2015.*

Sd/-

Nikhil Chaturvedi, MD

## VI. MEANS OF COMMUNICATION

- Results were published in prominent daily newspapers, viz., Financial Express, a English language nationwide daily newspaper and Mumbai Lakshadeep, Regional language daily local newspaper.
- The Company has its own web site and all vital information relating to the Company etc. have been uploaded on the web site for the benefit of the public at large. Company's web site address is [www.prozoneintu.com](http://www.prozoneintu.com).
- The company promptly uploads the presentations made by management of the Company to the investors on Company's website.
- Designated email-id: The Company has designated email-id [investorservice@prozoneintu.com](mailto:investorservice@prozoneintu.com) for investor servicing.

#### e. SEBI Complaint Redressal Systems (SCORE)

The Investors' Complaints are also being processed through the centralized web base compliant redressal system. The salient features of SCORES are available in centralized data base of complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the Complaints.

## VII. GENERAL BODY MEETING

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

Finan- cial Year	Date	Time	Location	No. of Special Resolu- tions passed
<b>Annual General Meetings:</b>				
2011-12	28.09.12	11.00 a.m.	Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (W), Mumbai- 400 053	1
2012-13	30.09.13	12.00 p.m.	Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (W), Mumbai- 400 053	0
2013-14	30.09.14	11.00 a.m.	Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (W), Mumbai- 400 053	2
<b>Extra Ordinary General Meetings:</b>				
2011-12	25.08.11	2.00 p.m.	105/106, Provogue House, Off New Link Road, Andheri (West), Mumbai - 400 053	3
	14.09.11	1.00 p.m.	105/106, Provogue House, Off New Link Road, Andheri (West), Mumbai - 400 053	2
	03.10.11	10.00 a.m.	105/106, Provogue House, Off New Link Road, Andheri (West), Mumbai - 400 053	1
	05.03.12	10.00 a.m.	105/106, Provogue House, Off New Link Road, Andheri (West), Mumbai - 400 053	1

- None of the items transacted at the last Annual General Meeting held on 30th September 2014 were required to be passed by postal ballot, nor any resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.



## VIII. POSTAL BALLOT

The Board sought the consent of the Members of the Company once through postal ballot pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014. The details of the same are as under:

### Postal Ballot notice dated 05.05.2014 – Special resolution u/s 13 for Change of Name of the Company

The voting on said resolution casted through physical postal ballot and electronic voting process. Based on the report submitted by Mr. Hemant Shetye, Practicing Company Secretary, the Scrutinizer on the results of postal ballot, Mr. Nikhil Chaturvedi, Managing Director of the Company declared the resolution passed as special resolution with requisite majority on 13th June 2014. The summary of result is as under.

<b>Description of Special Resolution:</b> Change of name of the Company from 'Prozone Capital Shopping Centres Limited' to 'Prozone Intu Properties Limited' under section 13(3) of the Companies Act, 2013			
<b>Particulars</b>	<b>No. of Postal Ballot forms and e-votes</b>	<b>No. of shares</b>	<b>% of the total paid up equity capital</b>
(a) Total Voting through Postal Ballot Forms	28	5,19,83,001	34.06
(b) Less: Invalid Postal Ballot Forms	1	150	0.0001
<b>(c) Total valid Postal Ballot Forms; [(a) – (b)]</b>	<b>27</b>	<b>5,19,82,851</b>	<b>34.06</b>
(d) Total votes casted through e-voting	125	5,27,44,177	34.56
(e) Less: Invalid e-voting	0	0	0
<b>(f) Total valid e-voting [(d) – (e)]</b>	<b>125</b>	<b>5,27,44,177</b>	<b>34.56</b>
<b>(g) Total valid votes through Postal ballot forms and e-voting [(c) + (f)]</b>	<b>152</b>	<b>10,47,27,028</b>	<b>68.62</b>
<b>Votes in favour of special resolution</b>	<b>140</b>	<b>10,47,19,006</b>	<b>68.62</b>
<b>Votes against the special resolution</b>	<b>12</b>	<b>8,022</b>	<b>0.005</b>

## IX. INFORMATION TO SHAREHOLDERS

Annual General Meeting for the year 2015 is scheduled is to be held on Wednesday, 30th September 2015 at Eden Hall, The Classique Club, behind Infinity Mall, New Link Road, Andheri (W), Mumbai-400053 at 2.00 p.m.

**Financial year ending** : 1st April to 31st March

**Date of Book Closure** : Thursday, 24th September 2015 to Wednesday 30th September 2015 (both days inclusive for the purpose of AGM)

**Dividend Payment Date**: N.A.

**Listing of Stock Exchange** : BSE Limited (BSE)  
National Stock Exchange of India Ltd (NSE)

### Scrip Code:

BSE Ltd. : 534675  
(Demat segment)

National Stock Exchange of India Ltd. : PROZONINTU  
(Demat segment)

Demat ISIN in NSDL and CDSL for Equity Shares : INE195N01013

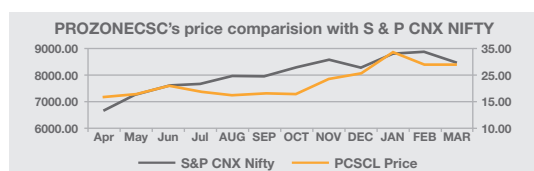
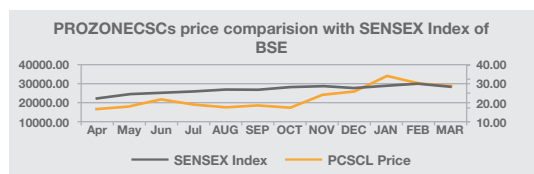
**Registrar and Share Transfer Agent** : M/s Link Intime India Pvt. Ltd.  
C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078  
Phone: 022-2594 6970,  
Fax: 022-2594 6969  
Email id: rnt.helpdesk@linkintime.co.in

### Stock Market Price data for the year 2014-2015:

Month	BSE			
	Share Price (in ₹)			Sensx Close
	High	Low	Close	
Apr 2014	18.90	15.20	16.60	22417.80
May 2014	24.50	14.05	17.80	24217.34
Jun 2014	24.45	18.00	21.15	25413.78
Jul 2014	22.80	17.45	18.75	25894.97
Aug 2014	20.10	16.20	17.50	26638.11
Sept 2014	21.60	16.35	17.90	26630.51
Oct 2014	18.60	16.25	17.70	27865.83
Nov 2014	25.95	17.30	23.60	28693.99
Dec 2014	28.00	19.60	25.80	27499.42
Jan 2015	40.45	25.65	33.40	29182.95
Feb 2015	36.80	27.40	29.80	29361.50
Mar 2015	35.40	25.50	28.55	27957.49

Month	NSE			
	Share Price (in ₹)			Nifty
	High	Low	Close	
Apr 2014	20.95	15.30	17.20	6696.40
May 2014	24.45	14.00	17.95	7229.95
Jun 2014	24.30	18.00	21.15	7611.35
Jul 2014	22.80	17.55	19.00	7721.30
Aug 2014	19.70	15.55	17.30	7954.35
Sept 2014	21.75	16.40	18.00	7964.80
Oct 2014	18.50	15.80	17.85	8322.20
Nov 2014	26.00	17.40	23.55	8588.25
Dec 2014	28.75	19.30	25.75	8282.70
Jan 2015	40.45	25.70	33.70	8808.90
Feb 2015	37.10	27.50	29.35	8901.85
Mar 2015	35.25	25.55	28.80	8491.00

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



#### Share Transfer system:

The Company's shares are traded in Stock Exchange compulsorily in demat mode. Shares in physical mode which are lodged for transfer are processed and returned to the shareholders within 15-20 days from the date of receipt.

#### Dematerialization of shares:

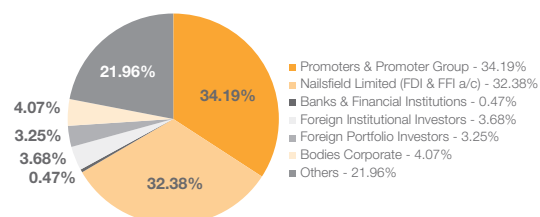
As on 31.03.2015, 15,25,38,741 Equity shares of the Company, representing 99.96% of its issued capital, were held in dematerialized form and the balance 0.04% representing 64,142 equity shares were held in physical form.

#### Distribution of shareholding as on 31.03.2015:

Share holding	Share Holders		Shares	
	No. of Shares	% to total share capital	No. of Shares	% to total share capital
(1)	(2)	(3)	(4)	(5)
Upto 500	22865	84.57	3430774	2.48
501-1000	2046	7.57	1741034	1.14
1001-2000	1020	3.77	1601206	1.05
2001-3000	321	1.18	840909	0.55
3001-4000	145	0.53	524853	0.34
4001-5000	163	0.60	782346	0.51
5001-10000	214	0.79	1660804	1.08
10001 and above	264	0.97	142020957	93.06
<b>Total</b>	<b>29568</b>	<b>100.00</b>	<b>152602883</b>	<b>100.00</b>

#### Categories of Shareholders as on 31.03.2015:

Category	No. of Shares	% of Share-holding
Promoters & Promoter Group	52169812	34.19
Nailsfield Limited (FDI & FFI a/c)	49410788	32.38
Banks & Financial Institutions	715037	0.47
Foreign Institutional Investors	5614050	3.68
Foreign Portfolio Investor	4964541	3.25
Bodies Corporate	6209054	4.07
Others	33519601	21.96
<b>Total</b>	<b>152602883</b>	<b>100.00</b>



#### Outstanding Number of GDRs /ADRs /Warrants etc:

The Company has not issued any GDRs/ADRs and No outstanding warrants are pending for subscription.

**Address for correspondence:****1. Any Query on Annual Report:**

Company Secretary & Compliance Officer  
105/106, Provogue House, off New Link Road, Andheri (West) Mumbai 400 053  
Phone: 022-3065 3111, Fax: 022-3068 0570,  
Email id for investors: [investorservice@prozoneintu.com](mailto:investorservice@prozoneintu.com)

**2. Shareholders correspondence should be addressed to:**

M/s Link Intime India Pvt. Ltd.  
Unit: Prozone Intu Properties Limited  
C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078  
Phone: 022-2594 6970, Fax: 022-2594 6969  
Email id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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

**X. NON-MANDATORY REQUIREMENTS:**

Sr. No.	Particulars	Remarks
1	The Board	The Company does not reimburse expenses incurred, if any, by the Non-Executive Chairman for maintenance of a separate Chairman's Office.
2	Shareholders' Rights	Quarterly financial results of the Company are furnished to the Stock Exchanges and are also published in the news papers and uploaded on website of the Company. Hence, quarterly results were not separately sent to shareholders. Significant events are also posted on the Company's website under the Investors Section. The complete Annual Report sent to every shareholder of the Company
3	Audit qualifications	There are no audit qualifications in the financial statement for the period 2014-15. Standard practices and procedures are in place to ensure unqualified financial statements.
4	Separate posts of Chairman and CEO	The Company has appointed Independent Director as Chairman of the Company and company is not having position of CEO.
5	Reporting of Internal Auditor	The Internal Auditor quarterly place the Internal audit report before the Audit Committee for its review and comments.

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

**Date : 11th August, 2015**  
**Place: Mumbai**

**Nikhil Chaturvedi**  
**Managing Director**

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

## A CERTIFICATE ON CORPORATE GOVERNANCE BY COMPANY SECRETARY IN PRACTICE

To,

The Shareholders

Prozone Intu Properties Limited  
105/106, Provogue House,  
1st Floor, Off New Link Road,  
Andheri (West), Mumbai- 400053,  
Maharashtra

We have reviewed the implementation of Corporate Governance produced by the company during the year ended 31st March, 2015 with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination is neither an audit nor an expression of opinion of the financial statements of the company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied with the material conditions of Corporate Governance stipulated in the Clause 49 of the Listing Agreement with the Stock Exchanges except non-appointment of Women Director in compliance with Clause 49(II)(A) of the Listing Agreement.

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

**For HS Associates,  
Company Secretaries**

**Hemant Shetye  
Partner  
FCS 2827  
COP 1483**

Date: 11.08.2015

Place: Mumbai



# INDEPENDENT AUDITOR'S REPORT

To the Members of

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

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Prozone Intu Properties Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid stand alone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in

its financial statements –Refer Note no 12 (a) and 23 (A)(ii) to the financial statements;

- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S G C O & Co.**

Chartered Accountants  
Firm Reg No. 112081W

**Shyamratan Singrodia**

Partner  
Mem. No. 49006

Place : Mumbai  
Date : 20th May, 2015

# ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

The Annexure referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" in our Independent Auditor's Report to the members of Prozone Intu Properties Limited for the year ended 31st March, 2015.

As required by the Companies (Auditors Report) Order, 2015 and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The Fixed Assets have been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies have been noticed on such physical verification.
- (ii) Since the Company does not have any inventory, the paragraph 3 (ii) of the said Order is not applicable to the Company.
- (iii) The Company has not granted any loans secured or unsecured to the parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) (a) and (b) of the said Order is not applicable.
- (iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for the Company.
- (vii) a) Accordingly to the records of the Company, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess, to the extent applicable, have been regularly deposited with the appropriate authorities except delays in certain cases of Tax Deducted at Source (TDS) and Service Tax. There are no undisputed amount payable

in respect of such statutory dues which have remained outstanding as at 31st March, 2015 for a period more than six months from the date they became payable.

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

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

- c) There is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year and in the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of its dues to banks and financial institutions.
- (x) The Company has given guarantees for loan availed by one of its step-down subsidiary and one subsidiary from various Banks/ Institutions and in our opinion the terms and conditions thereof are not prejudicial to the interest of the Company.
- (xi) The Company has not obtained any term loans during the year under report.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For S G C O & Co.**  
Chartered Accountants  
Firm Reg No. 112081W

**Shyamratan Singrodia**

Partner

Place : Mumbai  
Date : 20th May, 2015

Mem. No. 49006

# BALANCE SHEET

as at 31st March, 2015

(₹ in Lacs)

Particulars	Notes	As at 31.03.2015	As at 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	2	3,052.06	3,052.06
Reserves and surplus	3	37,757.25	37,513.07
		<b>40,809.31</b>	<b>40,565.13</b>
<b>Non - current Liabilities</b>			
Long - term borrowings	4	1,750.20	1,762.83
Long - term Provisions	5	2.21	-
		<b>1,752.41</b>	<b>1,762.83</b>
<b>Current Liabilities</b>			
Trade payables	6	259.12	210.20
Other current liabilities	7	138.45	88.75
Short-term provisions	8	37.87	28.70
		<b>435.44</b>	<b>327.65</b>
		<b>42,997.16</b>	<b>42,655.61</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed assets			
Tangible assets	9	298.00	476.24
Non - current investments	10	28,723.27	28,723.27
Deferred Tax Assets (Net)	11	85.33	40.53
Long - term loans and advances	12	11,090.39	10,195.43
		<b>40,196.99</b>	<b>39,435.47</b>
<b>Current Assets</b>			
Trade receivables	13	569.99	353.59
Cash and cash equivalents	14	5.83	17.61
Short - term loans and advances	15	2,224.35	2,848.94
		<b>2,800.17</b>	<b>3,220.14</b>
		<b>42,997.16</b>	<b>42,655.61</b>
Significant Accounting Policies	1		
Accompanying Notes to Accounts	23		

As per our report of even date attached

**For S G C O & Co.**

Chartered Accountants

**Shyamratan Singrodia**

Partner

**Mem. No. 49006**

Place : Mumbai

Date : 20th May, 2015

**For and on behalf of the Board**

**Nikhil Chaturvedi**

Managing Director

DIN : 00004983

**Anurag Garg**

Chief Financial Officer

**Salil Chaturvedi**

Dy. Managing Director

DIN : 00004768

**Snehal Bansode**

Company Secretary



# STATEMENT OF PROFIT & LOSS

## for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Notes	Year ended 31.03.2015	Year ended 31.03.2014
<b>INCOME</b>			
Revenue from operations	16	807.48	886.05
Other income	17	701.88	999.52
<b>TOTAL REVENUE</b>		<b>1,509.36</b>	<b>1,885.57</b>
<b>EXPENSES</b>			
Employee benefits expense	18	355.29	462.64
Finance costs	19	4.81	5.95
Depreciation and amortisation expense	9	162.89	101.96
Other expenses	20	581.62	679.04
<b>TOTAL EXPENSES</b>		<b>1,104.61</b>	<b>1,249.59</b>
<b>Profit before tax &amp; exceptional items</b>		<b>404.75</b>	<b>635.98</b>
Exceptional Items	21	39.09	-
<b>Profit before tax</b>		<b>365.66</b>	<b>635.98</b>
<b>Less: Tax Expense</b>			
Current Tax		150.93	155.51
Deferred Tax Liability/(Assets)		(39.82)	(1.13)
Tax of earlier years		-	0.80
		111.11	155.18
<b>Profit / (Loss) for the year</b>		<b>254.55</b>	<b>480.80</b>
<b>Earnings per equity share</b>			
(Nominal value of share ₹ 2 (PY ₹ 2))	22		
: Basic		0.17	0.32
: Diluted		0.17	0.32
Significant Accounting Policies	1		
Accompanying Notes to Accounts	23		

As per our report of even date attached

**For S G C O & Co.**

Chartered Accountants

**Shyamratan Singrodia**

Partner

**Mem. No. 49006**

Place : Mumbai

Date : 20th May, 2015

**For and on behalf of the Board**

**Nikhil Chaturvedi**

Managing Director

DIN : 00004983

**Salil Chaturvedi**

Dy. Managing Director

DIN : 00004768

**Anurag Garg**

Chief Financial Officer

**Snehal Bansode**

Company Secretary

## CASH FLOW STATEMENT

for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) before tax	404.75	635.98
Adjustments for :		
Depreciation	162.89	101.96
Financing Charges	4.81	5.95
Interest Received	(696.23)	(968.31)
Dividend from Mutual Funds	(0.13)	(3.49)
<b>Operating profit before working capital changes</b>	<b>(123.91)</b>	<b>(227.91)</b>
Adjustments for :		
Increase / (Decrease) in Trade payables	48.92	-
Increase / (Decrease) in Other current liabilities	49.70	126.61
Increase / (Decrease) in long-term provisions	2.21	-
Increase / (Decrease) in short-term provisions	8.62	22.15
Decrease / (Increase) in Trade receivables	(216.40)	(13.52)
Decrease / (Increase) in Other receivables	-	696.82
<b>Net Cash from Operations</b>	<b>(230.86)</b>	<b>604.15</b>
Direct Taxes Paid	(146.47)	(197.00)
Exceptional Items (refer note no. 21)	(39.09)	-
<b>Net Cash from Operating Activities</b>	<b>(416.42)</b>	<b>407.15</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	-	(73.07)
Movement in loans and advances	(274.28)	(1,431.35)
Interest Received	696.23	968.31
Sales of Current Investments	-	28.68
Dividend from Mutual Funds	0.13	3.49
<b>Net Cash used in Investment Activities</b>	<b>422.08</b>	<b>(503.94)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds / (Repayment) of Long Term Borrowings (net)	(12.63)	33.34
Proceeds / (Repayment) from Short Term Borrowings (net)	-	(34.34)
Financing Charges	(4.81)	(5.95)
<b>Net Cash used from Financing Activities</b>	<b>(17.44)</b>	<b>(6.95)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>(11.78)</b>	<b>(103.74)</b>
Cash and Cash Equivalents (Opening)	17.61	121.35
<b>Cash and Cash Equivalents (Closing)</b>	<b>5.83</b>	<b>17.61</b>

## CASH FLOW STATEMENT

### for the year ended 31st March, 2015

#### Notes:

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

(₹ in Lacs)

Particulars	Asat 31.03.2015	Asat 31.03.2014
Cash in Hand	0.41	15.11
Balances with Banks	5.42	2.50
	<b>5.83</b>	<b>17.61</b>

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

As per our report of even date attached

#### For S G C O & Co.

Chartered Accountants

**Shyamratan Singrodia**

Partner

**Mem. No. 49006**

Place : Mumbai

Date : 20th May, 2015

#### For and on behalf of the Board

**Nikhil Chaturvedi**

Managing Director

DIN : 00004983

**Salil Chaturvedi**

Dy. Managing Director

DIN : 00004768

**Anurag Garg**

Chief Financial Officer

**Snehal Bansode**

Company Secretary

# NOTES TO FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### CORPORATE INFORMATION:

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

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Accounting:

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

#### b) Use of Estimates:

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

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

#### c) Revenue Recognition :

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

#### d) Fixed Assets:

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

#### e) Depreciation and Amortization:

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

#### f) Impairment of Fixed Assets:

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

#### g) Miscellaneous Expenditure:

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



## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### **h) Employee Benefits:**

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

#### **i) Investments:**

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

#### **j) Foreign Currency Transactions :**

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

#### **k) Provision and Contingent Liabilities:**

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

#### **l) Accounting for Taxation of Income :**

##### **Current taxes**

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

##### **Deferred taxes**

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

# NOTES TO FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 2. SHARE CAPITAL

Particulars	(₹ in Lacs)	
	As at 31.03.2015	As at 31.03.2014
<b>Authorised</b>		
2,002.50 lacs Equity Shares of ₹ 2 each	4,005.00	4,005.00
	<b>4,005.00</b>	<b>4,005.00</b>
<b>Issued, Subscribed and Fully Paid Up</b>		
1,526.03 lacs Equity Shares of ₹ 2 each fully paid up	3,052.06	3,052.06
	<b>3,052.06</b>	<b>3,052.06</b>

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

Particulars	As at 31.03.2015		As at 31.03.2014	
	No. in Lacs	₹ in Lacs	No. in Lacs	₹ in Lacs
<b>Equity Shares</b>				
At the beginning of the year	1,526.13	3,052.26	1,526.13	3,052.26
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,526.13</b>	<b>3,052.26</b>	<b>1,526.13</b>	<b>3,052.26</b>

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

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

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

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

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

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

Name of Shareholders	As at 31.03.2015		As at 31.03.2014	
	No. in Lacs	% holding	No. in Lacs	% holding
Nailsfield Limited, Mauritius (Aggregate of shareholding under FDI & FII route)	494.11	32.38	494.11	32.38
Nikhil Chaturvedi			106.12	6.95
Nikhil Chaturvedi (in his capacity as trustee of Nikhil Chaturvedi Family Trust)	140.51	9.21		-
Salil Chaturvedi (in his capacity as trustee of Salil Chaturvedi Family Trust)	137.33	9.00	102.95	6.75

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### NOTE 3. RESERVES AND SURPLUS

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Securities Premium</b>		
At the beginning and end of the year	36,434.05	36,434.05
<b>Amalgamation Reserve</b> (Pursuant to the Scheme of Demerger and Amalgamation)	688.75	688.75
<b>Surplus / (Deficit) in the Statement of Profit &amp; Loss</b>		
Opening Balance	390.27	(90.51)
Add: Profit / (Loss) during the year	254.55	480.80
	644.82	390.27
Less : Adjustment pursuant to note no 7(b) of Schedule II of Companies Act, 2013 (Net of Deferred tax) (Refer note no. 23(H))	10.37	-
Closing Balance	634.45	390.27
	37,757.25	37,513.07

#### NOTE 4. LONG - TERM BORROWINGS

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Hire Purchase Loans</b>	33.34	44.53
(Secured)		
Less: Current maturities of Long Term Debt (disclosed under other current liabilities)	(12.63)	(11.19)
	20.71	33.34
<b>Loan &amp; Advances from related parties</b>	1,729.49	1,729.49
(Unsecured)		
	1,750.20	1,762.83

- (a) Hire Purchase Loans includes : - ₹ 33.34 (PY 44.53) lacs in respect of one vehicle which is secured by hypothecation of vehicle financed. The loan carries interest @ 12.13% p.a. The loan is repayable in 53 equal installments starting from 1st May, 2013.
- (b) Loan and advances from related parties represents loan received from Emerald Buildhome Private Limited, a step down Joint Venture Company (JVC) vide Joint Venture Agreement (JVA) dated 14th December 2007 entered into with the Co-venturer, Shree Salasar Overseas Private Limited for developing a Mall at Jaipur. The said loan was repayable to the JVC at the time of acquisition of additional land. Since the JVC presently does not have any land proposal in hand, the said loan will remain with the Company and no interest is payable as agreed between the JV Partners, till the time any new land acquired by the JVC.

#### NOTE 5 : LONG - TERM PROVISIONS

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
Provision for Gratuity	2.21	-
	2.21	-

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### NOTE 6 : TRADE PAYABLES

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Trade payables</b>		
- Due to Micro, Small & Medium Enterprises (Refer note below)	26.94	-
- Others	232.18	210.20
	<b>259.12</b>	<b>210.20</b>

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

(₹ in Lacs)		
Particulars	As at March 31, 2015	As at March 31, 2014
The principal amount remaining unpaid to any supplier as at the end of accounting year ;	26.94	-
interest due thereon remaining unpaid at the end of accounting year;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

#### NOTE 7 : OTHER CURRENT LIABILITIES

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
Current maturities of long term debt	12.63	11.19
Duties & taxes payable	92.70	77.56
Other Liabilities	33.13	-
	<b>138.45</b>	<b>88.75</b>

#### NOTE 8 : SHORT TERM PROVISIONS

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
Provision for employee benefits expense	28.92	22.75
Provision for Gratuity	3.97	-
Provision for tax (Net of Advance Tax & TDS)	0.55	-
Provision for expenses	4.43	5.95
	<b>37.87</b>	<b>28.70</b>



## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### NOTE 9. TANGIBLE ASSETS

Particulars	Gross Block			Depreciation				Net Block		(₹ in Lacs)
	As at 01.04.2014	Additions during the year	Deductions during the year	As at 31.03.2015	Upto 31.03.2014	Provided for the year	Adjustments during the year *	Upto 31.03.2015	As at 31.03.2015	
Buildings	141.73	-	-	141.73	35.35	5.73	-	41.08	100.65	106.38
Furniture's & Fittings	565.45	-	-	565.45	356.14	91.25	(0.06)	447.33	118.12	209.31
Motor Vehicles	333.45	-	-	333.45	224.18	53.79	(0.02)	277.95	55.50	109.27
Office Equipments	75.20	-	-	75.20	38.43	3.68	15.34	57.45	17.75	36.77
Computers	98.70	-	-	98.70	84.19	8.44	0.09	92.72	5.98	14.51
<b>Total</b>	<b>1,214.53</b>	<b>-</b>	<b>-</b>	<b>1,214.53</b>	<b>738.29</b>	<b>162.89</b>	<b>15.35</b>	<b>916.53</b>	<b>298.00</b>	<b>476.24</b>
<b>Previous Year</b>	<b>1,141.46</b>	<b>73.07</b>	<b>-</b>	<b>1,214.53</b>	<b>639.31</b>	<b>98.98</b>	<b>-</b>	<b>738.29</b>	<b>476.24</b>	<b>-</b>

\* Refer Note no. 23 (H).

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### NOTE 10 : NON - CURRENT INVESTMENTS

(₹ In Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Trade</b>		
<b>Unquoted Equity Instruments</b>		
Investment in Subsidiaries:		
Prozone Liberty International Limited (Singapore)	26,193.02	26,193.02
(614.74 lacs (PY 614.74 lacs) Ordinary Shares of USD 1/- each fully paid up)		
Alliance Mall Developers Co Private Limited	557.00	557.00
(20.1 lacs (PY 20.1 lacs) Equity Shares of ₹ 10/- each fully paid up)		
Jaipur Festival City Private Limited	1.00	1.00
(0.1 lacs (PY 0.1 lacs) Equity Shares of ₹ 10/- each fully paid up)		
Royal Mall Private Limited	1.00	1.00
(0.1 lacs (PY 0.1 lacs) Equity Shares of ₹ 10/- each fully paid up)		
Kruti Multitrade Private Limited	1.00	1.00
(0.1 lacs (PY 0.1 lacs) Equity Shares of ₹ 10/- each fully paid up)		
Investment in Joint Ventures:		
Moontown Trading Company Private Limited	200.25	200.25
(20.025 lacs (PY 20.025 lacs) Equity Shares of ₹ 10/- each fully paid up)		
<b>Others - Unquoted</b>		
<b>Investments in Debentures</b>		
Omni Infrastructure Private Limited (Step down subsidiary company)		
1.77 lacs (PY 1.77 lacs) 0% Optionally Convertible Debentures of ₹ 1,000/- each	1,770.00	1,770.00
	<b>28,723.27</b>	<b>28,723.27</b>
Aggregate Book Value of Unquoted Investment	28,723.27	28,723.27

#### NOTE 11 : DEFERRED TAX ASSETS (NET)

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	78.97	39.01
Impact of Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	6.36	1.52
<b>Deferred Tax Assets</b>	<b>85.33</b>	<b>40.53</b>

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### NOTE 12 : LONG - TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Security deposits</b>		
(Unsecured, Considered Good)	2.60	2.60
<b>(A)</b>	<b>2.60</b>	<b>2.60</b>
<b>Loans and advances</b>		
(Unsecured, Considered Good)		
- To Related Parties	9,381.86	8,280.95
<b>(B)</b>	<b>9,381.86</b>	<b>8,280.95</b>
<b>Advance recoverable in cash or kind</b> (Refer note (a) and (b) below)	<b>(C)</b>	<b>1,125.56</b>
<b>Other loans &amp; advances</b>		
(Unsecured, Considered Good)		
Advance Tax & TDS (Net of Provision for Tax)	580.36	584.27
<b>(D)</b>	<b>580.36</b>	<b>584.27</b>
<b>Total (A+B+C+D)</b>	<b>11,090.39</b>	<b>10,195.43</b>
<b>Loans and advances to related parties includes :</b>		
<b>Unsecured, Considered Good</b>		
- Loans given to subsidiary companies		
Prozone Liberty International Limited (Singapore)	140.27	134.75
Royal Mall Private Limited	0.34	0.34
Kruti Multitrade Private Limited	36.51	36.51
- Loans given to step down subsidiary companies		
Empire Mall Private Limited	6,607.83	5,733.61
Omni Infrastructure Private Limited	2,083.03	2,039.71
Hagwood Commercial Developers Private Limited	236.09	58.23
- Loan given to Joint Venture Company		
Moon Town Trading Company Private Limited (Refer note (c) below)	277.80	277.80
	<b>9,381.86</b>	<b>8,280.95</b>

- a) Advance Recoverable in Cash or Kind includes a sum of ₹ 150 lacs due from De Lara Tourism Corporation Limited (DTCL) pursuant to award from a panel of Arbitrators constituted by the Arbitral Tribunal as per the instruction of SC. In view of the Award given by the Arbitral Tribunal, the management had considered ₹ 150 Lacs as good and fully recoverable. Further, DTCL had challenged this award before the Chief Judge, City Civil Court Hyderabad by filing an appeal. The said appeal is pending.
- b) Advance Recoverable in Cash or Kind also includes advance of ₹ 910.00 lacs towards Joint Development of land at Malad, Mumbai. The said project is yet to commence.
- c) The Company is a co-venturer in the Joint Venture Company (JVC) – Moontown Trading Company Private Limited (MTCPL) along with Shalom Voyagers Private Limited (SVPL) to develop a Mall at Mysore. In terms of Shareholding Agreement (SHA) entered in April 2006 between the co venturers and the JVC, the Company has advanced a loan of ₹ 277.80 lacs (PY ₹ 277.80 lacs) to the JVC. In view of the management of the Company, the advances are considered good and fully recoverable.

# NOTES TO FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 13 : TRADE RECEIVABLES

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
(Unsecured, Considered Good)		
Outstanding for a period exceeding six months from the date they are due for payment	291.56	0.58
Other Debts	278.43	353.01
	<b>569.99</b>	<b>353.59</b>
<b>Trade receivable includes debt due from subsidiary / step down subsidiary companies :</b>		
(a) Outstanding for a period exceeding six months from the date they are due for payment		
Empire Mall Private Limited	117.88	-
Hagwood Commercial Developers Private Limited	171.58	-
Omni Infrastructure Private Limited	1.52	-
Royal Mall Private Limited	0.58	0.58
	<b>291.56</b>	<b>0.58</b>
(b) Other Debts		
Alliance Mall Developers Co. Private Limited	15.59	11.59
Empire Mall Private Limited	130.58	96.66
Hagwood Commercial Developers Private Limited	132.27	175.33
Omni Infrastructure Private Limited	-	69.43
	<b>278.43</b>	<b>353.01</b>

### NOTE 14 : CASH AND CASH EQUIVALENTS

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Balance with Banks</b>		
On Current Accounts	5.42	2.50
<b>Cash on hand</b>	0.41	15.11
	<b>5.83</b>	<b>17.61</b>

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### NOTE 15 : SHORT - TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
Loans and Advances (Refer note below)	1,745.08	2,177.18
Advance Recoverable in cash or in kind	468.07	658.55
Other Loans & Advances		
Prepaid expenses	0.63	0.09
Advances to employees	10.59	13.13
	<b>2,224.35</b>	<b>2,848.94</b>

Loan and advances amounting to ₹ 1745.08 lacs (PY ₹ 2177.18 lacs) represents being loan (including interest) to other companies / parties out of the surplus funds of the Company. Interest has been duly provided during the year. The management is of the view that the amount is fully realisable and considered good.

#### NOTE 16 : REVENUE FROM OPERATIONS

(₹ in Lacs)		
Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>Sale of services</b>		
Management Consultancy Charges	807.48	886.05
	<b>807.48</b>	<b>886.05</b>

#### NOTE 17 : OTHER INCOME

(₹ in Lacs)		
Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Interest income on		
- Loans & advances	696.23	968.31
Dividend income on current investments	0.13	3.49
Gain on foreign exchange fluctuations (net)	5.51	27.72
	<b>701.88</b>	<b>999.52</b>

#### NOTE 18 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)		
Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Salaries and bonus	179.65	307.03
Directors' remuneration	144.00	144.00
Contribution to Provident and other fund	2.36	2.23
Gratuity expense	22.52	(2.44)
Staff welfare expenses	6.77	11.82
	<b>355.29</b>	<b>462.64</b>



# NOTES TO FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 19 : FINANCE COSTS

(₹ in Lacs)		
Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Interest expenses	4.81	5.95
	<b>4.81</b>	<b>5.95</b>

### NOTE 20 : OTHER EXPENSES

(₹ in Lacs)		
Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Rent	120.00	122.48
Rates and taxes	2.18	4.85
Insurance	1.84	2.95
Repairs & maintenance - others	22.40	40.10
Electricity charges	18.33	30.03
Printing & stationery	7.56	9.34
Communication costs	13.73	24.10
Professional fees	103.47	165.41
Travelling & conveyance	42.02	86.90
Vehicle expenses	56.46	59.91
Housekeeping Expenses	20.61	13.32
Advertisement & business promotion expenses	58.06	56.15
Auditors' remuneration	21.95	14.40
Office expenses	12.80	14.70
Sundry Balances Written Off	60.50	17.04
Miscellaneous expenses	19.70	17.35
	<b>581.62</b>	<b>679.04</b>

#### Payment to Auditors

(₹ in Lacs)		
Particulars	Year ended 31.03.2015	Year ended 31.03.2014
- For Audit Fees	14.40	14.40
- For Other Services	7.55	-
	<b>21.95</b>	<b>14.40</b>

### NOTE 21 : EXCEPTIONAL ITEMS

(₹ In Lacs)		
Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Reversal of Interest income erroneously booked in earlier year	39.09	-
	<b>39.09</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### NOTE 22 : EARNING PER SHARE

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

Particulars	(₹ In Lacs)	
	Year Ended 31.03.2015	Year Ended 31.03.2014
i) Weighted average number of Equity Shares of ₹ 2 each (No. in Lacs)		
a) Number of shares at the beginning of the year	1,526.13	1,526.13
b) Number of shares at the end of the year	1,526.13	1,526.13
c) Weighted average number of shares outstanding during the year	1,526.13	1,526.13
d) Weighted average number of Potential Equity shares outstanding during the year	1,526.13	1,526.13
e) Total number of Potential Equity Share for calculating Diluted Earning Per share	1,526.13	1,526.13
ii) Net Profit \ (Loss) after tax available for equity shareholders (₹ In lacs)	254.55	480.80
<b>iii) Basic Earning per share (in ₹)</b>	<b>0.17</b>	<b>0.32</b>
<b>iv) Diluted Earning per share (in ₹)</b>	<b>0.17</b>	<b>0.32</b>

#### NOTE 23 : ACCOMPANYING NOTES TO ACCOUNTS

##### A) Contingent liabilities not provided for:

- Guarantee given to banks for the credit facilities taken by subsidiary and step-down subsidiary Companies ₹ 23,592.13 lacs (P.Y. 18,836.89 lacs).
- Disputed demands in respect of Income Tax (Interest thereon not ascertainable at present) ₹ 14.87 lacs (PY 80.10 lacs).

B) In the opinion of the Board, the current assets, loans and advances are approximately of the value stated and are realisable in the ordinary course of business at least equal to the amount stated in the balance sheet. Further the provisions for all known liabilities are adequately made & not in excess of amount reasonably required

C) Loans and advances in the nature of loans given to subsidiaries and associates as required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of Listing Agreement is under:

##### a) Details of Loans to Subsidiaries / Step down Subsidiaries

Name of Subsidiary Company	31st March, 2015		31st March, 2014	
	₹ In Lacs	Maximum Amount	₹ In Lacs	Maximum Amount
Alliance Mall Developers Co. Private Limited	-	164.98	-	4.11
Royal Mall Private Limited	0.34	0.34	0.34	0.34
Prozone Liberty International Limited, Singapore	140.27	140.27	134.75	134.75
Prozone International Limited, Singapore [Refer Note no. 23 (I)]	-	-	-	48.05
Omni Infrastructure Private Limited	2,083.03	2,083.03	2,039.71	2,182.74
Empire Mall Private Limited	6,607.83	6,607.83	5,733.61	5,733.61
Hagwood Commercial Developers Private Limited.	236.09	274.73	58.23	160.45
Kruti Multitrade Private Limited	36.51	36.51	36.51	36.51
	<b>9,104.06</b>	<b>9,307.68</b>	<b>8,003.15</b>	<b>8,300.56</b>

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### b) Details of Investments in Subsidiaries

(₹ in Lacs)		
Name of Subsidiary Company	Year ended 31.03.2015	Year ended 31.03.2014
Alliance Mall Developers Co Private Limited	2,010,000	2,010,000
Jaipur Festival City Private Limited	10,000	10,000
Royal Mall Private Limited	10,000	10,000
Kruti Multitrade Private Limited	10,000	10,000
Prozone Liberty International Limited (Singapore)	61,474,094	61,474,094
<b>Investments through Prozone Liberty International Limited (Singapore)</b>		
Prozone International Coimbatore Limited (Singapore)	1	1
Prozone Overseas Pte Limited (Singapore)	1	1
Empire Mall Private Limited	47,209,412	47,209,412
Hagwood Commercial Developers Private Limited	9,480,235	9,480,235
Omni Infrastructure Private Limited	24,000	24,000

#### D) Disclosure as per AS 15 "Employee Benefits" :

The principal assumptions used in the actuarial valuation of Gratuity are as follows :

(₹ in Lacs)		
Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Discount rate	7.80%	9.10%
Expected rate of return on assets	9.50%	9.25%
Expected rate of future salary increase	5.10%	5.10%

#### Changes in present value of obligations

(₹ in Lacs)		
Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Present value of obligation as at the beginning of the year	3.77	17.79
Interest Cost	0.87	1.30
Past Service Cost	-	-
Current Service Cost	18.31	0.86
Benefits paid	(9.53)	(10.44)
Actuarial loss on obligations	4.43	(5.74)
Present Value of obligation as at the end of the year	17.85	3.77

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### (Assets) / Liability recognized in the Balance Sheet

Particulars	(₹ in Lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014
Present Value of obligation as at the end of the year	17.85	3.77
Fair Value of plan assets as at the end of the year	11.67	10.48
Unfunded status	6.18	(6.71)
Unrecognized Actuarial (Gain)/ loss	-	-
Net (Assets)/ Liabilities recognized in the Balance Sheet	6.18	(6.71)
- Non-Current (Assets) / Liabilities	2.21	-
- Current (Assets) / Liabilities	3.97	(6.71)

#### Expenses recognized in the Profit and Loss Account

Particulars	(₹ in Lacs)	
	Year ended 31.03.2015	Year ended 31.03.2014
Current Service Cost	18.31	0.86
Past Service Cost	-	-
Interest Cost	0.87	1.30
Actuarial (Gain) / Loss on obligations	4.43	(5.74)
Actuarial (Gain) / Loss on plan assets	(1.09)	1.14
<b>Total Expenses recognized in the Profit and Loss account</b>	<b>22.52</b>	<b>(2.44)</b>

#### E) Related Party Disclosure:

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

##### List of Related Parties :

##### i) Key Management Personnel

Mr. Nikhil Chaturvedi	Managing Director
Mr. Salil Chaturvedi	Dy. Managing Director
Mr. Anurag Garg (from 23rd May, 2014)	Chief Financial Officer
Ms. Snehal Bansode	Company Secretary
Mr. Nigam Patel (Upto 31st July, 2014)	Chief Operating Officer

##### ii) Subsidiaries / Step down Subsidiaries :-

Alliance Mall Developers Co Private Limited  
 Royal Mall Private Limited  
 Jaipur Festival City Private Limited  
 Prozone Liberty International Ltd, Singapore  
 Prozone International Ltd, Singapore [Refer Note no. 23 (I)]  
 Omni Infrastructure Private Limited  
 Empire Mall Private Limited  
 Hagwood Commercial Developers Private Limited  
 Kruti Multitrade Private Limited

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### iii) Joint Ventures and Coventurers :-

Emerald Buildhome Private Limited

Moontown Trading Company Private Limited

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

Provogue (India) Limited

#### Related Party Transactions

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
<b>(I) Transactions</b>				
<b>Sale of services</b>				
Subsidiaries / Step down Subsidiaries	807.48		886.05	
Alliance Mall Developers Co. Private Limited		370.36		340.18
Empire Mall Private Limited		189.34		177.97
Hagwood Commercial Developers Private Limited.		247.78		273.96
Omni Infrastructure Private Limited		-		93.94
<b>Rent Paid</b>				
Enterprises having same key management personnel	120.00		120.00	
Provogue (India) Limited		120.00		120.00
<b>Interest Income</b>				
Subsidiaries / Step down Subsidiaries	537.73		658.2	
Empire Mall Private Limited		510.90		658.20
<b>Remuneration to Key Management Personnel</b>	196.19		204.00	
Mr. Nikhil Chaturvedi		84.00		84.00
Mr. Salil Chaturvedi		60.00		60.00
Mr. Nigam Patel		20.00		60.00
Mr. Anurag Garg		26.04		-
<b>Sundry Balances Written off</b>				
Subsidiaries / Step down Subsidiaries	60.44		-	
Omni Infrastructure Private Limited		60.44		-



## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
<b>Loans given</b>				
Subsidiaries / Step down Subsidiaries	780.19		1,491.27	
Omni Infrastructure Private Limited		33.01		547.49
Empire Mall Private Limited		508.15		638.40
Hagwood Commercial Developers Private Limited.		230.97		162.47
Prozone Liberty International Limited, Singapore		-		131.87
<b>Repayment of loans given</b>				
Subsidiaries / Step down Subsidiaries	222.52		394.12	
Empire Mall Private Limited		144.83		176.39
Hagwood Commercial Developers Private Limited.		68.48		104.24
Prozone Liberty International Limited, Singapore		-		54.40
Prozone International Limited, Singapore [Refer Note no. 23 (I)]		-		48.05
<b>Repayment of loans taken</b>				
Enterprises having same key management personnel	-		23.30	
Provogue (India) Limited		-		23.30
<b>Key Management Personnel</b>	-		11.04	
Mr. Salil Chaturvedi		-		9.47
<b>(II) Balance outstanding at the end of the year</b>				
<b>Trade Receivables</b>				
Subsidiaries / Step down Subsidiaries	570.00		353.60	
Omni Infrastructure Private Limited		1.52		69.43
Empire Mall Private Limited		248.46		96.66
Hagwood Commercial Developers Private Limited.		303.85		175.33
<b>Trade Payable</b>				
Enterprises having same key management personnel	132.02		95.22	
Provogue (India) Limited		132.02		95.22

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
<b>Loans given</b>				
Subsidiaries / Step down Subsidiaries	9,104.06		8,003.15	
Prozone Liberty International Limited, Singapore		140.27		134.75
Omni Infrastructure Private Limited		2,083.03		2,039.71
Empire Mall Private Limited		6,607.83		5,733.61
Hagwood Commercial Developers Private Limited.		236.09		58.23
Joint Ventures and Coventurers	277.80		277.80	
Moontown Trading Company Private Limited. (JV)		277.80		277.80
<b>Loans taken</b>				
Joint Ventures and Coventurers	1,729.49		1,729.49	
Emerald Buildhome Private Limited.(JV)		1,729.49		1,729.49
<b>Remuneration Payable</b>	6.29		3.62	
Mr. Salil Chaturvedi		3.61		3.62
Mr. Anurag Garg		2.20		-

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

#### Note:

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

- F)** The Company is mainly engaged in the business of designing, developing, owning and operating of Shopping Malls, Commercial and Residential Premises through its various SPVs. The Company is also providing related management consultancy services to its SPVs. There is no other reportable business segment as per Accounting Standard (AS-17) "Segment Reporting".
- G)** The name of the Company has been changed from 'Prozone Capital Shopping Centres Limited' to 'Prozone Intu Properties Limited' vide special resolution passed through postal ballot on 12th June, 2014. The Registrar of Companies, Mumbai has issued a fresh Certificate of Incorporation to this effect on 24th July, 2014, being the effective date of change of name of the company.
- H)** The Company has revised depreciation rates on tangible fixed assets w.e.f. April 01, 2014 as per the useful life specified in the Schedule II of the Companies Act, 2013 or as re-assessed by the Company. As prescribed in Schedule II, an amount of ₹ 10.37 lacs (net of deferred tax) has been charged to the opening balance of retained earnings for the assets in respect of which the remaining useful life is NIL as on April 01, 2014 and in respect of other assets on that date, depreciation has been calculated based on the remaining useful life of those assets. Had the Company continued with the previously applicable Schedule XIV rates, charge for depreciation for the current year ended on March 31, 2015 would have been lower and net profit would have been higher by ₹ 80.60 lacs.

## NOTES TO FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

- I) During the previous year, the Office of Registrar of Companies, Accounting and Corporate Regulatory Authority (ACRA) Singapore, vide its Order dated 27th May, 2013 confirmed the amalgamation of Prozone International Limited, Singapore (PIL-S) with Prozone Liberty International Limited, Singapore (PLIL-S) with effect from 30th April, 2013 being the appointed date. Accordingly, all assets and liabilities owned by PIL-S as on 30th April, 2013 shall stand transferred to PLIL-S.
- J) **Disclosure with regards to section 186 (4) of the Companies Act, 2013**
- For Investment refer note no. 10.
  - For Corporate Guarantees given refer note no. 23(A)(i).
  - During the year, the Company had given the unsecured loans to certain parties for the General Corporate purpose. The full particulars of the loans given is as below :

	(₹ in Lacs)
Particulars	Closing Balance
Wholly Owned Subsidiaries	177.12
Subsidiaries and Joint Ventures	9,204.74
Others	1,745.08
<b>Total</b>	<b>11,126.94</b>

#### Notes :

- Loans given to Wholly Owned Subsidiaries are interest free.
  - Out of loans given to Subsidiaries and Joint Venture Companies, loan amounting to ₹ 7003.61 lacs carries interest @ 8.50% p.a.
  - Loans given to others carries interest between 9% p.a. to 10% p.a.
- K) Figures less than ₹ 500/- have been shown at actual wherever statutory required to be disclosed since figures have been rounded off to the nearest thousands
- L) The Company has re-grouped, reclassified and/or re-arranged previous year's figures, wherever necessary to conform to current year's classification.

As per our report of even date attached

#### For S G C O & Co.

Chartered Accountants

#### Shyamratan Singrodia

Partner

Mem. No. 49006

Place : Mumbai

Date : 20th May, 2015

#### For and on behalf of the Board

#### Nikhil Chaturvedi

Managing Director

DIN : 00004983

#### Anurag Garg

Chief Financial Officer

#### Salil Chaturvedi

Dy. Managing Director

DIN : 00004768

#### Snehal Bansode

Company Secretary

# INDEPENDENT AUDITOR'S REPORT

To the Members of

**Prozone Intu Properties Limited** (Formerly Known as Prozone Capital Shopping Centres Limited)

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Prozone Intu Properties Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, comprising the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entities in accordance with the accounting principles generally accepted in India, the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interest in Joint Ventures). The respective Board of Directors of the companies included in the Group and of the jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

## Basis for Qualified Opinion

The aforesaid consolidated financial statements includes unaudited financial statements / financial information of one subsidiary viz. Omni Infrastructure Private Limited (India) and joint venture of its subsidiary viz., Emerald Build home Private Limited (India), which are material to the Group reflect total assets of ₹ 11,497.94 lacs as at 31st March, 2015, total revenues of ₹ 6.47 lacs and net cash outflows amounting to ₹ 2.28 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on such unaudited financial statements / financial information.

## Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India, of the consolidated state of affairs of the Holding company, subsidiary companies and its jointly controlled entities as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Other Matters

Apart from one subsidiary and joint venture Company mentioned in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements also includes unaudited financial statements / financial information of three subsidiaries viz. Prozone Liberty International Limited (Singapore), Prozone Overseas Pte Limited (Singapore) and Prozone International Coimbatore Limited (Singapore), which are not material to the Group reflect total assets of ₹ 9.08 lacs as at 31st March, 2015, total revenues of ₹ Nil and net cash inflows amounting to ₹ 0.16 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and its jointly controlled entities incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by sub-section 3 of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and its jointly controlled entities incorporated in India, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements

have been kept so far as it appears from our examination of those books.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015, taken on record by the Board of Directors of the Holding Company and based on the auditor's reports of its subsidiary companies and its jointly controlled entities incorporated in India, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities incorporated in India – Refer Note 14 (b) and 30 (H)(iii)& (iv) to the consolidated financial statements.
  - ii. The Holding Company, its subsidiary companies and its jointly controlled entities incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its jointly controlled entities incorporated in India.

**For S G C O & Co.**

Chartered Accountants  
Firm Reg No. 112081W

**Shyamratan Singrodia**

Partner

Mem. No. 49006

Place : Mumbai

Date : 20th May, 2015



## ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

As stated in Para 1 of 'Report on Other Legal and Regulatory Requirements' in our Auditors' report to the Members of Prozone Intu Properties Limited of even date, the following statement is based on the comments in the auditor's report on the standalone financial statement of the Holding Company, its subsidiary companies and jointly controlled entities incorporated in India.

- (i) a) The Holding Company, its subsidiary companies and jointly controlled entities incorporated in India have maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The Fixed Assets have been physically verified during the year at reasonable interval by the management of the Holding Company, its subsidiary companies and jointly controlled entities incorporated in India. In our opinion the frequency of verification is reasonable having regard to the size of the respective Company and the nature of its assets. No discrepancies have been noticed on such physical verification.
- (ii) a) The inventories represent Construction Work-in-Progress comprising of cost of acquisition of the plot of land and expenditure incurred for development thereof by the subsidiary companies. The said inventories have been physically verified by management during the year at reasonable intervals. In our opinion, considering the nature of inventories, the procedure of physical verification followed by the management was reasonable and adequate in relation to size of the respective Company and nature of its business. The respective Company has maintained proper records of the inventories and no material discrepancies were noticed on physical verification of inventory by the management.
- (iii) The Holding Company, its subsidiary companies and jointly controlled entities incorporated in India have not granted any loans secured or unsecured to the parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a) and (b) of the said Order is not applicable.
- (iv) In our opinion and according to the information and explanations obtained by the statutory auditors of the Holding Company, its subsidiary companies and jointly controlled entities incorporated in India, these companies have an adequate internal control system commensurate with the respective size of each Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of services except that for one subsidiary company incorporated in India with regard to sale of services where the internal control system needs to be strengthened. There are no other major

weaknesses in the internal control system in any of these companies.

- (v) The Holding Company, its subsidiary companies and its jointly controlled entities incorporated in India have not accepted any deposits in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) In respect of the three subsidiary companies incorporated in India, based on the information submitted by the Company, the books of accounts wherever applicable pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act have been made and maintained however the respective statutory auditor have not reviewed the prescribed records. However, in case of the Holding Company, its remaining subsidiary companies and jointly controlled entities incorporated in India, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act
- (vii) a) According to the information and explanations given to the statutory auditors and on the basis of examination of the records of the Holding Company, its subsidiary companies and jointly controlled entities incorporated in India, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess, to the extent applicable, have been regularly deposited with the appropriate authorities except delays in certain cases of Tax Deducted at Source (TDS), Service Tax, Provident Fund and ESIC of Holding Company and Subsidiary Companies incorporated in India. Undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2015 for a period more than six months from the date they became payable are as under :

Particulars	Name of the Statute	Amount (₹ in lacs)
Subsidiary Companies	TDS	23.07
	Service Tax	120.06
	Provident Fund	3.01
	Total	149.48

- b) According to the information and explanations given to the statutory auditors and on the basis of examination of the records of the Holding Company, its subsidiary companies and jointly controlled entities incorporated in India, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and

Cess which have not been deposited on account of any dispute with the relevant authorities are given below:

Particulars	Name of Statute	Amount (₹ in lacs)	Period to which amount relates	Forum where dispute is pending
Holding Company	Income Tax	14.87	2010-11	ITAT (Appeals)
Subsidiary Company	Income Tax	6.59	2008-09 to 2012-13	ITAT (Appeals)
<b>Total</b>		<b>21.46</b>		

- c) According to the information and explanations given to the statutory auditors of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India, there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) On a consolidated basis, the Holding Company, its subsidiaries and jointly controlled entities, incorporated in India have accumulated losses not more than fifty per cent of its net worth at the end of the year and have not incurred cash losses in the financial year and in the immediately preceding financial year
- (ix) According to the information and explanations given to the statutory auditors, one subsidiary company has not defaulted in repayment of its dues to banks; another one subsidiary company has repaid dues to banks which was delayed by few days beyond stipulated date by the end of the year except for ₹ 268.76 lacs; and Holding Company, remaining subsidiary companies and jointly controlled entities incorporated in India do not have any facilities from banks, financial institutions and have not issued any debentures.
- (x) According to the information and explanations given to the statutory auditors, the Holding Company, its subsidiary companies and jointly controlled entities incorporated in India have not given any guarantee for loan taken by others from bank or financial institution.
- (xi) In our opinion and according to the information and explanations obtained by the statutory auditors, in case of one subsidiary company, the term loan has applied for the purpose they were obtained; and the Holding Company, remaining subsidiary companies and jointly controlled entities incorporated in India have not raised any term loan during the year.
- (xii) According to the information and explanations given to the statutory auditors of the Holding Company, its subsidiary companies and jointly controlled entities incorporated in India no instances of fraud on or by each company have been noticed or reported during the course of audit by the respective statutory auditors of the Holding Company, its subsidiary companies and jointly controlled entities incorporated in India.

**For S G C O & Co.**  
Chartered Accountants  
Firm Reg No. 112081W

**Shyamratan Singrodia**  
Partner  
Mem. No. 49006

Place : Mumbai  
Date : 20th May, 2015

# CONSOLIDATED BALANCE SHEET

as at 31st March, 2015

(₹ in Lacs)

Particulars	Notes	As at 31.03.2015	As at 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	3,052.06	3,052.06
Reserves & surplus	3	46,903.22	47,566.80
		<b>49,955.28</b>	<b>50,618.86</b>
<b>Minority Interest</b>			
		<b>19,135.53</b>	<b>19,720.70</b>
<b>Non-current Liabilities</b>			
Long-term borrowings	4	21,755.23	17,580.38
Deferred tax liabilities (net)	5	-	41.23
Other long-term liabilities	6	4,392.63	2,771.18
Long-term provisions	7	5.92	2.49
		<b>26,153.78</b>	<b>20,395.28</b>
<b>Current Liabilities</b>			
Trade payables	8	1,878.60	1,480.90
Other current liabilities	9	5,669.28	5,657.03
Short term provisions	10	598.22	481.27
		<b>8,146.10</b>	<b>7,619.20</b>
<b>Total</b>		<b>103,390.69</b>	<b>98,354.04</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets	11		
Tangible assets		41,713.53	40,054.83
Intangible assets		200.00	200.00
Capital work in progress		9,567.93	4,411.25
Goodwill on consolidation		10,976.15	10,976.15
Non-current investments	12	1,964.03	2,464.03
Deferred tax assets (net)	13	100.30	-
Long-term loans and advances	14	8,984.26	5,490.31
Other non-current assets	15	0.01	103.38
		<b>73,506.21</b>	<b>63,699.95</b>
<b>Current Assets</b>			
Current investments	16	-	2,180.28
Inventories	17	15,578.30	19,238.92
Trade receivables	18	7,246.87	6,443.23
Cash and bank balances	19	1,411.81	747.77
Short-term loans and advances	20	5,521.18	6,043.67
Other current assets	21	126.32	0.21
		<b>29,884.48</b>	<b>34,654.09</b>
<b>Total</b>		<b>103,390.69</b>	<b>98,354.04</b>
<b>Significant Accounting Policies</b>	1		
<b>Accompanying Notes to Accounts</b>	30		

As per our report of even date attached

**For S G C O & Co.**

Chartered Accountants

**Shyamratan Singrodia**

Partner

**Mem. No. 49006**

Place : Mumbai

Date : 20th May, 2015

ANNUAL REPORT 2015

**For and on behalf of the Board**

**Nikhil Chaturvedi**

Managing Director

DIN : 00004983

**Anurag Garg**

Chief Financial Officer

**Salil Chaturvedi**

Dy. Managing Director

DIN : 00004768

**Snehal Bansode**

Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Notes	Year ended 31.03.2015	Year ended 31.03.2014
<b>INCOME</b>			
Revenue from Operations	22	6,383.58	5,237.46
Other Income	23	418.01	646.04
<b>Total Revenue</b>		<b>6,801.59</b>	<b>5,883.50</b>
<b>EXPENSES</b>			
Cost of Construction Project	24	2,274.45	873.15
Employee Benefits Expenses	25	271.90	233.54
Finance Costs	26	1,593.33	1,706.20
Depreciation	11	1,647.20	2,066.88
Other Expenses	27	2,133.02	2,637.56
<b>Total Expenses</b>		<b>7,919.90</b>	<b>7,517.33</b>
<b>Profit / (Loss) before tax and exceptional items</b>		<b>(1,118.31)</b>	<b>(1,633.83)</b>
<b>Less:</b>			
Exceptional items	28	80.98	-
<b>Profit / (Loss) before tax</b>		<b>(1,199.29)</b>	<b>(1,633.83)</b>
<b>Less: Tax expense</b>			
Current tax		246.96	171.90
MAT Credit Entitlement		(75.30)	-
Deferred tax liability / (assets)		(135.80)	13.90
Tax of earlier years		(0.03)	4.04
		35.83	189.84
<b>Profit / (Loss) after tax before Minority Interest</b>		<b>(1,235.12)</b>	<b>(1,823.67)</b>
<b>Minority Interest</b>		<b>(585.17)</b>	<b>(907.46)</b>
<b>Profit / (Loss) for the year</b>		<b>(649.95)</b>	<b>(916.21)</b>
<b>Earnings per equity share</b>	29		
[Nominal value of share ₹ 2 (PY ₹ 2) each]			
Basic and Diluted		(0.43)	(0.60)
<b>Significant Accounting Policies</b>	1		
<b>Accompanying Notes to Accounts</b>	30		

As per our report of even date attached

**For S G C O & Co.**

Chartered Accountants

**Shyamratan Singrodia**

Partner

**Mem. No. 49006**

Place : Mumbai

Date : 20th May, 2015

**For and on behalf of the Board**

**Nikhil Chaturvedi**

Managing Director

DIN : 00004983

**Salil Chaturvedi**

Dy. Managing Director

DIN : 00004768

**Anurag Garg**

Chief Financial Officer

**Snehal Bansode**

Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) before tax and before extraordinary items	(1,118.31)	(1,633.83)
Adjustments for :		
Depreciation	1,647.20	2,066.88
Interest income	(383.12)	(571.34)
Dividend income	(34.89)	(74.69)
Interest paid	1,590.59	1,703.43
Bad debts written off	62.11	19.57
Sundry balance written back	-	(0.01)
<b>Operating profit before working capital changes</b>	<b>1,763.58</b>	<b>1,510.01</b>
Adjustments for :		
Increase / (Decrease) in Trade payables	397.70	765.54
Increase / (Decrease) in Other current liabilities	12.25	1,258.53
Increase / (Decrease) in Long-term provisions	3.43	(6.18)
Increase/(Decrease) in Short term provisions	116.95	312.15
Increase / (Decrease) in Other long- term liabilities	1,621.45	1,827.12
Decrease / (Increase) in Trade receivables	(865.75)	(1,381.32)
Decrease / (Increase) in Other Non - current assets	103.37	(30.22)
Decrease / (Increase) in Inventories	349.78	(1,786.00)
Decrease / (Increase) in Other current assets	(126.11)	1.49
<b>Cash generated from / (used in) operations</b>	<b>3,376.66</b>	<b>2,471.12</b>
Direct taxes paid	(246.93)	(175.94)
Exceptional items	(80.98)	-
<b>Net cash flow from / (used in) operating activities</b>	<b>3,048.75</b>	<b>2,295.18</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(25.37)	(119.03)
Capital work in progress	(5,144.01)	(2,298.00)
Proceeds from non-current investments (Net)	500.00	-
Proceeds from current investments (Net)	2,180.28	601.50
Decrease / (Increase) in Long-term loans and advances	(3,418.65)	(472.21)
Decrease / (Increase) in Short-term loans and advances	522.49	(1,468.65)
Interest income	383.12	571.34
Dividend income	34.89	74.69
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	(40.48)	(45.60)
<b>Net cash flow from / (used in) investment activities</b>	<b>(5,007.72)</b>	<b>(3,155.96)</b>



## CONSOLIDATED CASH FLOW STATEMENT

### for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Short - term borrowings (Net)	-	(34.34)
Proceeds from Long - term borrowings (Net)	4,174.85	2,351.94
Interest paid	(1,590.59)	(1,703.43)
<b>Net cash flow from / (used in) financing activities</b>	<b>2,584.26</b>	<b>614.17</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>625.29</b>	<b>(246.61)</b>
Foreign Currency Translation Reserve	(1.73)	(20.07)
<b>Cash and Cash Equivalents</b>		
- at the beginning of the year	251.16	517.84
<b>Cash and Cash Equivalents at the end of the year</b>	<b>874.72</b>	<b>251.16</b>

#### Notes:

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

(₹ in Lacs)

Particulars	Asat 31.03.2015	Asat 31.03.2014
Balances with Banks:		
On Current Accounts	844.22	203.24
Cheque on Hand	-	6.00
Cash on Hand	27.53	38.95
Add: Share in joint venture	2.97	2.97
	<b>874.72</b>	<b>251.16</b>

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

As per our report of even date attached

**For S G C O & Co.**

Chartered Accountants

**Shyamratan Singrodia**

Partner

**Mem. No. 49006**

Place : Mumbai

Date : 20th May, 2015

**For and on behalf of the Board**

**Nikhil Chaturvedi**

Managing Director

DIN : 00004983

**Anurag Garg**

Chief Financial Officer

**Salil Chaturvedi**

Dy. Managing Director

DIN : 00004768

**Snehal Bansode**

Company Secretary

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### CORPORATE INFORMATION:

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

### NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

#### (A) Basis of preparation of financial statements :

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

#### (B) Principles of Consolidation:

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

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

- i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss.
- ii) The financial statements of the Company and its Joint Ventures have been consolidated using the proportionate consolidation method.
- iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- iv) While preparing Consolidated Financial Statements, the foreign exchange adjustments have been carried out as per Accounting Standard 11 – "Accounting for effects of changes in Foreign Exchange Rates" on following basis:
  - a) The summarized revenue and expenses transactions at the year-end reflected in Profit and Loss Account of the foreign subsidiaries, which are stated in the currency of their domicile, are translated into Indian Rupees at an average exchange rate.
  - b) All monetary items reflected in the Balance Sheet of the foreign subsidiaries which are stated in the currency of their domicile, are translated into Indian Rupees at the year-end closing exchange rate and Non-monetary items are translated at the exchange rate at the date of transaction.
  - c) The resultant translation exchange gain/loss in case of non-integral foreign operations is disclosed as Foreign Exchange Translation Reserve in Reserves & Surplus Schedule in the Accounts.
- v) The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognized in the financial statements as goodwill.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

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

### (C) Other Significant Accounting Policies:

#### i) Use of Estimates:

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

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

#### ii) Revenue Recognition:

- a) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- b) Income earned by way of leasing or renting out of commercial premises is recognised as income in accordance with Accounting Standard 19 on "Leases" (AS 19). Initial direct costs are recognised as expense on accrual basis in the Statement of Profit and Loss.
- c) The Company follows the percentage of project completion method for its projects. Under this method the Company recognizes revenue in proportion to the actual cost incurred as against the total estimated cost of the project under execution subject to completion of construction work to a certain level depending on the type of the project.
  - Land & TDR cost is not included in computing the percentage of project completion for recognizing revenue.
  - Revenue is recognized either on execution of an agreement or a letter of allotment.
  - The estimates relating to percentage of completion, cost to completion, saleable area, etc. being technical in nature are revised periodically by the management and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognized in the period in which such changes are determined.
- d) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- e) Dividend income is recognised when the right to receive payment is established.

#### iii) Fixed Assets:

- a) Fixed Assets are stated at cost less accumulated depreciation and impairments loss, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for intended use. Indirect preoperative expenses and borrowing costs attributable to construction or acquisition of Fixed Assets for the period up to the completion of construction or acquisition of Fixed Assets are capitalised.
- b) Intangible Fixed Assets are recognised only if they are separately identifiable and the Company controls the future economic benefits arising out of them. Intangible assets are stated at cost less accumulated amortisation and impairment.

#### iv) Expenditure during construction

- a) Expenditure of capital nature incurred during construction period in respect of a project being executed by the Company is grouped under capital work in progress. Such expenditure would be capitalized upon the commencement of commercial operation of the project.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

- b) Incidental expenditure during construction pending allocation included in capital work in progress represents expenditure incurred in connection with the project which is intended to be capitalized to the project.

### **v) Impairment of Fixed Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **vi) Depreciation and Amortisation:**

#### **a) Tangible Assets**

- i. Leasehold Land is amortised over the remaining period of the Lease.
- ii. Depreciation on Fixed Assets is provided on 'Written down value method' based on useful life of assets and in the manner specified in the Schedule II of the Companies Act, 2013.

#### **b) Intangible Assets**

Computer software are amortised on Straight Line Method over a period of five years.

### **vii) Inventories:**

Construction work in progress includes cost of land, premium for development rights, construction costs, borrowing costs and other allocated overheads incidental to the projects undertaken by the Company.

### **viii) Investments:**

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

### **ix) Borrowing Costs:-**

Borrowing costs are recognised as an expense in the period in which they are incurred except the borrowing cost attributable to be acquisitions\ constructions of a qualifying assets which are capitalised as a part of the cost of the fixed assets, upto the date, the assets are ready for its intended use.

### **x) Miscellaneous Expenditure:**

- a) Preliminary expenses are amortized in the year in which they are incurred.
- b) Expenses on preferential issue of shares/warrants are written off against the securities premium received.

### **xi) Employee Benefits:**

- a) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss.
- b) Liability for leave encashment benefits has been provided on accrual basis.
- c) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### **xii) Provisions and Contingent Liabilities:**

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

#### **xiii) Foreign Currency Transactions:**

- a) The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transactions.
- b) The difference on account of fluctuation in the rate of exchange, prevailing on the date of transaction and the date of realization is charged to the Statement of Profit & Loss.
- c) Non-monetary items are reported at the exchange rate at the date of transaction.
- d) Differences on translation of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the statement of Profit and Loss.
- e) The premium in respect of forward exchange contract is amortized over the life of the contract. The net gain or loss on account of any exchange difference, cancellation or renewal of such forward exchange contracts is recognized in the Statement of Profit & Loss.

#### **xiv) Accounting for Taxation of Income :**

##### **Current Taxes:**

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

##### **Deferred Taxes:**

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



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 2. SHARE CAPITAL

Particulars	(₹ in Lacs)	
	As at 31.03.2015	As at 31.03.2014
<b>Authorised</b>		
2,002.50 lacs Equity Shares of ₹ 2 each	4,005.00	4,005.00
	<b>4,005.00</b>	<b>4,005.00</b>
<b>Issued, Subscribed and Fully Paid Up</b>		
1,526.03 lacs Equity Shares of ₹ 2 each fully paid up	3,052.06	3,052.06
	<b>3,052.06</b>	<b>3,052.06</b>

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

Particulars	As at 31.03.2015		As at 31.03.2014	
	No. in Lacs	₹ in Lacs	No. in Lacs	₹ in Lacs
<b>(Face Value of ₹ 2 each)</b>				
At the beginning of the period	1,526.03	3,052.06	1,526.03	3,052.06
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1,526.03</b>	<b>3,052.06</b>	<b>1,526.03</b>	<b>3,052.06</b>

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

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

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

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

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

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

Name of Shareholders	As at 31.03.2015		As at 31.03.2014	
	No. in Lacs	% holding	No. in Lacs	% holding
Nailsfield Limited, Mauritius (Aggregate of shareholding under FDI & FII route)	494.11	32.38	494.11	32.38
Nikhil Chaturvedi			106.12	6.95
Nikhil Chaturvedi (in his capacity as trustee of Nikhil Chaturvedi Family Trust)	140.51	9.21		-
Salil Chaturvedi (in his capacity as trustee of Salil Chaturvedi Family Trust)	137.33	9.00	102.95	6.75

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 3. RESERVES AND SURPLUS

Particulars	(₹ in Lacs)	
	As at 31.03.2015	As at 31.03.2014
<b>Amalgamation Reserve</b>		
Balance at the beginning and end of the year	688.75	688.75
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	948.51	968.58
Add / (Less) : Adjustments during the year	(1.73)	(20.07)
	<b>946.78</b>	<b>948.51</b>
<b>Capital Reserve on Consolidation</b>		
Balance at the beginning and end of the year	7.20	7.20
<b>Securities Premium</b>		
Balance at the beginning and end of the year	48,130.60	48,130.60
<b>Surplus / (deficit) in the Statement of Profit and Loss</b>		
Opening Balance	(2,208.26)	(1,292.05)
Add / (Less) : Profit / (Loss) during the year	(649.95)	(916.21)
Less : Adjustment pursuant to note no 7(b) of Schedule II of Companies Act, 2013 (Net of Deferred tax) (Refer note no. 30(G))	11.91	-
Closing Balance	<b>(2,870.12)</b>	<b>(2,208.26)</b>
	<b>46,903.22</b>	<b>47,566.80</b>

### NOTE 4. LONG - TERM BORROWINGS

Particulars	(₹ in Lacs)	
	As at 31.03.2015	As at 31.03.2014
<b>Secured</b>		
<b>Term Loans</b>	23,592.13	18,836.89
Less: Interest accrued but not due on borrowings	315.13	161.17
Less: Current maturities of long term debt (disclosed under other current liabilities)	2,416.53	2,008.95
	<b>20,860.47</b>	<b>16,666.77</b>
<b>Hire Purchase Loans</b>	48.82	67.92
Less: Current maturities of long term Debt (disclosed under other current liabilities)	18.85	19.10
	<b>29.97</b>	<b>48.82</b>
	<b>20,890.44</b>	<b>16,715.59</b>
<b>Unsecured</b>		
Interest free loans and advances from related parties	864.79	864.79
	<b>864.79</b>	<b>864.79</b>
<b>Total</b>	<b>21,755.23</b>	<b>17,580.38</b>

#### Other Disclosures Pursuant to Secured Loans

##### a) Term Loans

- (i) Term loan taken from various banks carries interest in the range of 12% p.a. to 13.75% p.a.. The said loans are secured by way of mortgage / hypothecation of various current and non-current asset of the respective Companies and which is Repayable over a period of 3 to 8 years.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

- (ii) The above loans are further secured by corporate guarantee of the Holding Company - Prozone Intu Properties Limited (Formerly Known as Prozone Capital Shopping Centers Limited.)

#### b) Hire Purchase Loans

Hire Purchase loans are secured by hypothecation of respective vehicle financed and which is repayable over a period of 3 to 5 years. The said loans carries interest in the range of 10.40% p.a. to 12.50% p.a.

#### NOTE 5 : DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Deferred Tax Liabilities (Gross)</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	-	12.74
Impact of income charged to the statement of profit and loss in the current year but allowed for tax purposes on receipt basis - Lease Rental Adjustments - Unbilled Revenue	-	33.60
	-	46.34
<b>Less:</b>		
<b>Deferred Tax Assets (Gross)</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	5.11
	-	5.11
<b>Deferred Tax Liabilities (Net)</b>	<b>-</b>	<b>41.23</b>

#### NOTE 6 : OTHER LONG-TERM LIABILITIES

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
Lease Deposits from Tenants	4,391.84	2,770.39
Add: Share in Joint Ventures	0.79	0.79
	<b>4,392.63</b>	<b>2,771.18</b>

#### NOTE 7 : LONG-TERM PROVISIONS

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Provision for employees' benefits</b>		
Provision for gratuity	5.92	2.49
	<b>5.92</b>	<b>2.49</b>

#### NOTE 8 : TRADE PAYABLES

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Trade payables</b>		
- Due to Micro, Small & Medium Enterprises (Refer note below)	57.59	-
- Others	1,820.83	1,480.79
Add: Share in joint venture	0.18	0.11
	<b>1,878.60</b>	<b>1,480.90</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### Note :

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

Particulars	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
The principal amount remaining unpaid to any supplier as at the end of accounting year ;	57.59	-
interest due thereon remaining unpaid at the end of accounting year;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

#### NOTE 9 : OTHER CURRENT LIABILITIES

Particulars	(₹ in Lacs)	
	As at 31.03.2015	As at 31.03.2014
Current maturities of long term debt	2,435.38	2,028.05
Interest accrued but not due on borrowings	366.45	179.43
Payables in respect of capital assets	1,113.06	1,114.37
Advance from customers	1,049.53	1,928.63
Duties & taxes payable	598.00	406.55
Other Liabilities	106.86	-
	<b>5,669.28</b>	<b>5,657.03</b>

#### NOTE 10 : SHORT TERM PROVISIONS

Particulars	(₹ in Lacs)	
	As at 31.03.2015	As at 31.03.2014
Provision for employee benefits expense	87.91	94.26
Provision for gratuity	8.60	1.83
Provision for expenses	425.27	385.18
Provision for Tax (Net of Advance Tax & TDS)	76.44	-
	<b>598.22</b>	<b>481.27</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 11 : FIXED ASSETS

(₹ in Lacs)										
a) Tangible Assets										
Particulars	Gross Block			Depreciation				Net Block		
	As at 01.04.2014	Additions during the year	Deduction during the year	As at 31.03.2015	Upto 31.03.2014	Provided for the year	Adjustments for the year *	Consolidation Adjustments	Upto 31.03.2015	As at 31.03.2015
<b>Owned :</b>										
Leasehold Land	3,795.75	-	-	3,795.75	462.51	63.79	-	-	526.30	3,269.45
Free hold Land **	19,530.13	3,310.84	-	22,840.97	-	-	-	-	-	22,840.97
Building	141.73	22.35	-	164.08	35.35	5.73	-	-	41.08	123.00
Residential Premises	31.74	-	-	31.74	8.68	1.15	-	-	9.83	21.91
Plant & Equipments	5,665.27	0.09	0.64	5,664.72	2,320.46	812.83	17.21	41.78	3,108.72	2,556.00
Furniture's & Fittings	615.46	0.67	-	616.13	377.84	100.54	(0.06)	-	478.32	137.81
Motor Vehicles	479.59	-	-	479.59	309.15	72.48	(0.02)	-	381.61	97.98
Painting	8.82	-	-	8.82	4.82	0.39	-	-	5.21	3.61
Computers	138.05	2.90	-	140.95	108.46	19.55	0.50	-	128.51	12.44
<b>Total</b>	<b>30,406.54</b>	<b>3,336.85</b>	<b>0.64</b>	<b>33,742.75</b>	<b>3,627.27</b>	<b>1,076.46</b>	<b>17.63</b>	<b>41.78</b>	<b>4,679.58</b>	<b>29,063.16</b>
<b>Given on Operating Lease:</b>										
Building	17,475.24	-	-	17,475.24	5,358.53	655.27	-	30.08	5,983.72	11,491.52
<b>Total</b>	<b>17,475.24</b>	<b>-</b>	<b>-</b>	<b>17,475.24</b>	<b>5,358.53</b>	<b>655.27</b>	<b>-</b>	<b>30.08</b>	<b>5,983.72</b>	<b>11,491.52</b>
<b>Total</b>	<b>47,881.78</b>	<b>3,336.85</b>	<b>0.64</b>	<b>51,217.99</b>	<b>8,985.80</b>	<b>1,731.73</b>	<b>17.63</b>	<b>71.86</b>	<b>10,663.30</b>	<b>40,554.68</b>
Add: Share in joint ventures	1,158.85	-	-	1,158.85	-	-	-	-	-	1,158.85
<b>Grand Total</b>	<b>49,040.63</b>	<b>3,336.85</b>	<b>0.64</b>	<b>52,376.84</b>	<b>8,985.80</b>	<b>1,731.73</b>	<b>17.63</b>	<b>71.86</b>	<b>10,663.30</b>	<b>41,713.53</b>
Previous Year	48,921.60	119.03	-	49,040.63	6,905.19	2,168.47	-	87.86	8,985.80	40,054.83

\* Refer note no. 30(G).

\*\* During the year, a portion of freehold land is converted from inventory to capital assets due to change in intended use of the said portion of land.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

b) Intangible Assets										(₹ in Lacs)	
Particulars	Gross Block			Depreciation			Net Block				
	As at 01.04.2014	Additions during the year	Deduction during the year	As at 31.03.2015	Upto 31.03.2014	Provided for the year	Adjustments for the year *	Consolidation Adjustments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Computer Software	26.27	-	-	26.27	26.27	-	-	-	26.27	-	-
Add: Share in joint venture (Development Rights)	200.00	-	-	200.00	-	-	-	-	-	200.00	200.00
<b>Total</b>	<b>226.27</b>	<b>-</b>	<b>-</b>	<b>226.27</b>	<b>26.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.27</b>	<b>200.00</b>	<b>200.00</b>
Previous Year	226.27	-	-	226.27	23.29	2.98	-	-	26.27	200.00	-
<b>c) Capital Work in Progress - Project Expenses Pending Capitalisation</b>										<b>9,567.93</b>	<b>4,411.25</b>
<b>d) Depreciation / Amortisation for the year</b>											
Depreciation provided for the year on tangible assets										1,731.73	2,168.47
Amortisation provided for the year on intangible assets										-	2.98
Consolidation adjustments for the year on tangible assets										(71.86)	(87.86)
										<b>1,659.87</b>	<b>2,083.59</b>
Less: Capitalised to the cost of Capital Work in Progress during the year										12.67	16.71
										<b>1,647.20</b>	<b>2,066.88</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 12 : NON-CURRENT INVESTMENTS

(₹ In Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
Investment in property	5.15	5.15
<b>Non-Trade Investments</b>		
<b>Unquoted Equity Instruments</b>		
Choice Realty Private Limited (0.08 Lakh Equity Shares of Face value of ₹ 10 each fully paid up)	50.00	50.00
Rigveda Properties Limited (0.25 Lakh (P.Y 0.50 Lakh) Equity Shares of Face value of ₹ 10 each fully paid up)	500.00	1,000.00
Anant Trexim Private Limited (0.40 Lakh Equity Shares of Face value of ₹ 10 each fully paid up)	40.00	40.00
Shine Enterprises Private Limited (0.23 Lakh Equity Shares of Face value of ₹ 100 each fully paid up)	598.00	598.00
Sai Golden Ingots Private Limited (0.20 Lakh Equity Shares of Face value of ₹ 100 each fully paid up)	100.00	100.00
Jorko Commodities Private Limited (0.50 Lakh Equity Shares of Face value of ₹ 10 each fully paid up)	25.00	25.00
Madhujas Promotions Private Limited (0.125 Lakh Equity Shares of Face value of ₹ 10 each fully paid up)	10.00	10.00
Sojatia Auto Private Limited (0.165 Lakh Equity Shares of Face value of ₹ 100 each fully paid up)	160.88	160.88
Trade Winds Impex Private Limited (0.20 Lakh Equity Shares of Face value of ₹ 10 each fully paid up)	25.00	25.00
Preference Shares (Unquoted)		
Miracle Agro Private Limited (4.50 lacs 6% Non Cumulative Preference Shares of Face value of ₹ 100 each fully paid up)	450.00	450.00
	<b>1,964.03</b>	<b>2,464.03</b>
Aggregate book value of unquoted Investments	<b>1,964.03</b>	<b>2,464.03</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 13 : DEFERRED TAX ASSETS (NET)

Particulars	(₹ In Lacs)	
	As at 31.03.2015	As at 31.03.2014
Deferred Tax Assets (Gross)		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	132.57	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	8.71	-
	141.28	-
Less:		
Deferred Tax Liabilities (Gross)		
Impact of income charged to the statement of profit and loss in the current year but allowed for tax purposes on receipt basis	40.98	
- Lease Rental Adjustments - Unbilled Revenue		
	40.98	-
Deferred Tax Assets (Net)	<b>100.30</b>	<b>-</b>

### NOTE 14 : LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD, UNLESS STATED OTHERWISE)

Particulars	(₹ In Lacs)	
	As at 31.03.2015	As at 31.03.2014
Security deposits	206.35	107.62
Capital advance	448.54	462.28
Mobilisation advances (Refer note (a) below)		
- Unsecured	4,403.01	1,563.00
- Secured	245.27	-
Loans and advances		
- To related parties	208.35	208.35
- To others	174.75	324.75
Advance recoverable in cash or in kind (Refer note (b) and (c) below)	1,229.06	1,285.93
Other Loans and Advances		
Advance tax & TDS (net of provisions)	1,102.59	923.71
MAT Credit Entitlement	75.30	-
CENVAT credit receivable	878.53	594.10
Prepaid expenses	-	8.07
Add: Share in joint venture	12.50	12.50
	<b>8,984.26</b>	<b>5,490.31</b>

- a) Mobilisation advances of ₹ 4648.28 lacs (PY 1563.00 lacs), represents advance reimbursements to be expended by the respective parties in the course of procurement of raw material, procurement of contractors and sub-contractors in relation to development of the planned retail centric mixed used development project.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

- b) Advance Recoverable in Cash or Kind includes a sum of ₹ 150 lacs due from De Lara Tourism Corporation Limited (DTCL) pursuant to award from a panel of Arbitrators constituted by the Arbitral Tribunal as per the instruction of SC. In view of the Award given by the Arbitral Tribunal, the management had considered ₹ 150 Lacs as good and fully recoverable. Further, DTCL had challenged this award before the Chief Judge, City Civil Court Hyderabad by filing an appeal. The said appeal is pending.
- c) Advance Recoverable in Cash or Kind also includes advance of ₹ 910.00 lacs towards Joint Development of land at Malad, Mumbai. The said project is yet to commence.

#### NOTE 15 : OTHER NON-CURRENT ASSETS

(₹ In Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
Lease Rental Adjustments - Unbilled Revenue	0.01	103.38
	<b>0.01</b>	<b>103.38</b>

#### NOTE 16 : CURRENT INVESTMENTS

(₹ In Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Investment in Mutual Funds</b>		
Nil (PY 21.80 lacs) Units of ICICI Prudential Liquid Plan	-	2,180.28
	-	2,180.28
Aggregate book value of unquoted Investments	-	<b>2,180.28</b>

#### NOTE 17 : INVENTORIES

(₹ In Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
Work In Progress - Construction Project (Refer note no. 24)	15,578.30	19,238.92
	<b>15,578.30</b>	<b>19,238.92</b>

#### NOTE 18 : TRADE RECEIVABLES

(₹ In Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	3,415.72	466.64
Other Debts *	3,831.15	5,976.59
	<b>7,246.87</b>	<b>6,443.23</b>

\* includes unbilled receivables of ₹ 2,961.02 lacs (PY ₹ 2,324.87 lacs) in respect of revenue from sale of properties recognised on percentage completion method.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 19 : CASH AND BANK BALANCES

Particulars	(₹ In Lacs)	
	As at 31.03.2015	As at 31.03.2014
<b>Cash and Cash Equivalents</b>		
<b>Balances with Banks:</b>		
On Current Accounts	844.22	203.24
Cheques on hand	-	6.00
Cash on hand	27.53	38.95
Add: Share in joint venture	2.97	2.97
<b>Other Bank Balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months	537.09	496.61
	<b>1,411.81</b>	<b>747.77</b>

### NOTE 20 : SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

Particulars	(₹ In Lacs)	
	As at 31.03.2015	As at 31.03.2014
Loans & advances	4,702.61	4,813.95
Advance recoverable in cash or in kind	778.47	1,121.81
Other loans and advances		
Loan to employees	12.35	13.13
Prepaid expenses	27.75	94.78
	<b>5,521.18</b>	<b>6,043.67</b>

### NOTE 21 : OTHER CURRENT ASSETS

Particulars	(₹ In Lacs)	
	As at 31.03.2015	As at 31.03.2014
Lease Rental Adjustments - Unbilled Revenue	126.32	0.21
	<b>126.32</b>	<b>0.21</b>

### NOTE 22 : REVENUE FROM OPERATIONS

Particulars	(₹ In Lacs)	
	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>Sales</b>		
Sales of Commercial & Residential units	2,902.48	1,788.96
<b>Sale of services</b>		
License fees	1,436.05	1,489.74
CAM & Amenities charges	749.00	815.02
Other operational income	1,296.05	1,143.74
	<b>6,383.58</b>	<b>5,237.46</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 23 : OTHER INCOME

Particulars	(₹ In Lacs)	
	Year Ended 31.03.2015	Year Ended 31.03.2014
Interest on long term loans & advances	339.71	521.98
Interest on balance with banks	43.34	38.21
Interest on income tax refund	0.07	11.15
Dividend income on current investments	34.89	74.69
Unclaimed balances written back	-	0.01
	<b>418.01</b>	<b>646.04</b>

### NOTE 24 : COST OF CONSTRUCTION PROJECT

Particulars	(₹ In Lacs)	
	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>Opening Balance</b>	<b>19,238.92</b>	<b>17,452.92</b>
<b>Add:</b>		
Construction & development costs	1,116.98	1,799.48
Borrowing costs	0.54	1.33
Administrative & other expenses	807.14	858.34
	<b>21,163.58</b>	<b>20,112.07</b>
<b>Less:</b>		
Conversion of Inventory into Capital Assets (Refer Note 11a)	3,310.84	-
Transferred to inventories (Work in progress - construction project)	15,578.30	19,238.92
	<b>18,889.14</b>	<b>19,238.92</b>
	<b>2,274.45</b>	<b>873.15</b>

### NOTE 25 : EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ In Lacs)	
	Year Ended 31.03.2015	Year Ended 31.03.2014
Salaries and wages	384.52	441.03
Directors' remuneration	144.00	144.00
Contribution to provident fund and other funds	10.26	9.79
Staff welfare expenses	7.73	13.31
Less: Elimination of the cost of services rendered to subsidiaries	274.61	374.59
	<b>271.90</b>	<b>233.54</b>

### NOTE 26 : FINANCE COSTS

Particulars	(₹ In Lacs)	
	Year Ended 31.03.2015	Year Ended 31.03.2014
Interest on bank loans	1,405.16	1,637.09
Interest on other loans	185.43	66.34
Other borrowing costs	2.73	2.77
	<b>1,593.33</b>	<b>1,706.20</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 27 : OTHER EXPENSES

Particulars	(₹ In Lacs)	
	Year Ended 31.03.2015	Year Ended 31.03.2014
Rent	121.72	128.44
Rates and taxes	192.31	106.11
Insurance	22.61	27.12
Repairs & maintenance		
- building	36.69	18.03
- plant & machinery	52.83	50.04
- others	22.78	53.97
Electricity charges	1,033.08	1,330.57
Security charges	97.32	90.75
Housekeeping charges	97.04	92.46
Printing & stationery	9.09	11.56
Communication costs	17.83	29.24
Legal & professional fees	390.15	390.35
Director Sitting Fees	5.00	-
Travelling & conveyance	134.87	184.06
Brokerage & commission	2.89	17.01
Advertisement & business promotion expenses	225.77	510.95
Auditors' remuneration	87.29	35.43
Bad debts / advances written off	62.11	19.57
Net loss on foreign exchange fluctuations	-	0.02
Miscellaneous expenses	54.43	53.25
	2,665.81	3,148.93
Add: Share in Joint Ventures	0.07	0.09
Less: Elimination of the cost of services rendered to subsidiaries	532.87	511.46
	<b>2,133.02</b>	<b>2,637.56</b>

### NOTE 28 : EXCEPTIONAL ITEMS

Particulars	(₹ In Lacs)	
	Year Ended 31.03.2015	Year Ended 31.03.2014
Reversal of interest income erroneously booked in the earlier years	39.08	-
Rates & Taxes of earlier years	41.90	-
	<b>80.98</b>	<b>-</b>

### NOTE 29 : EARNING PER SHARE

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

Particulars	(₹ In Lacs)	
	Year Ended 31.03.2015	Year Ended 31.03.2014
i) Number of Equity Shares outstanding (No. in lacs)	1,526.03	1,526.03
ii) Face value per share (in ₹)	2.00	2.00
iii) Net Profit / (Loss) after tax	(649.95)	(916.21)
iv) Basic and Diluted Earnings per share (in ₹)	<b>(0.43)</b>	<b>(0.60)</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### NOTE 30 : ACCOMPANYING NOTES TO ACCOUNTS

#### A) Companies considered in the consolidated financial statement are:

##### a) Subsidiaries :

Name of Company	Held Through	Date of Becoming Subsidiary	Country of Incorporation	% Voting Power held As on 31.03.2015	% Voting Power held As on 31.03.2014
Alliance Mall Developers Co Private Limited (AMDPL)	1	31-Aug-07	India	61.50	61.50
Omni Infrastructure Private Limited (OIPL)	2	04-May-07	India	60.00	60.00
Hagwood Commercial Developers Private Limited (HCDPL)	2	07-May-07	India	61.50	61.50
Empire Mall Private Limited (EMPL)	2	11-Mar-08	India	61.50	61.50
Royal Mall Private Limited (RMPL)	1	14-Sep-07	India	100.00	100.00
Jaipur Festival City Private Limited (JFCPL)	1	14-Sep-07	India	100.00	100.00
Kruti Multitrade Private Limited (KMPL)	1	15-Nov-11	India	100.00	100.00
Prozone Liberty International Limited (PLIL)	1	17-Oct-07	Singapore	100.00	100.00
Prozone Overseas Pte Limited (POPL)	2	23-Jan-08	Singapore	100.00	100.00
Prozone International Coimbatore Limited (PICL)	2	02-Oct-09	Singapore	100.00	100.00

##### b) Joint Ventures:

Name of Company	Held Through	Country of Incorporation	% Voting Power held As on 31.03.2015	% Voting Power held As on 31.03.2014
Emerald Buildhome Private Limited (EBPL)	2	India	50.00	50.00
Moontown Trading Company Private Limited (MTCPL)	1	India	25.00	25.00

Held Through

1 Prozone Intu Properties Limited

2 Prozone Liberty International Limited, Singapore

#### B) Employees Defined Benefits:

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

#### Defined Benefit Plans – As per Actuarial Valuation

Particulars	As at 31st March, 2015	As at 31st March, 2014
Discount rate	7.80%	9.10%
Expected rate of return on assets	9.50%	9.25%
Expected rate of future salary increase	5.10%	5.10%

#### Changes in present value of obligations

Particulars	(₹ in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
Present value of obligation as at the beginning of the year	15.93	27.03
Interest cost	1.99	2.06
Current service cost	27.14	5.35
Benefits paid	(9.53)	(10.44)
Actuarial loss on obligations	(1.87)	(8.07)
Present value of obligation as at the end of the year	33.66	15.93

#### (Assets) / Liability recognized in the Balance Sheet

Particulars	(₹ in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
Present value of obligation as at the end of the year	33.66	15.93
Fair value of plan assets as at the end of the year	19.14	17.31
Unfunded status	14.52	(1.38)
Unrecognized actuarial (gain) / loss	-	-
Net (Assets)/ Liabilities recognized in the Balance Sheet	14.52	(1.38)
- Non-Current (Assets) / Liabilities	5.92	2.49
- Current (Assets) / Liabilities	8.60	(3.87)

#### Expenses recognized in the Profit and Loss Account

Particulars	(₹ in Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
Current service cost	27.14	5.35
Past service cost	-	-
Interest cost	1.99	2.06
Actuarial (Gain) / Loss on obligations	(1.87)	(8.07)
Actuarial (Gain) / Loss on plan assets	(1.63)	0.61
Total expenses recognized *	25.63	(0.04)
* Apportionment of Gratuity expenses :		
Expense recognised in Statement of Profit and Loss	22.52	(2.44)
Expenses apportioned to Capital work in progress	3.11	2.39
	<b>25.63</b>	<b>(0.04)</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### C) Related Party Disclosure:

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

#### List of Related Parties :

##### i) Key Management Personnel

Mr. Nikhil Chaturvedi	Director
Mr. Salil Chaturvedi	Director
Mr. Nigam Patel (Upto 31st July, 2014)	Chief Operating Officer
Mr. Anurag Garg (from 23rd May, 2014)	Chief Financial Officer
Ms. Snehal Bansode	Company Secretary

##### ii) Relative of Key Management Personnel :-

- Mr. Akhil Chaturvedi

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

- Provogue (India) Limited
- Faridabad Festival City Private Limited
- Acme Advertisement Private Limited

##### iv) Joint Ventures and Coventurers :-

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

#### Related Party Transactions

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
<b>(I) Transactions</b>				
<b>Sale of Goods /Services</b>				
Enterprises having significant influence	63.76		135.45	
Faridabad Festival City Private Limited		58.62		122.26
<b>Purchase of Goods /Services</b>				
Enterprises having significant influence	157.32		262.66	
Provogue (India) Limited		121.62		120.00
Acme Advertisement Private Limited		35.70		142.66
<b>Remuneration</b>				
Remuneration to Key Management Personnel	196.19		204.00	
Mr. Nikhil Chaturvedi, Managing Director		84.00		84.00
Mr. Salil Chaturvedi, Dy. Managing Director		60.00		60.00
Mr. Nigam Patel (Upto 31st July, 2014)		20.00		60.00
Mr. Anurag Garg (from 23rd May, 2014)		26.04		-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
<b>Director Sitting Fees</b>	3.50		-	
Mr. Akhil Chaturvedi		3.50		-
<b>Repayment of loans taken</b>				
Enterprises having significant influence	-		23.30	
Provogue (India) Limited		-		23.30
<b>Key Management Personnel</b>	-		11.08	
Mr. Salil Chaturvedi		-		9.47
Mr. Nigam Patel		-		1.57
<b>(II) Balance outstanding at the end of the year</b>				
<b>Trade Receivables</b>				
Enterprises having significant influence	192.52		178.86	
Faridabad Festival City Private Limited		192.52		178.86
<b>Trade Payables</b>				
Enterprises having significant influence	133.29		113.03	
Provogue (India) Limited		128.40		75.04
Acme Advertisement Private Limited		4.89		37.99
<b>Lease Rental Deposit Taken</b>				
Enterprises having significant influence	7.27		7.27	
Provogue (India) Limited		7.27		7.27
<b>Loan Given</b>				
Joint Ventures and Coventurers	208.35		208.35	
Moontown Trading Company Private Limited. (JV)		208.35		208.35
<b>Loan Taken</b>				
Joint Ventures and Coventurers	864.79		864.75	
Emerald Buildhome Private Limited.(JV)		864.79		864.75
<b>Remuneration Payable</b>	6.29		3.62	
Mr. Salil Chaturvedi		3.61		3.62
Mr. Anurag Garg (from 23rd May, 2014)		2.20		-

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

#### Note:

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

### D) Segment information:

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

The Company is engaged in the business of developing, owning and operating of Shopping Malls, Commercial and Residential Premises. Based on the business activities during the financial year, the Company has identified the following business segments as its primary segment:-

- a) Leasing
- b) Outright Sales”

The primary segment reporting format is determined to be business segment as the company's risks and rates of returns are affected predominantly by the nature of activities

(₹ in Lacs)

Particulars	Leasing	Outright Sales	Total
<b>For the year ended 31st March, 2015</b>			
<b>Revenue</b>	3,481.10	2,902.48	<b>6,383.58</b>
<b>Results</b>			
Segment Results	54.55	420.62	<b>475.17</b>
Unallocated Expenses			418.16
<b>Operation Profit</b>			<b>57.01</b>
Finance Costs			1,593.33
Other Income			(418.01)
Exceptional Items			80.98
<b>Profit / (Loss) Before Tax</b>			<b>(1,199.29)</b>
Tax Expense			35.83
<b>Net Profit / (Loss) for the year</b>			<b>(1,235.12)</b>
<b>As at 31st March, 2015</b>			
Segment Assets	16,147.17	22,373.04	38,520.21
Unallocated Assets			64,870.48
<b>Total Assets (A)</b>			<b>103,390.69</b>
Segment Liabilities	13,503.84	5,037.05	18,540.89
Unallocated Liabilities			34,894.52
<b>Total Liabilities (B)</b>			<b>53,435.41</b>
<b>Capital Employed (A) - (B)</b>			<b>49,955.28</b>
<b>Other segment information :</b>			
Depreciation & Amortisation expense	1,463.50	3.31	<b>1,466.81</b>
Unallocated Depreciation & Amortisation expense			180.39
<b>Total Depreciation &amp; Amortisation</b>			<b>1,647.20</b>
Capital Expenditure *	23.17	3,313.67	<b>3,336.85</b>
Unallocated Capital Expenditure *			5,156.68
<b>Total Capital Expenditure</b>			<b>8,493.53</b>

\* During the year, a portion of freehold land amounting to ₹ 3310.84 is converted from inventory to capital assets due to change in intended use of the said portion of land.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

(₹ in Lacs)			
Particulars	Leasing	Outright Sales	Total
<b>For the year ended 31st March, 2014</b>			
Revenue	3,448.50	1,788.96	5,237.46
<b>Results</b>			
Segment Results	(818.07)	771.06	(47.01)
Unallocated Expenses			526.66
<b>Operation Profit</b>			<b>(573.67)</b>
Finance Costs			1,706.20
Other Income			(646.04)
Exceptional Items			-
<b>Profit / (Loss) Before Tax</b>			<b>(1,633.83)</b>
Tax Expense			189.84
<b>Net Profit / (Loss) for the year</b>			<b>(1,823.67)</b>
<b>As at 31st March, 2014</b>			
Segment Assets	17,418.97	25,085.56	42,504.53
Unallocated Assets			55,849.51
<b>Total Assets (A)</b>			<b>98,354.04</b>
Segment Liabilities	13,977.37	5,141.83	19,119.20
Unallocated Liabilities			28,615.98
<b>Total Liabilities (B)</b>			<b>47,735.18</b>
<b>Capital Employed (A) - (B)</b>			50,618.86
<b>Other segment information :</b>			
Depreciation & Amortisation expense	1,949.15	4.91	1,954.06
Unallocated Depreciation & Amortisation expense			112.82
<b>Total Depreciation &amp; Amortisation</b>			<b>2,066.88</b>
Capital Expenditure	10.85	32.27	43.12
Unallocated Capital Expenditure			2,390.61
<b>Total Capital Expenditure</b>			<b>2,433.73</b>

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

- E) The Company's step down subsidiary has given its premises on operating lease and entered into non-cancellable leave and License agreements with various parties. The disclosure required to be made in accordance with Accounting Standard 19 on "Leases".
- a) Future minimum lease payments receivable under non-cancellable operating leases in aggregate for the following periods:

(₹ in Lacs)		
Particulars	As at 31.03.2015	As at 31.03.2014
Not later than one year	405.75	770.89
Later than one year and not later than five years	-	405.75

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31st March, 2015

- b) Initial direct costs incurred on these leasing transactions have been recognised in the Profit and Loss Account.
- F)** The financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards. The differences in accounting policies of the Company and its subsidiaries are not material and hence no adjustment have been made in the Consolidated Financial Statements.
- G)** The Company and its Indian subsidiaries has revised depreciation rates on tangible fixed assets w.e.f. April 01, 2014 as per the useful life specified in the Schedule II of the Companies Act, 2013 or as re-assessed by the Company. As prescribed in Schedule II, an amount of ₹ 11.91 lacs (net of deferred tax) has been charged to the opening balance of retained earnings for the assets in respect of which the remaining useful life is NIL as on April 01, 2014 and in respect of other assets on that date, depreciation has been calculated based on the remaining useful life of those assets. Had the Company continued with the previously applicable Schedule XIV rates, charge for depreciation for the current year ended on March 31, 2015 would have been higher and net loss would have been lower by ₹ 198.59 lacs.
- H) Contingent Liabilities not provided for :**
- Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 15,212.58 lacs (PY ₹ 2,028.12 lacs).
  - Guarantee given by Bank on behalf of its step-down Subsidiary Company ₹ 115.60 lacs (PY ₹ 115.60 lacs).
  - Claims against the step-down Subsidiary Company, not acknowledged as debts ₹ 163 lacs (PY ₹ 163 lacs).
  - Disputed demands in respect of Income Tax (Interest thereon not ascertainable at present) ₹ 21.46 lacs (PY 286.29 lacs).
- I)** During the year name of the Company has been changed from 'Prozone Capital Shopping Centres Limited' to 'Prozone Intu Properties Limited' vide special resolution passed through postal ballot on 12th June, 2014. The Registrar of Companies, Mumbai has issued a fresh Certificate of Incorporation to this effect on 24th July, 2014, being the effective date of change of name of the Company.
- J) Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint Ventures :**

(₹ in Lacs)

Name of the Enterprises	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or loss	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated (Profit) or Loss	Profit / (Loss)
<b>Parent</b>				
Prozone Intu Properties Limited	20.53	14,183.43	23.37	(288.68)
<b>Indian Subsidiaries</b>				
<b>Direct Subsidiaries</b>				
Alliance Mall Developers Co Private Limited	11.56	7,988.42	(3.01)	37.12
Jaipur Festival City Private Limited	(0.00)	(0.34)	0.01	(0.14)
Royal Mall Private Limited	(0.00)	(0.47)	0.01	(0.14)
Kruti Multitrade Private Limited	0.01	5.46	0.01	(0.14)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31st March, 2015

(₹ in Lacs)

Name of the Enterprises	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or loss	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated (Profit) or Loss	Profit / (Loss)
<b>Indirect Subsidiaries</b>				
Hagwood Commercial Developers Private Limited	12.93	8,932.05	(18.90)	233.42
Empire Mall Private Limited	15.10	10,433.62	50.37	(622.07)
Omni Infrastructure Private Limited	9.95	6,874.22	0.03	(0.43)
<b>Foreign Subsidiaries</b>				
<b>Direct Subsidiaries</b>				
Prozone Liberty International Limited	(0.07)	(48.78)	0.71	(8.82)
<b>Indirect Subsidiaries</b>				
Prozone Overseas Pte Limited	-	-	-	-
Prozone International Coimbatore Limited	-	-	-	-
Minority Interest in all subsidiaries	27.70	19,135.53	47.38	(585.17)
<b>Joint Venture (Indian) (as per proportionate Consolidation)</b>				
<b>Direct</b>				
Moontown Trading Co. Private Limited	0.31	211.58	0.00	(0.03)
<b>Indirect</b>				
Emerald Build Home Private limited	1.99	1,376.09	0.00	(0.04)
<b>TOTAL</b>	<b>100.00</b>	<b>69,090.81</b>	<b>100.00</b>	<b>(1,235.12)</b>

### Note :

The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2015

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

As per our report of even date attached

### For S G C O & Co.

Chartered Accountants

### Shyamratan Singrodia

Partner

Mem. No. 49006

Place : Mumbai

Date : 20th May, 2015

### For and on behalf of the Board

### Nikhil Chaturvedi

Managing Director

DIN : 00004983

### Anurag Garg

Chief Financial Officer

### Salil Chaturvedi

Dy. Managing Director

DIN : 00004768

### Snehal Bansode

Company Secretary



## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES AND JOINT VENTURES

## PART- A - Subsidiaries

S. No.	Subsidiary Company	Note	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover (Including other income)	Profit / (Loss) before taxation	Tax Expense	Profit / (Loss) after taxation	% of shareholding
1	Alliance Mall Developers Co Private Limited		INR	1.00	395.73	16,248.69	31,025.60	14,381.18	1,598.00	170.99	72.71	12.37	60.34	61.50
2	Royal Mall Private Limited		INR	1.00	1.00	(2.39)	0.04	1.43	-	-	(0.14)	-	(0.14)	100.00
3	Japur Festival City Private Limited		INR	1.00	1.00	(1.34)	0.10	0.44	-	-	(0.14)	-	(0.14)	100.00
4	Kruti Multitrade Private Limited		INR	1.00	1.00	(32.05)	6.36	37.41	5.16	-	(0.14)	-	(0.14)	100.00
5	Prozone Liberty International Limited		USD	62.59	26,140.48	1,169.04	27,507.66	198.14	27,498.57	-	(8.81)	-	(8.81)	100.00
6	Prozone Overseas Pte Limited	1,2	USD	62.59	-	-	-	-	-	-	-	-	-	100.00
7	Prozone International Coimbatore Limited	1,3	USD	62.59	-	-	-	-	-	-	-	-	-	100.00
8	Omni Infrastructure Private Limited	1	INR	1.00	4.00	5,888.77	10,121.78	4,229.01	360.88	6.47	(0.71)	-	(0.71)	60.00
9	Hagwood Commercial Developers Private Limited	1	INR	1.00	1,541.50	21,209.91	25,067.43	2,316.02	5,600.00	2,569.92	385.34	5.79	379.55	61.50
10	Empire Mall Private Limited	1	INR	1.00	7,676.33	(3,424.41)	29,628.07	25,376.15	-	3,895.59	(2,052.50)	(93.44)	(1,959.06)	61.50

## Notes:

- Held through Prozone Liberty International Limited (Singapore)
- Capital is ₹ 40
- Capital is ₹ 48
- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as in 31.03.2015.
- Tax expense includes deferred tax

## PART- B - Joint Venture

S. No.	Name of the Joint Ventures	Latest audited Balance Sheet Date	Share of the Associate/Joint Ventures held by the company on the year end		Network attributable to Shareholding as per Latest audited balance sheet	Profit / (Loss) for the year		Description of how there is significant influence
			No. of Shares	Amount Invested in Joint Ventures		Extent of Holding %	Considered in consolidation	
1	Moontown Trading Company Private Limited	31-Mar-15	2,002,500	200.25	25	142.13	(0.03)	Note 1
2	Emerald Build Home Private Limited	31-Mar-13	5,000,000	4,077.97	50	2,240.79	(0.04)	Note 1

## Notes

- There is significant influence due to percentage (%) of share capital.

## For and on behalf of the Board

**Nikhil Chaturvedi**  
Managing Director  
DIN : 00004983

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

**Anurag Garg**  
Chief Financial Officer

**Snehal Bansode**  
Company Secretary

**PROZONE INTU PROPERTIES LIMITED**  
**(Erstwhile "Prozone Capital Shopping Centres Limited")**

CIN: L45200MH2007PLC174147

Regd. Office: 105/106, Provogue House, Off New Link Road, Andheri(West) Mumbai, 400053  
Ph:91-22-30680560, Fax: 91-22-30680570, Email: investorservice@provogue.com,  
Website: www.prozoneintu.com

**E-MAIL ID REGISTRATION FORM**

I, ..... (name of first/individual shareholder) holding .....  
(no. of shares) equity shares vide folio no./DP & Client ID No. .... in the Company, would  
like to register below mentioned e-mail ID for receiving all the communications/documents/notices/correspondences  
from the Company in electronic mode instead of getting physical copies of the same. Kindly register the same.

E-mail ID: .....

Yours truly,

Signature .....

Name: .....

Address: .....

.....

.....



**FORM NO. MGT – 11 PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the  
Companies (Management and Administration) Rules, 2014]

**PROZONE INTU PROPERTIES LIMITED**  
**(Erstwhile “Prozone Capital Shopping Centres Limited”)**

CIN: L45200MH2007PLC174147

Regd. Office: 105/106, Provogue House, Off New Link Road, Andheri(West) Mumbai, 400053

Ph:91-22-30653111, Fax: 91-22-30680570, Email: [investorservice@prozoneintu.com](mailto:investorservice@prozoneintu.com), Website: [www.prozoneintu.com](http://www.prozoneintu.com)

Name of The Member : ..... Registered Address: .....

Folio No/ Client id ..... DP ID ..... Email ID .....

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

1. Name: .....  
Address .....  
Email Id ..... Signature ....., or failing him
2. Name: .....  
Address .....  
Email Id ..... Signature ....., or failing him
3. Name: .....  
Address .....  
Email Id ..... Signature .....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual general meeting/ of the company, to be held on Wednesday 30th of September 2015 at 2.00 p.m. at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (W) Mumbai - 400 053 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No	Description
1	To receive, consider and adopt the audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended 31st March 2015 including audited Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.
2.	To appoint a Director in place of <b>Mr. David Fischel (DIN: 01217574)</b> , who retires by rotation and being eligible, offers himself for re-appointment.
3.	To Ratify the appointment of M/s SGCO & Co., Chartered Accountants (ICAI Firm Registration No. 112081W) as Statutory Auditors of the Company to hold such office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company on such remuneration as may be determined by the Board of Directors of the Company.
4.	To approve the payment of remuneration to Mr. Nikhil Chaturvedi Managing Director for a further period of two years with effect from 27th February 2015.
5.	To approve the payment of remuneration to Mr. Salil Chaturvedi, Deputy Managing Director for a further period of two years with effect from 27th February 2015.
6.	To approve the related party transactions.

Signed this ..... day of ..... 2015

Signature of the shareholder .....

Signature of the Proxy Holder(s) .....

Affix One  
Rupee  
Revenue  
Stamp

Signature across Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





# PROZONE INTU PROPERTIES LIMITED

(Erstwhile "Prozone Capital Shopping Centres Limited")

CIN: L45200MH2007PLC174147

Regd. Office: 105/106, Provogue House, Off New Link Road, Andheri(West) Mumbai, 400053

Ph:91-22-30653111, Fax: 91-22-30680570, Email: [investorservice@prozoneintu.com](mailto:investorservice@prozoneintu.com), Website: [www.prozoneintu.com](http://www.prozoneintu.com)

## 8th Annual General Meeting

### ATTENDANCE SLIP

Folio/ DP & Client ID No. .... No. Of shares held .....

Mr./Ms./Mrs. ....

Address: .....

I hereby record my presence at the 8th Annual General Meeting of the Company held at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (W) Mumbai - 400 053 at 2.00 p.m. on Wednesday, 30th September, 2015.

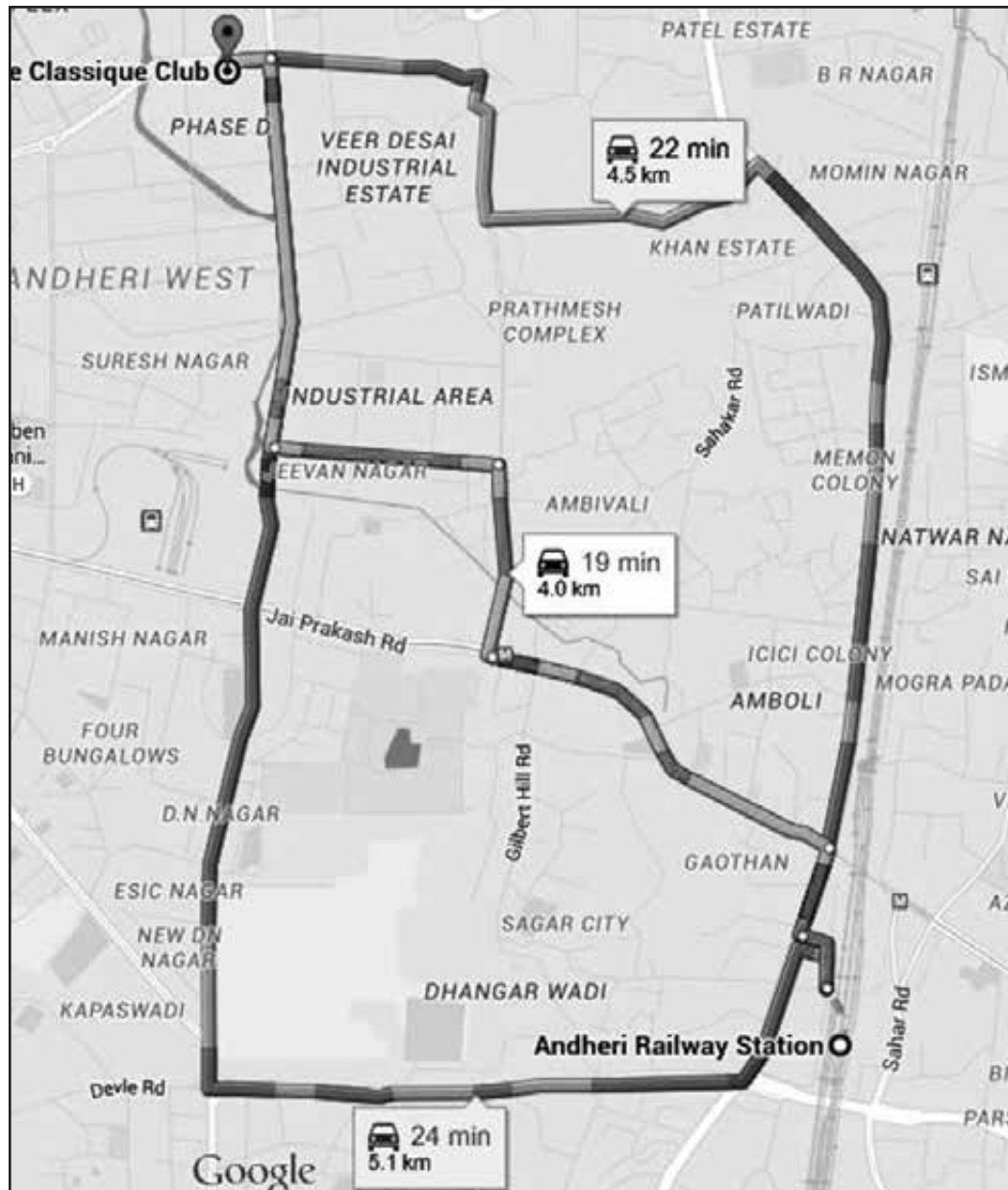
(Proxy's Name in Block letters) .....

.....

(Member's /Proxy's Signature)

1. Strike out whichever is not applicable
2. Please fill in this Attendance Slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional Attendance Slip on request.

## AGM VENUE



POLLING PAPER

**PROZONE INTU PROPERTIES LIMITED**

(Erstwhile "Prozone Capital Shopping Centres Limited")

CIN: L45200MH2007PLC174147

Regd. Office: 105/106, Provogue House, Off New Link Road, Andheri(West) Mumbai, 400053

Ph:91-22-30653111, Fax: 91-22-30680570, Email: [investorservice@prozoneintu.com](mailto:investorservice@prozoneintu.com), Website: [www.prozoneintu.com](http://www.prozoneintu.com)

Sr. No	Particulars	Details
1	Name of the first named Shareholder (In Block Letters)	
2	Postal address	
3	Registered Folio No./*Client ID No. (*applicable to investors holding shares in dematerialized form)	
4	No. of Shares	

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

No	Item No.	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended 31st March 2015 including audited Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.		
2.	To appoint a Director in place of <b>Mr. David Fischel (DIN: 01217574)</b> , who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To Ratify the appointment of M/s SGCO & Co., Chartered Accountants (ICAI Firm Registration No. 112081W) as Statutory Auditors of the Company to hold such office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company on such remuneration as may be determined by the Board of Directors of the Company.		
4.	To approve the payment of remuneration to Mr. Nikhil Chaturvedi Managing Director for a further period of two years with effect from 27th February 2015.		
5.	To approve the payment of remuneration to Mr. Salil Chaturvedi, Deputy Managing Director for a further period of two years with effect from 27th February 2015.		
6.	To approve the related party transactions.		

Place: .....

Date:.....

.....  
(Signature of the Shareholder)



**Prozone Intu Properties Limited**  
**Registered Office**

105/106, Provogue House,  
Off New Link Road, Andheri (W),  
Mumbai - 400 053, INDIA

Tel: +91 (22) 3065 3111

+91 (22) 3065 3222

Fax: +91 (22) 3068 0570

**Email**

[investorservice@prozoneintu.com](mailto:investorservice@prozoneintu.com)

**Website**

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

**Concept & Design**

[spakcomm.com](http://spakcomm.com)

**Printed**

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COMMITMENTS. DELIVERED