prozone intu

Date: 29th August 2016

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

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

Dear Sir,

Sub: Intimation of Annual General Meeting and copy of Annual Report for the FY 2015-16

This is to inform you that 9th Annual General Meeting of the Company is scheduled to be held on Thursday, the 22nd September 2016 at 11.00 a.m. at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West), Mumbai - 400053. A copy of Annual Report of the Company for the financial year 2015-16 is attached herewith for your information and record.

You are requested to take note of the same and oblige.

Thanking You

Yours truly,
For Prozone Intu Properties Limited

Ajayendra P. Jain
CS & Chief Compliance Officer
Encl: as above

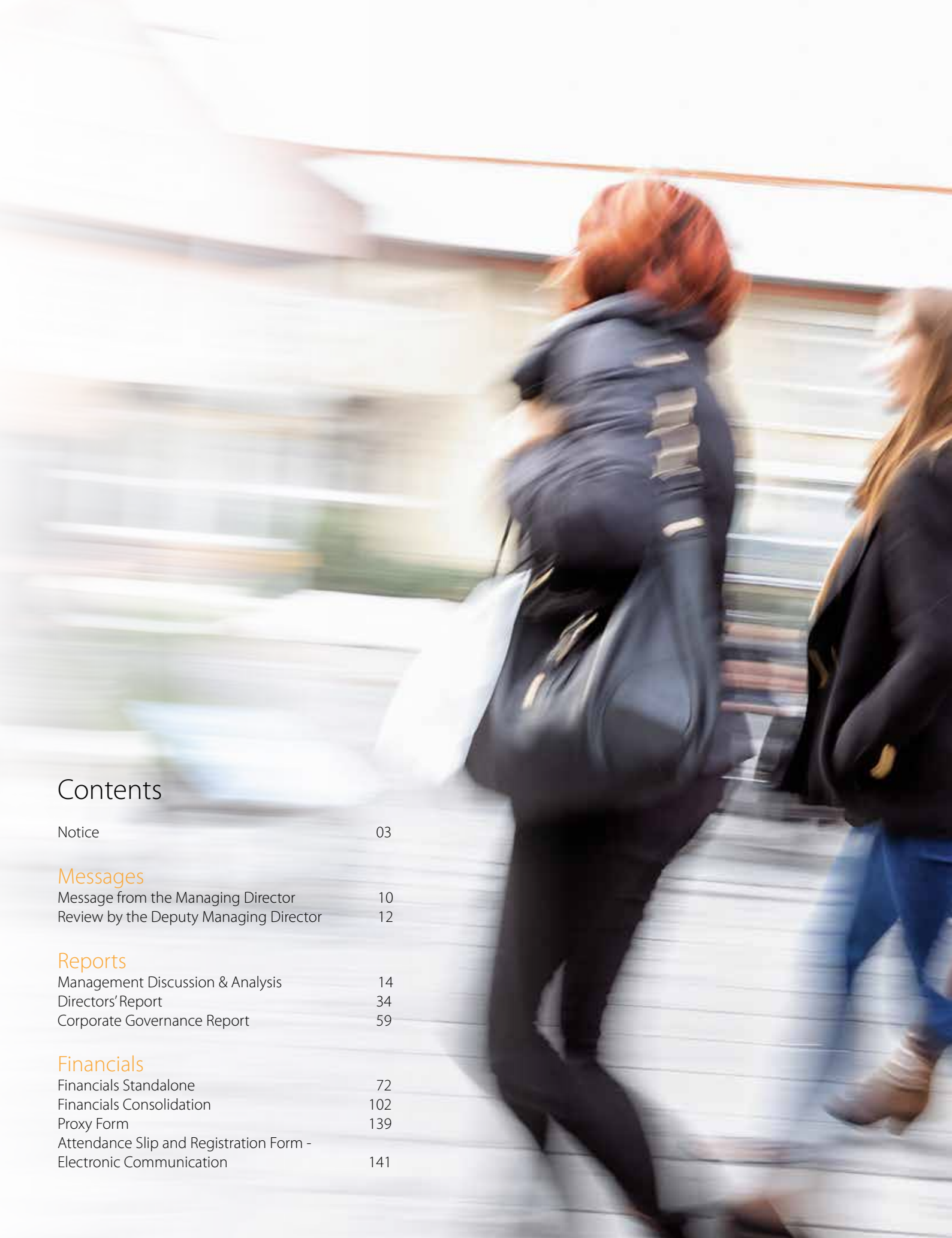
PROZONE INTU PROPERTIES LIMITED

PROZONE INTU PROPERTIES LIMITED.
105/106 Provogue House, Off New Link Road, Andheri (W), Mumbai - 400053, India.
CIN: L45200MH2007PLC174147 T : +91 22 3065 3111/222 F : +91 22 3068 0570 | www.prozoneintu.com

Upward.
And Forward.

prozone intu

ANNUAL REPORT 2016



Contents

Notice 03

Messages

Message from the Managing Director 10
Review by the Deputy Managing Director 12

Reports

Management Discussion & Analysis 14
Directors' Report 34
Corporate Governance Report 59

Financials

Financials Standalone 72
Financials Consolidation 102
Proxy Form 139
Attendance Slip and Registration Form - Electronic Communication 141

Upward. And Forward.

FY2016 will be considered a year of steady growth and one that has reinforced our commitment to our long-standing strategies. We continued our over-arching objective of engaging in large-scale, mixed-use realty developments, combining world-class living, commercial, retail and entertainment options in India's emerging urban cities. With a large land bank and a deep project pipeline, our strategic focus is on the timely execution of our projects that will generate strong positive cash flows.

Our solid foundation adds to our confidence to also look beyond Tier 2 cities. We are now exploring for opportunities for developing realty assets in Mumbai, as part of our strategy to participate in Tier 1 cities also. With the support of Intu Properties, UK's largest retail real estate developer, we hope to replicate their proven track record of solid performance and consistent delivery over their decades of history towards stakeholder wealth creation.

At Prozone Intu, we have the makings of becoming a leading Indian player in the mixed-use realty development space. With a strong balance sheet and solid commitment posed in us by our partners, we are at the beginning of a very exciting phase of growth and value creation.

Corporate Information

Board of Directors

Mr. Punit Goenka
Independent Director and Chairman

Mr. Rajiv Singh
Independent Director

Ms. Deepa Misra Harris
Woman Independent Director
(w.e.f. 8th Feb 2016)

Mr. Nikhil Chaturvedi
Managing Director

Mr. Salil Chaturvedi
Deputy Managing Director

Mr. David Fischel
Non-executive Director

Mr. Dushyant Singh Sangar
Non-executive Director (w.e.f. 8th Feb 2016)

Mr. John Abel
Alternate Director to Mr. David Fischel

Chief Financial Officer
Mr. Anurag Garg

Company Secretary & Chief Compliance Officer
Mr. Ajayendra Pratap Jain

Statutory Auditors
SGCO & Co., Chartered Accountants
4A, Kaledonia HDIL, 2nd Floor,
Sehar Road, Near Andheri Station
Andheri (East), Mumbai-400069

Registered Office
Prozone Intu Properties Limited
105/106, Provogue House,
Off New Link Road, Andheri (West),
Mumbai - 400053

Website: www.prozoneintu.com
CIN: L45200MH2007PLC174147
Email ID: investorservice@prozoneintu.com

Registrar and Share Transfer Agent
Link Intime India Private Limited
C/13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400078

PROZONE INTU PROPERTIES LIMITED
(Erstwhile "Prozone Capital Shopping Centres Limited")
Regd. Office: 105/106, Provogue House, Off New Link Road, Andheri (W), Mumbai 400 053 India
Ph: +91-22-30680560 Fax: +91-22-30680570 Email: investorservice@prozoneintu.com
Corporate Identification Number: L45200MH2007PLC174147, Website: www.prozoneintu.com

NOTICE

Notice is hereby given that the 9th Annual General Meeting of the members of Prozone Intu Properties Limited will be held on Thursday, 22nd September 2016 at 11.00 a.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 2016 including audited Balance Sheet as at 31st March, 2016 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. Salil Chaturvedi **(DIN: 00004768)**, who retires by rotation and being eligible, offers himself for re-appointment.

3. To ratify the appointment of Statutory Auditors and fix their remuneration.

"Resolved that pursuant to provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s SGCO & Co., Chartered Accountants (ICAI Firm Registration No. 112081W), as the statutory auditors of the Company to hold office from the conclusion of the 9th Annual General Meeting until the conclusion of the 10th Annual General Meeting of the Company, be and is hereby ratified and that the Board of Directors of the Company, be and is hereby authorized to fix the remuneration payable to them for the said period."

As Special Business:

4. Appointment of Ms. Deepa Misra Harris, (DIN: 00064912) as an Independent Woman Director.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution

"Resolved that pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Reg. 25 of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations, 2015), Ms. Deepa Misra Harris, **(DIN: 00064912)** who was appointed as an Additional Director of the Company by the Board of Director with effect from 8th February, 2016 in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Ms. Deepa Misra Harris as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Woman Director of the Company for a term of 5 years up to 8th February 2021 and whose office shall not be liable to retire by rotation.

5. Appointment of Mr. Dushyant Singh Sangar, (DIN:07347397) as Non- Executive Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution

"Resolved That pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force and other applicable provisions of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations, 2015), Mr. Dushyant Singh Sangar, **(DIN: 07347397)** who was appointed as an Additional Director of the Company by the Board of Director with effect from 8th February, 2016 in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Dushyant Singh Sangar as a candidate for the office of director of the Company, be and is hereby appointed as Non-Executive Director of the Company, and whose office shall be liable to retire by rotation.

6 Determination of a fee to be charged from members for delivery of documents in their desired mode

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution

"Resolved that pursuant to provisions of section 20 and other applicable provisions of the Companies Act, 2013 and respective rules made thereunder, the members of the Company hereby approve that on receipt of request from a member requesting for delivery of any document through a particular mode, a fee of Rs. 50/- per document be levied or charged from a member of the Company, over and above the reimbursement of actual expenses incurred by the Company for sending of the document to him in the desired manner.

Further resolved that the estimated fees for delivery of the documents shall be paid by the members in advance to the Company, before despatch of such document(s).

Further resolved that the key managerial personnel of the Company, be and are hereby severally authorised to do all such acts, deeds, things and matters as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty or doubt that may arise in respect of the matter, including determination of estimated fees for delivery of document to be paid in advance by member(s) of the Company.:

By Order of the Board of Directors
Prozone Intu Properties Limited

Date: 19th May 2016 **Ajayendra P. Jain**
Place: Mumbai **CS and Chief Compliance Officer**

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

   Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 members provided shareholding of those members in aggregate should not be more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. All documents referred to in the accompanying notice and the explanatory statement are open for inspection at the Registered Office of the Company during business hours on any working day except Saturdays up to the date of this Annual General Meeting of the Company

4. Corporate Members intending to send their authorized representative to attend the meeting pursuant to section 113 of the Companies Act 2013 are requested to send to the Company a certified true copy of Board resolution together with their specimen signature authorizing their representative to attend and vote on their behalf at the meeting

5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

7. Details pursuant to Regulations 26 and 36 of the SEBI (LODR) Regulations, 2015 read with Secretarial Standard -2 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

8. The notice of AGM along with Annual Report for 2015-16 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.

9. Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately the change in the residential status on return to India for permanent settlement.

10. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DPID number, as the case may be.

11. This notice is being sent to all members of the Company whose names appear in the Register of Members/ list of beneficiaries received from the depositories on the end of Friday, 19th August 2016.

12. The entry to the meeting venue will be regulated by means of attendance slips. For attending the meeting, members, proxies and authorised representatives of the members, as the case may be, are requested to bring the enclosed attendance slip completed in all respects, including client ID and DP ID, and signed. Duplicate attendance slips will not be issued.

13. All members are requested to support Green Initiative of the Ministry of Corporate Affairs, Government of India and register their email addresses to receive all these documents electronically from the Company in accordance with Rule

18 of the Companies (Management & Administration) Rules 2014 and Rule 11 of the Companies (Accounts) Rules 2014. All the aforesaid documents have been uploaded on and are available for download from the Company's website, being www.prozoneintu.com. Kindly bring your copy of Annual Report to the meeting.

14. Rule 3 of the Companies (Management and Administration) Rules 2014 mandates that the register of members of all companies should include details pertaining to email address, permanent account number (PAN) or CIN, unique identification number, if any; father's/ mother's/ spouse's name, occupation, status, nationality; in case member is a minor, name of guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository.

15. No gifts shall be provided to members before, during or after the AGM.

16. Members may pursuant to section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules 2014 file nomination in prescribed form SH-13 with the respective depository participant.

17. Members are requested to notify change of address and update bank accounts details to their respective depository participants directly.

18. A route map showing direction to reach the venue of the 9th AGM is given at the end of this notice as per the requirement of Secretarial Standards -2 on General Meeting.

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

    a. Pursuant to the provisions of section 108 of the Companies Act, 2013, rules 20 and 21 of the Companies (Management & Administration) Rules 2014 and sub Reg. (1) & (2) of Reg. 44 of SEBI (LODR) Regulations, 2015, the Company provides its members the electronic facility to exercise their right to vote at the AGM. The business at the AGM may be transacted through e-voting services provided by the Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/ her/ its discretion, subject to compliance with the instructions prescribed below.

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

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

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

i. The remote e-voting period begins on Monday, 19th September 2016 from 10.00 a.m. and ends on Wednesday, 21st September 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 15th September 2016 may cast their vote by Remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

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

Persons who have acquired shares and become members of the Company after the dispatch of the Notice of the AGM but on or before the cut-off date i.e. Thursday, 15th September 2016, may obtain their user ID and password for e-voting from Company's registrar and transfer Agent, Link Intime India Private Limited or from CDSL. However, if the person is already registered with CDSL for remote e-voting then the existing User ID and Password can be used for remote e-voting.

ii. The shareholders should log on to the e-voting website www.evotingindia.com.

iii. Click on Shareholders.

iv. Now Enter your User ID

    a. For CDSL: 16 digits beneficiary ID,

    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

    c. Members holding shares in physical form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

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

vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address sticker pasted on your envelope of this report.
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 and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

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

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

The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.prozoneintu.com and on the website of CDSL, i.e. www.evotingindia.com within two days of the passing of the resolutions at the 9th AGM of the Company on Thursday, 22nd September 2016 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 9th ANNUAL GENERAL MEETING			
Name of the Director	Ms. Deepa Misra Harris	Mr. Dushyant Singh Sangar	Mr. Salil Chaturvedi
Date of Birth	26.10.1958	04.01.1982	22.04.1971
Date of first appointment	08.02.2016	08.02.2016	27.02.2012
Qualification	Post graduate	Bachelor of Science	B. Sc
Shareholding of directors	Nil	Nil	Nil
Directors Inter-se relationship	N.A.	N.A.	Brother of Mr. Nikhil Chaturvedi, Managing Director of the company.
Years of experience	30 Years	13	16+
No. of Board Meeting attended in FY	0	0	3
Area of expertise	Ms. Deepa Harris is founder & CEO of brands Welove, its marketing and branding services. She is specialist in branding, marketing and sales. Ms. Deepa has over 30 years of experience in luxury and hospitality category.	Mr. Dushyant Singh Sangar is an experienced corporate financier and real estate investment professional. He is the Corporate Development Director of Intu Properties plc ("Intu") and is a member Intu's Executive Committee which is responsible for the day to day operations of the business. He also sits on the board of directors of Intu's Spanish business Prior to Intu, Mr. Dushyant worked for MGPA & UBS.	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**
Name of Director: Ms. Deepa Misra Harris	
Prozone Intu Properties Limited	Nil
Name of Director: Mr. Dushyant Singh Sangar	
Prozone Intu Properties Limited	Nil
Name of Director: Mr. Salil Chaturvedi	
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

By Order of the Board of Directors
Prozone Intu Properties Limited

Date: 19th May 2016
Place: Mumbai

Ajayendra P. Jain
CS & Chief Compliance Officer

Explanatory Statement under Section 102 of the Companies Act, 2013

Item No 4

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, have appointed Ms Deepa Misra Harris, as an Independent Woman Director with effect from 8th February, 2016 subject to the approval of members of the company.

Ms Deepa Misra Harris, Founder & CEO of BrandsWeLove, is Specialist in Branding, Marketing and Sales - over 30 years in the luxury and hospitality category. Experienced in multiple disciplines, strategy development, marketing solutions and delivering growth and multi-platform executions across diverse global markets, with proven track record across all brand categories – from Luxury to Budget, delivering double digit growth. A unique luxury specialist having worked on India's original and oldest luxury brand The Taj. A highly recognised influencer and opinion leader in luxury and hospitality with numerous achievements to her credit.

Ms. Deepa Misra Harris previously worked as Senior Vice President Global Sales & Marketing, Taj Hotels Resorts and Palaces across 4 brands and 127 hotels worldwide, responsible for meeting budgets and top line revenues; and brand custodian with a proven track record of delivering desired growth and leader brand positions

Ms. Deepa Misra Harris fulfils the conditions specified in the Section 149(6) and other applicable provisions of the Companies Act, 2013 read with Schedule IV, the rules made there under and SEBI (LODR) Regulations, 2015 to be appointed as an Independent Director of the company.

As per the provisions of Section 149 (10) of the Companies Act, 2013 an Independent Director can be appointed for a term upto five consecutive years. The Company has received a notice in writing from a member alongwith a deposit of prescribed fee proposing the candidature of Ms. Deepa Misra Harris for the office of Director under the provisions of Section 160 of the Act.

Ms. Deepa Misra Harris does not hold any shares of the Company.

The Board considers that her association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Deepa Misra Harris as an Independent Woman Director. Accordingly, the Board recommends the resolution, for the approval by the shareholders of the Company as an ordinary resolution.

Except Ms. Deepa Misra Harris, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Item No 5

In accordance with the provisions of Section 152 read with other applicable provisions of the Act, appointment of Director requires approval of members.

The Board of Directors based on the recommendation of Nomination and Remuneration Committee, have appointed Mr. Dushyant Singh Sangar, as an additional and Non-Executive Director of the Company with effect from 8th February, 2016, who shall be liable for retire by rotation.

Mr. Dushyant Singh Sangar is an experienced corporate financier and real estate investment professional. He is the Corporate Development Director of Intu Properties plc ("Intu") and is a member of Intu's Executive Committee which is responsible for the day to day operations of the business. He also sits on the board of directors of Intu's Spanish business.

Mr. Dushyant Singh Sangar joined Intu in 2010 and has been involved in all of the company's M&A and new business activity since then which in aggregate is more than £3 billion in value of transactions. Notable transactions include: the acquisition of the Trafford Centre; the acquisition of Westfield's non-London UK portfolio; the creation of a 50/50 joint venture with Canada Pension Plan Investment Board to acquire two prime regional shopping centres in Spain; and the divestment of 80% of intu Uxbridge to KWAP, a Malaysian state pension fund.

The Company has received a notice in writing from a member alongwith a deposit of prescribed fee proposing the candidature of Mr. Dushyant Singh Sangar for the office of Director under the provisions of Section 160 of the Act.

Mr. Dushyant Singh Sangar does not hold any shares of the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution

Item No 6

Section 20(2) of the Companies Act 2013 mandates that a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or delivering at his office or address, or by such electronic or other mode as may be prescribed. It further provides that a member may request for delivery of any document to him through a particular mode, for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members of the Company to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of document in a particular mode, as mentioned in the resolution.

Since, section 20 of the Companies Act 2013 requires the fees to be determined in the Annual General Meeting, your directors accordingly recommend the matter for approval of members the of the Company by passing an ordinary resolution.

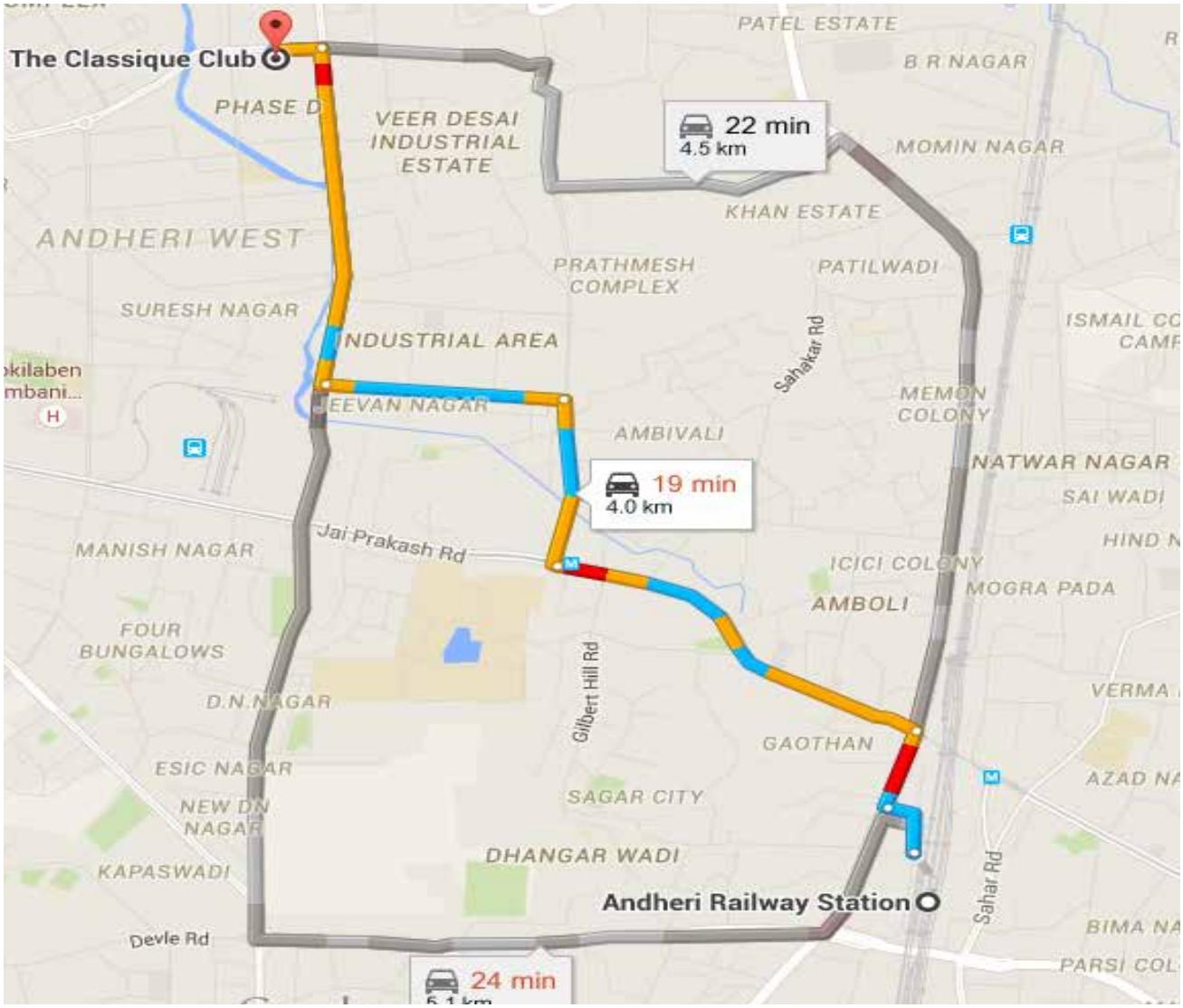
None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6

By Order of the Board of Directors
Prozone Intu Properties Limited

Date: 19th May 2016
Place: Mumbai

Ajayendra P. Jain
CS and Chief Compliance Officer

ROUTE MAP TO THE VENUE OF THE AGM



Message from the Managing Director

> Going forward, I see our mall assets and residential projects stabilizing in terms of operations, construction and sales. I expect the next three years to be a phase of strong monetization and net worth building.

49%

Revenue growth, 2015-16

Dear Shareholders,

A warm welcome to our Annual Report for the Financial Year 2016. This was the year that marked a decidedly stronger business performance after a spate of waiting for the right market conditions and the readiness for sale of our residential projects. We believe that the turnaround in our numbers was possible only because of the strong foundation that we have built over the years. Our rich project pipeline is gradually getting executed and completed, which has helped in generating revenues and free cash flows for your Company in FY2016. We have entered the early stages of an exciting new phase of consistent long-term growth and value creation.

Macro Scenario relevant to Prozone Intu

India's overall property market has been going through a sluggish phase for the past few years. More recently, the marketplace is showing early signs of rejuvenation fueled by positive changes in the economy along with the various initiatives announced by the Government. The 100 Smart Cities Mission is a key initiative and so is "Housing for All" Mission by 2022 under the Pradhan Mantri Awas Yojana (PMAY) programme. The passing of the Real Estate Regulatory Authority (RERA) Bill in December 2015 can be seen as a major milestone and a positive development with far reaching benefits for the sector. The commercial real estate sector also gained momentum as companies looked at expansion and consolidation as a result of improving business sentiments.

On the retail front, India has immense potential for growth. Evolving consumer-spending patterns and increasing disposable incomes are redefining the country's consumption landscape. This has helped India emerge as one of the important retail markets for global retailers. Supported by its enormous potential, improving regulatory environment and favourable demographics, India's retail sector is expected to continue its growth over the longer-term. The Government's initiative towards relaxing of sourcing norms for 100% FDI in single-brand retail has generated positive interest from leading brands around the world. This is expected to positively impact the demand for space in good quality leading malls.

Given this backdrop, your Company demonstrated strong operational performance primarily due to improving footfalls and consumption rates at our mall in Aurangabad and strong demand for residential products under construction. This is the result of our ability to understand customer needs and tastes, attracting exciting brands as occupiers of our malls and creating a great value proposition in our residential products. Over the years, we have evolved to be a respectable player as we have demonstrated our capabilities by creating landmark projects. This has meant that homebuyers and tenants place a great amount of trust in the Prozone Intu brand. Our strategy to replicate our success by leveraging our learnings and vast pan-India experience to our newer projects will certainly add velocity to our pace of growth. Another key reason for our standing today is the knowledge and business acumen that leading global realty player, Intu Properties Plc, UK, brings to the table through its representatives on the Board.

Our Evolving Strategies

Quality mall development in India has largely stopped and there is a now a supply shortage of quality retail centres. But there exists a significant demand for successful centres from domestic and foreign brands. With only a handful of strategic retail developers with the skill sets to deliver successful schemes, our retail story remains strong with great promise for the future. And with India's Consumption Story and retail growth intact, we believe that India can accommodate 50 new regional shopping centres in the next 10 years. Furthermore, growing foreign investor interest in well-established retail assets is now driving yield compression.

We realise that to provide the best return to our shareholders we need to have a healthy blend of projects that make up a Tier 2 Cities portfolio to give us a lucrative long-term return, along with projects in Tier 1 Cities

48%

EBIDTA growth, 2015-16

> Our strategy to replicate our success by leveraging our learnings and vast pan-India experience to our newer projects will certainly add velocity to our pace of growth.

that can assure medium-term value creation and healthy cash contribution. Already a Tier 2 proven player, your Company is now beginning to explore opportunities in Tier 1 cities. To begin with, we intend to focus on the Greater Mumbai area as a starting point, as we are already very familiar with this territory. In time, once we have demonstrated our success in Mumbai, we will explore other Tier 1 cities for replicating this success. In summary, Prozone Intu will evolve into player with both Tier 2 and Tier 1 presence in time.

Going forward, I see our mall assets and residential projects stabilizing in terms of operations, construction and sales. I expect the next three years to be a phase of strong monetization and net worth building. The positive cash flows will further help us enter Tier 1 geographies as planned. India's strong consumption story and an insatiable demand for value homes will keep our story exciting and full of promise. These days, there are very few specialist mall developers that have survived the sluggish past few years. I believe that we are amongst the very few still standing tall. As India enters a new phase of consistent and well-managed growth, we will be amongst the very few specialist developers with a strong balance sheet and intellectual bandwidth to take advantage of the opportunities ahead.

Acknowledgement

I would like to thank the Board and my fellow team members for their commitment and dedication to Prozone Intu's values and vision. I would also like to express my gratitude to our shareholders, bankers, customers, suppliers and other partners who kept faith in our business. The Company will continue to enhance value for its large stakeholder family.

With best wishes,

Nikhil Chaturvedi
Managing Director

Review by the Deputy Managing Director

314.4 million

EBIDTA, 2015-16

> We will continue to focus on turning around projects with speed and invest in cutting-edge technology to accelerate project progress. The combination of timely project completion and sustained launches is expected to translate into sustainable revenue growth.

Dear Shareholders,

I am excited to report the performance of the Company for the Financial Year 2015-16. Shareholders will be pleased to know that in a year in which most real estate players in the country reported considerably weaker offtakes and corresponding numbers, Prozone Intu reported a EBIDTA of Rs 314.4 millions (48% growth over previous year) and succeeded in reporting a profit after tax (after minority interest) of Rs 73.8 million. Even though the real estate sector was sluggish and sectorial sales were on an all-time low, we successfully sold about 1 lac sq. ft. area having a saleable value of Rs 360 million during the fiscal year. We have just begun to monetize our strong asset base and things will get even better from here on.

Project progress

As a focused real estate development company, we did two things in 2015-16: we sustained the progress of projects under construction and we readied the ground to launch new projects. We believe the effect of both will be reflected in 2016-17 and beyond. There is a great sign of our assets becoming productive and it is reflected from the following:

Firstly, we witnessed a surge in consumerism and enhanced stickiness with retailers, which helped our Aurangabad mall achieve steady rental income and improved EBITDA margins with an occupancy ratio of over 80%.

Secondly, the construction of Phase 1 of the Coimbatore Mall is completed and the mall is witnessing strong traction from leading brands with over 50 plus retailers already signing up.

Thirdly, the project progress and sales for our Nagpur residential project was in line with our plan. The first phase of the residential project was launched comprising of 392 units, out of which over 70% has already been sold.

Fourthly, Coimbatore residential was about getting our planning permissions. We received clearances for our Coimbatore residential space and successfully initiated the soft launch of the residential project. The tenders for civil works and finishes of Residential Phase 1 have been floated.

> Even though the real estate sector was sluggish, we successfully sold about 1 lac sq. ft. area having a saleable value of Rs 360 million during 2015-16.

And finally, there was buoyancy in the commercial market space. We have successfully sold 95% of the total saleable area at our Aurangabad commercial complex (PTC Phase 1).

Strengthening our inflows

We have successfully grown presence in our catchment areas, which helped us to generate enhanced returns. We will continue to focus on turning around projects with speed and invest in cutting-edge technology to accelerate project progress. The combination of timely project completion and sustained launches is expected to translate into sustainable revenue growth. As a result, we expect to partly monetise our asset base over the next few years, which should keep us comfortably liquid and attractively profitable.

Outlook

When we entered the realty business, Tier 2 was more accessible because of the cost of entry to access land banks. But over the years, as we have seen our progression, we believe that we are capable of creating iconic assets. Today, we have garnered the skill sets and the expertise to be a complete mall creator, a strong residential developer as well as a commercial player. We are therefore optimistic for our next stage of growth. We are witnessing a veritable correction in the Tier 1 real estate space, where we see ample

11.6

Available FSI (million sq. ft.)

opportunities for value creation. We possess strong intellectual and execution capabilities and an underleveraged balance sheet to capitalise on the evolving opportunities of Tier 1 destinations.

What also gives us the optimism is that even when all our present residential projects are completed we will still have a substantial residual balance FSI primed for further development at scarce land values. In our current land bank, with available FSI at 11.6 million sq. ft., we still have a significant residual for high potential value realization.

Valued Relationships

We highly value the experience and confidence of our partners and investors. Intu Properties plc, UK allow us to harness more than 37 years of invaluable experience across real estate sectors and a proven track record of solid financial performance and consistent delivery.

We also benefit 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.

We are excited to create value for our shareholders and enhance returns to all those who have reposed trust and faith in our growth story.

Sincerely,

Salil Chaturvedi
Deputy Managing Director

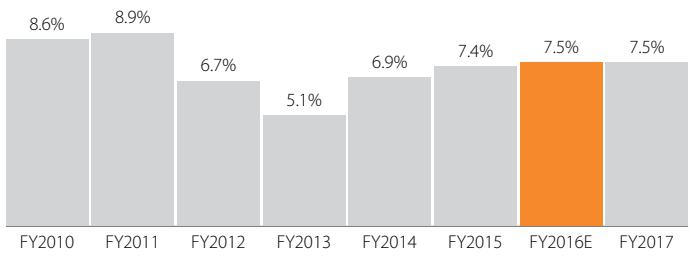
Management Discussion & Analysis

Indian Economy

The Indian economy witnessed a challenging phase in FY2013 and FY2014, as it struggled with a slowdown, policy in action, double-digit inflation and an unsupportive external environment. Widening twin deficits – current account deficit and fiscal deficit, along with dwindling foreign exchange reserves, deteriorated the situation further. However, the macro-economic environment improved significantly in the following year. The Indian economy grew by 7.4% in FY2015, as compared to 5.1% in FY2013 and 6.9% in FY2014.

IMPROVING MACROECONOMIC ENVIRONMENT – KEY INDICATORS

Indian GDP Growth (%)



(Source: RBI, IMF)

FY2015 was a significant year with leadership changes at the Centre. The NDA government coming into power in May 2014 led to a revival in India's economy, which is now firmly on the growth track. On the positive side, India continued its growth charge as its Gross Domestic Product (GDP) grew by 7.6% in FY2016, versus 7.4% in FY2015. Inflation further softened to 4.83% in March 2016, from 6.8% in FY2015 and 9.5% in FY2014, primarily driven by falling commodity prices. Declining crude oil prices and the fiscal discipline of the Indian Government helped in shoring up of the twin deficits – fiscal deficit and current account deficit. Strong inflows in Foreign Direct Investment (FDI) helped lift foreign exchange reserves by ~US$ 47 billion since the end of March 2014, to ~US$ 350 billion at the end of December 2015. However, two successive under-performing monsoons led to significant pain in the rural economy. Nevertheless, with the projection of a normal monsoon in 2016, the outlook for FY2017 is positive, with economic growth expected to sustain at 7.5%, as per the International Monetary Fund (IMF). This will make India the fastest growing major economy in FY2016-17, at a time when global growth is facing increasing downside risks, thereby placing India in a sweet spot in the global economic landscape. (IMF Report)

Indian Retail Sector

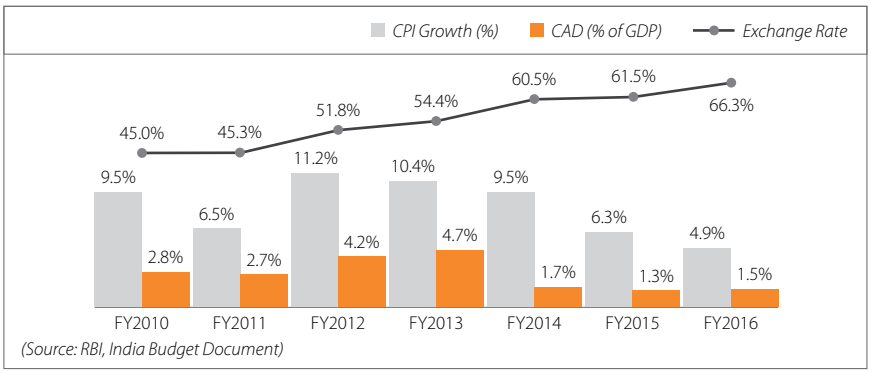
The Indian Retail sector is currently estimated to be around US $600 billion, growing at ~8% CAGR over the last 15 years (Source: IBEF). However, in recent years the pace of growth in the industry has fastened. The retail sector registered an annual growth of ~14% since 2009 (Source: IBEF & Crisil). Retail demand in India witnessed a stupendous growth, driven by urbanisation, an expanding middle-class and the growing number of women entering the workforce. This is also supported by factors such as improving demographics; rising disposable incomes; large middle-class households with significant increase in incomes; large and growing working population; increase in rural consumption; expansion of organised retail in tier 2 and 3 cities and changing consumer habits. The Indian Retail sector is seen touching ~ US$ 948 billion by FY2019, recording ~12% CAGR (Source: KPMG), providing a wide window of opportunity for domestic and international players to grow in the next five to ten years.

Growth of Organized Retail – Rising Penetration Across India

Organised retail has been growing at a faster rate than the overall retail industry, driven by increasing incomes, changing aspirations, improving brand awareness, urbanisation and rising exposure to global

The Indian Retail sector is currently estimated to be around US $600 billion, growing at ~8% CAGR over the last 15 years.

IMPROVING MACROECONOMIC ENVIRONMENT – KEY INDICATORS



(Source: RBI, India Budget Document)

600

Current estimated value (US$ billion) of Indian Retail sector

948

Estimated value (US$ billion) of Indian Retail sector by 2019

Management Discussion & Analysis

trends and international brands. The industry has grown at CAGR of ~20% over the last 6 years, compared to the overall CAGR of ~14% recorded by the retail sector. A prime reason for this has been the rising penetration of organised retail not only in metros and tier 1 cities, but also in tier 2 & 3 cities. The share of "Organized Retail" has risen sharply from 5.8% in 2009 to ~8% in 2015. This is expected to further rise to 10% by FY2019, resulting in a CAGR of ~19% with the organised retail industry, reaching a market size of ~US$ 94 billion, doubling from ~ US$ 47 billion in 2015. (Source: KPMG)

Key Growth Drivers Of Retail Industry In India

Rural Consumers

Rural markets constitute ~70% of the total population base, but currently account for only 40% of the total consumption in India, due to minimal penetration of organised retailing. Several national and international retail and FMCG players have been planning to explore these untapped markets and are localising their products with regard to price points, packaging, stock-keeping units (SKU) size and promotions.

Working Population

India's population in the working age group of 15 years to 54 years is the largest spender on retail. As per the census of 2011, more than 50% of India's total population falls under this category, indicating the significant influence wielded by this segment on consumer spending.

Youth

As per the census of 2011, India has about 500 million people under the age of 25 years. Young Indians are driving purchases in categories such as mobile phones, fashion, accessories, food and beverage and quick service restaurants. They are more willing to experiment and change habits. Young Indians have access to more money than before, driving independence, aspirations and demand for products.

Middle Income Households

India has a large and aspirational middle-class of 75 million households or 300 million individuals. Over the years, the disposable incomes of middle-class Indian consumers have increased significantly, leading to a substantial change in their spending habits.

Growing Number of Millionaires

The astounding rise in the number of millionaires in India is driving indulgence in luxury products such as fine wines, Scotch whiskies, expensive handbags and branded jewellery and accessories. According to the World Wealth Report 2014, the total number of millionaires in India (with investible assets, excluding main residence and consumer durables, of more than USD 1 million) grew by ~51%, the second fastest in the Asia-Pacific Region.

Opportunity Size & Key Retail Segments Potential Consumer Base: 833 Million

- Personal Care; Hair Care, Teeth Care
- CDIT; Selected Electronics
- Food & Beverages

Opportunity Size & Key Retail Segments Potential Consumer Base: 600 Million

- Packaged Foods & Beverages
- Luxury Products, Consumer Electronics
- Indentation, Personal Care, Beauty & Wellness

Opportunity Size & Key Retail Segments Potential Consumer Base: 500 Million

- F&B (Packaged Food Products)
- Apparels & Accessories
- Mobile, Personal Care & Affordable Luxury

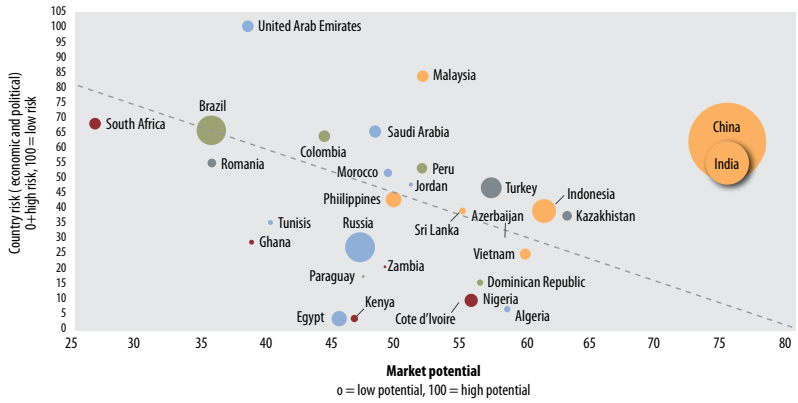
Opportunity Size & Key Retail Segments Potential consumer Base: 75-300 Million

- F&B, Apparels & Accessories, Mobile
- Personal Care, Home Care
- Affordable Luxury

Opportunity Size & Key Retail Segments Potential consumer Base: 1,56,000 (USD Millionaires)

- Luxury Consumer Electronics
- Home Furnishings
- Luxury Products

2016 GRDI COUNTRY ATTRACTIVENESS



Size of bubble indicates net retail sales, 2015

Note: Market Potential is based on a weighted score of market size, market saturation, and time pressure
Source: Planet Retail, Economist Intelligence Units: A.T. Kearney analysis

Indian Retail – In a Growth Sweet Spot

Strong GDP growth, improved ease of doing business and better clarity regarding FDI regulations has significantly improved the conditions for international and domestic brands to expand their presence in India and benefit from the rising opportunity offered by the Indian retail market. In fact, India has been ranked 2nd among developing nations in the AT Kearney Global Retail Development Index Report, 2016. In addition, steps taken by the current government such as relaxing several key FDI regulations in single brand retail and opening up of FDI in multi-brand processed food retail (as long as the food is sourced and processed in India) has encouraged several international brands to make their debut in India. This will also encourage many other international brands such as Apple, Xiaomi and Walmart, to expand their presence and footprint in the country. Overall, the Indian Retail Market is supported by its enormous potential, improving regulatory environment and favourable demographics and is expected to continue growing in the longer-term. It appears to be in a growth sweet spot in an era where many advanced and developing economies are struggling for growth.

The chart above highlights the attractiveness of the Indian market versus 30 other developing countries around the world:

Strong GDP growth, improved ease of doing business and better clarity regarding FDI regulations has improved the conditions for international and domestic brands to expand their presence in India.

Management Discussion & Analysis

The Indian Government has taken several steps to encourage demand and investments in the real estate sector and to create an overall healthy real estate ecosystem.

Indian Real Estate Sector

The Real Estate industry is the second-largest employment generator in India, contributing 5-6% towards the country's Gross Domestic Product (GDP). It is also the fourth-largest sector in India in terms of FDI inflows. About 5% of India's GDP is contributed by the housing sector, which is seen rising further in the next five years. The sector is also responsible for the development of over 250 other ancillary industries such as cement, steel, and paints, among others.

The Indian Real Estate sector has been witnessing a slowdown over the last couple of years. However, the Indian government has taken several steps to promote affordable housing, making the industry more transparent and safeguarding the interests of customers, to encourage demand and investments in the real estate sector and to create an overall healthy real estate ecosystem.

Some of the key regulations taken by the Government recently are as follows:

Real Estate (Regulations & Development) Act 2016 (RERA)

The Real Estate (Regulations & Development) Act 2016 is a welcome development for the Real Estate Industry. Consumers will be the key beneficiaries of the mammoth development as they will be assured of timely delivery of the product, with there being increased transparency in the way the real estate industry operates. This will increase consumer confidence while buying a product; and established companies, such as ours, will be the key beneficiaries of this in the long run. Going forward, the industry is likely to witness consolidation, and only the developers committed to providing a time-bound delivery of a quality product will survive. Under The Real Estate (Regulations & Development) Act 2016, developers have to register their projects before they start selling it in the market. For on-going projects, which do not receive a commencement certificate at the time of commencement of this Act, the developer is required to register them within a period of three months. Further, the Act mandates nearly 70% of the project funds to be deposited in a separate account, thereby eliminating the potential of fund diversions by developers. Furthermore, should a project be delayed, the Act imposes strict fines on the developer, even as it empowers the customer while giving him the option to either receiving compensation or exiting the project.

In the short term, capital values should see some increase as the cost of capital as well as the compliance cost for a developer goes up. However, this short term pain will result in long term gains for the industry as a whole, which is emerging as a consumer-friendly, transparent and most importantly – positive sentiment. We as a Company welcome this bill and are fully prepared to be in compliant with it.

Real Estate Investment Trusts (REITs) & Infrastructure Investment Trusts (InvITs)

Real Estate Investment Trusts (REITs) are pooled investment trusts that predominantly invest in completed, revenue-generating real estate properties, manage such properties and distribute a major portion of the earnings to their investors. The concept of REIT was first introduced in 1960s in the United States. Realising the benefits that a REIT provides, other countries (such as Australia, the UK, German and Singapore) introduced REIT legislations subsequently. Globally, REITs have demonstrated the ability to attract and effectively manage investments in the real estate sector. Besides other advantages, REITs bring increased transparency to the sector by adopting better corporate governance.

In the Union Budget 2016-17, India's Finance Minister proposed the removal of Dividend Distribution Tax (DDT). The industry awaits more clarity on the exemption of Capital Gains Tax and Stamp Duty to be paid to the State Government, while transferring assets to REITs holding company on dividends paid to the unit holders.

Pro-growth central leadership, progressive regulations, clarity on REITs and introducing schemes, such as "Housing for All", to encourage demand for housing (especially affordable housing) and improving living standards is likely to help the residential sector re-bound and start seeing some traction, going forward. Overall, the real estate sector is projected to double from US$ 93.8 billion in 2014 to US$ 180 billion by 2020, growing at a healthy pace of ~11.5% CAGR over the next few years. (Source: Cushman & Wakefield)

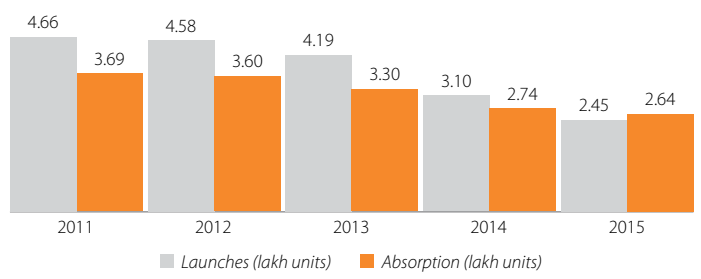
Real Estate Sub-sectors

Residential Sector

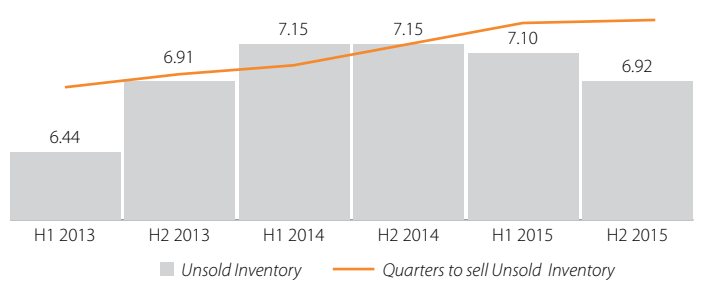
The residential sector continued to witness subdued demand from home buyers in the calendar year 2015. This was primarily on account of challenges such as slow project approvals, affordability issues, tepid investment demand and project execution concerns. Owing to subdued sentiments, 2015 witnessed the lowest number of new launches and sales volume since 2010. Sales volume held steady to the previous year's levels in the latter half of the year as new launches continued to lag behind. The period between January-December 2015 witnessed new launches of ~244,944 units across top 8 cities, registering a 21% decline compared to 2014 which witnessed launch of ~309,000 units. Absorptions remained largely steady as compared to the previous year, as 2015 recorded sale of 263,720 units vis-à-vis 274,109 units in 2014. With lesser-than-expected sales in the residential sector, developers focussed on completing the existing projects, cutting back on existing inventory and withheld the launch of new projects. NCR, Mumbai and Bengaluru witnessed the sharpest fall in launches among the top 8 cities across India. (Source: Knight Frank)

On the positive side, the unwinding of unsold inventory is taking place at a faster pace. In 2015, units absorbed exceeded the new units launched. Supply pressure on the residential sector is also easing. Unsold inventory levels declined during the year by ~3% to 691,591 units, as compared to 714,972 units of unsold inventory at the end of 2014. The sharp rise in quarters to sell unsold inventory witnessed in the last 2-3 years has been arrested during 2015. The demand for housing from smaller cities has been relatively stronger as compared to metro/tier1 cities. (Source: Knight Frank)

DECLINE IN LAUNCHES, STEADY SALES VOLUMES



DECLINE IN UNSOLD INVENTORY, PRICE FALL ARRESTED



Management Discussion & Analysis

In 2015, India's office space absorption stood at 40.8 million sq. ft. across top 8 cities, rising by 7% as compared to 38.3 million square feet in 2014.

Impetus on Affordable Housing

Developers have begun to realise the vast potential of the segment and are expecting greater momentum in demand in the affordable segment, with customers being more price-sensitive in the current market. With the Government's strong emphasis on affordable housing, tax incentives extended by the government, as well as due to the cautious approach of end-users in other segments, developers are betting on the affordable segment. Over the last few quarters, the share of affordable housing has constantly increased as developers and investors are viewing this segment more favourably. The share of affordable housing segment as a percentage of total unit launches increased to 22% in 2015, compared to 17% in 2014. In fact, the affordable segment accounted for approximately 35% of the total launches during quarter-one of 2016, along with a decline in the average launch price of affordable segment units across most cities. (Source: Cushman & Wakefield)

Residential Sector: Outlook

India's residential property market has been going through turbulent times for the past few years. However, things are now beginning to look up with several positive changes in the economy and various initiatives announced by the government. Trends are beginning to change with expectations of a good monsoon, revival in the economy, reducing inflation and the fact that residential prices have bottomed out. Also, the improving regulatory environment in the real estate sector, coupled with schemes such as Smart Cities, AMRUT and 'Housing for All by 2022', should have a positive influence. Additionally factoring in banks' passing on of interest rate cut benefits to the ultimate consumers, the residential sector is expected to recover and see better growth, going forward.

In the longer term, demand is projected to outstrip supply by roughly 2.5 times. Existing under-construction and planned supply of 1.4 million housing units is expected to be delivered across eight cities during 2015-19. During the same period, demand is expected to be 3.4 million units across India's top 8 cities generating a huge demand supply mismatch. India's overall urban housing demand is expected to be nearly 15 million units by 2019, led by population growth and the rapid rate of urbanisation.

Commercial Sector

In 2015, the commercial office real estate sector gained momentum as companies looked at expansion and consolidation as a result of improving business sentiments. The demand for office space outstripped demand for the second straight year as absorption levels were highest in 2015 since 2011. Positive policies, strong macro-economic fundamentals, initiatives and reforms introduced by the government led to an improvement in the overall sentiment leading to companies revisiting their office space requirements and reviving their expansion plans, resulting in a significant ramp-up in demand and absorptions.

In 2015, India's office space absorption stood at 40.8 million sq. ft. across top 8 cities, rising by 7% as compared to 38.3 million square feet in 2014. New completions grew by just 2% to 35.5 million sq. ft. in 2015. Vacancy levels fell to 15.8% in 2015 from their 2012 peak of 21%, its lowest in the past eight years. Among the top 8 cities, Bengaluru and NCR became the most preferred markets for developers, backed by increased occupier interest, especially in IT-ITES and e-Commerce sectors. Technology companies were the key demand drivers for Grade A properties.

Commercial Sector: Outlook

Key announcements such as pass through status for REITs, rationalisation of FDI norms, and creation of smart cities, among others, are some encouraging signs and have further boosted the sentiments. Going forward, as economic revival gains pace, the demand for office real estate is expected to gain traction. Capital and rental values may also see a moderate increase and rentals for Grade A properties are expected to see an upward pressure, with vacancy levels most likely to move downwards.

Retail Sector

The retail real estate sector witnessed new mall supply of 1.17 msf in calendar year 2015. Absorptions during the year remained healthy, resulting in vacancy levels remaining largely steady across the top 8 cities at ~15%. Mall rentals remained largely steady across most markets, barring select sub-markets and high-streets, which witnessed a healthy increase. Quality malls continued to have significantly higher occupancy rates and relatively stronger demand for space, as compared to the other malls, and hence, commanded superior rentals. Vacancy levels in quality mall space are significantly lower, in the range of 3-7% in top 3 retail cities (Mumbai, Delhi-NCR & Bengaluru), as compared to 11-24% in the overall vacancy levels in these cities.

A pro-growth government, strong GDP growth, economic stability, liberalisation of the FDI policy and improvement in consumer sentiments drove the existing domestic and international brands to expand their presence in India. Many new brands debuted in 2015 or are considering options to make a foray into India in 2016.

Retail Sector: Outlook

The steps taken by the Government such as relaxation of policies, improving transparency, Ease of Doing Business (India's ranking improved from 15th to 2nd in 2016 in Global Retail Development Index, as per AT Kearney's Report), expected strong economic growth, favourable demographics and continuing shift from the unorganised to organised is expected to keep demand for quality retail space strong, going forward. This trend is not only limited to metro/tier-1 cities, but will also extend to tier-2/ tier-3 cities as the penetration of organised retail increases. Favourable regulatory policies kept the investment activity buoyant in 2015 in the retail real estate sector, witnessing investment inflow worth US$ 39 million. It is expected to remain healthy in 2016, with the segment seen witnessing private equity investments worth US$70-US$80 million. In fact, Global PEs have already started making huge investments in this space in 2016 so far. Singapore's sovereign fund GIC is buying a 50% stake in Thane's Viviana Mall, while recently, investment giant Blackstone finalised a deal with L&T Realty to buy more than 1 million sq. ft. of retail space at Seawoods Grand Central, Navi Mumbai, valued at about Rs. 14,000 million.

Single-brand retail companies are projected to explore the Indian market, thanks to the relaxation of sourcing norms and a go-ahead to technology-led retail to start under single brand retail store category. These companies may also be able to undertake the e-Commerce business independently. Moreover, as quality mall space is coming up with strong pre-commitments, it indicates that retailers continue to remain bullish about the long-term India Consumption Story. Retailers are already experimenting with different formats and sizes as they are moving up the value chain. Investment by home-grown and international brands will strengthen in tier-II and tier-III markets as they expand beyond tier-I cities. Investment by large players will also be seen in 2016.

1.17 msf

Mall space addition in 2015

39

Investment (million US$) in retail real estate sector, 2015

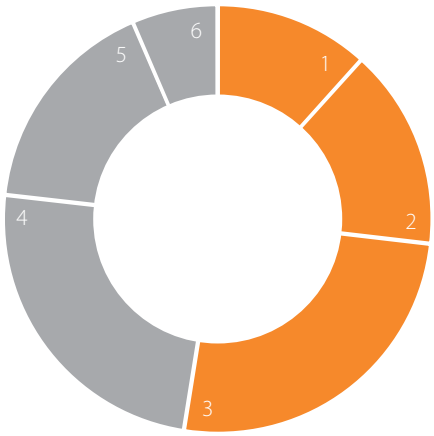
Management Discussion & Analysis

COMPANY OVERVIEW

Prozone Intu Properties Ltd is a focused Retail and Residential-led Mixed-Use Real Estate Development Company. It is harnessing the domain expertise and ingrained experience of Intu Properties Plc, UK's largest retail real estate developer, combined with promoters in-depth knowledge of the Indian markets. The Company has a strong focus in tier 2 and 3 cities in India.

Intu Properties Plc. is a FTSE-100 Company listed in the UK, owning and managing assets worth more than GBP 9.6 billion. It is UK's largest Retail Real Estate Company owning 18 properties. Of these 18 properties, 9 are among the top 20 shopping centres in the UK, representing ~38% of the market share in the country. Intu Properties Plc. has more than 21 million sq. ft. of retail space, visited by more than 400 million customers each year. Prozone Intu continues to gain immensely from its strategic partnership with Intu Properties, given its vast experience in successfully operating and creating value-generating realty assets in the UK. The partnership results into sharing of valuable knowledge inputs and guidance in carrying out the business and executing the projects effectively and efficiently.

TOTAL LAND BANK (IN ACRES)



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

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

Prozone Intu has 169 acres of fully paid-up land bank with maximum saleable area of approximately 17.8 million sq. ft. The land bank is in the prime locations in major upcoming Tier 2 cities such as Aurangabad, Nagpur, Indore, Coimbatore, Jaipur and Mysore. Of its ~17.8 million sq. ft. land bank, ~2.2 million sq. ft. has been developed till date and 5 million sq. ft. is in development stage. Currently, the Company has construction going on in three locations – Nagpur, Coimbatore and Aurangabad. Over the next 2-3 years, we plan to develop 1 million sq. ft. of Retail Assets, and monetise 2 million plus sq. ft. of mixed-use assets.

Our Sustainable Competitive Advantages

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

Strong Experienced Partners & Investors

Our international Partner Intu Properties UK Plc. is UK's largest Retail Real Estate developer. It owns 18 retail properties with a combined market value of GBP 9.6 billion. Notably, 9 of UK's top 20 shopping centres belong to Intu Properties. Its centres recorded aggregate footfall of 400 million in 2015. Intu properties Plc has appointed two of their most Senior Directors on the Board of Prozone Intu properties Ltd. – Mr. David Fischel, Chief Executive and Mr. Dushyant Singh Sangar, Director. This allows us to harness more than three decades of their invaluable experience across real estate sectors. Presence of such established players on the Board as our business partners is of vital importance for the Company. Their valuable strategic inputs and guidance greatly benefits us and inspires us to constantly persevere and keep moving towards achieving our vision of becoming one of India's top real estate developers of high quality shopping centres in emerging urban cities.

Management Discussion & Analysis

797

Cash balance (Rs million)
as on March 31, 2016

0.4x

Debt Equity Ratio as on March 31, 2016

Fully Paid-up Bank
The Company owns six land banks aggregating 169 acres in strategic city locations spread across 6 cities in India. All the land parcels are fully paid-up and are fully debt-free, thereby placing us at an advantageous position to build, develop and manage world-class mixed-use developments, enabling us in creating value for all the stakeholders.

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

Healthy Financial Position with Low Leverage
We have a healthy balance sheet with a low leverage of 0.4x and cash balance of Rs 797 million, as on 31st March 2016. All of our land parcels are fully paid up and debt free and we have only construction debt on our Balance Sheet. In FY2016, we made a Rights Issue of Rs 1600 million to the existing shareholders of EMPL (Aurangabad SPV) on a pro-rata basis. Having a healthy balance sheet enables us to focus better on project execution and capitalising on future growth opportunities.

Strong Association with Leading National & International Retail Brands
Our existing strong association with leading national and international brands greatly benefits us as we continue to develop retail centres in the future. At the Prozone Mall in Aurangabad, there are 11 anchor tenants and approximately 100 plus stores currently operational. These include Star Bazaar, Shoppers Stop, Westside, Croma, Samsung, Globus, Pantaloon, Fashion @ Big Bazaar, Decathlon, Reliance Trendz, Inox Multiplex, KFC ,Pizza hut and kids land (The family Entertainment Centre). The Prozone Mall at Coimbatore has seen strong traction with various reputed national brands such as Lifestyle ,Max ,SPAR Hyper ,Raymond , Reliance, Arvind brands etc amongst others who have already signed up and talks are at advance stage for signing leading international fashion brands.

Understanding Our Business Model

Business Strategy

Our business strategy is to acquire and develop large land parcels at select locations in high growth corridors within city limits, with a focus on mixed-use development. The strategy is to utilise one-third of the land parcel to build the Anchor Asset – a regionally dominant Retail Centre, which is primarily a "Build and Long Term lease Asset". It will utilise two-third of the conjugate land bank to develop mixed-use developments such as Residential Townships or Commercial Office Blocks. Both Residential and Commercial assets are built from a "Build & Sell" perspective, as it enables the Company generate robust cash flows, which further facilitate the "Build & Lease" model, thus resulting in Debt Free Annuity Assets and free cash flows for future developments.

Residential Projects Strategy

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

UNDERSTANDING OUR BUSINESS MODEL

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

Mall Development Strategy

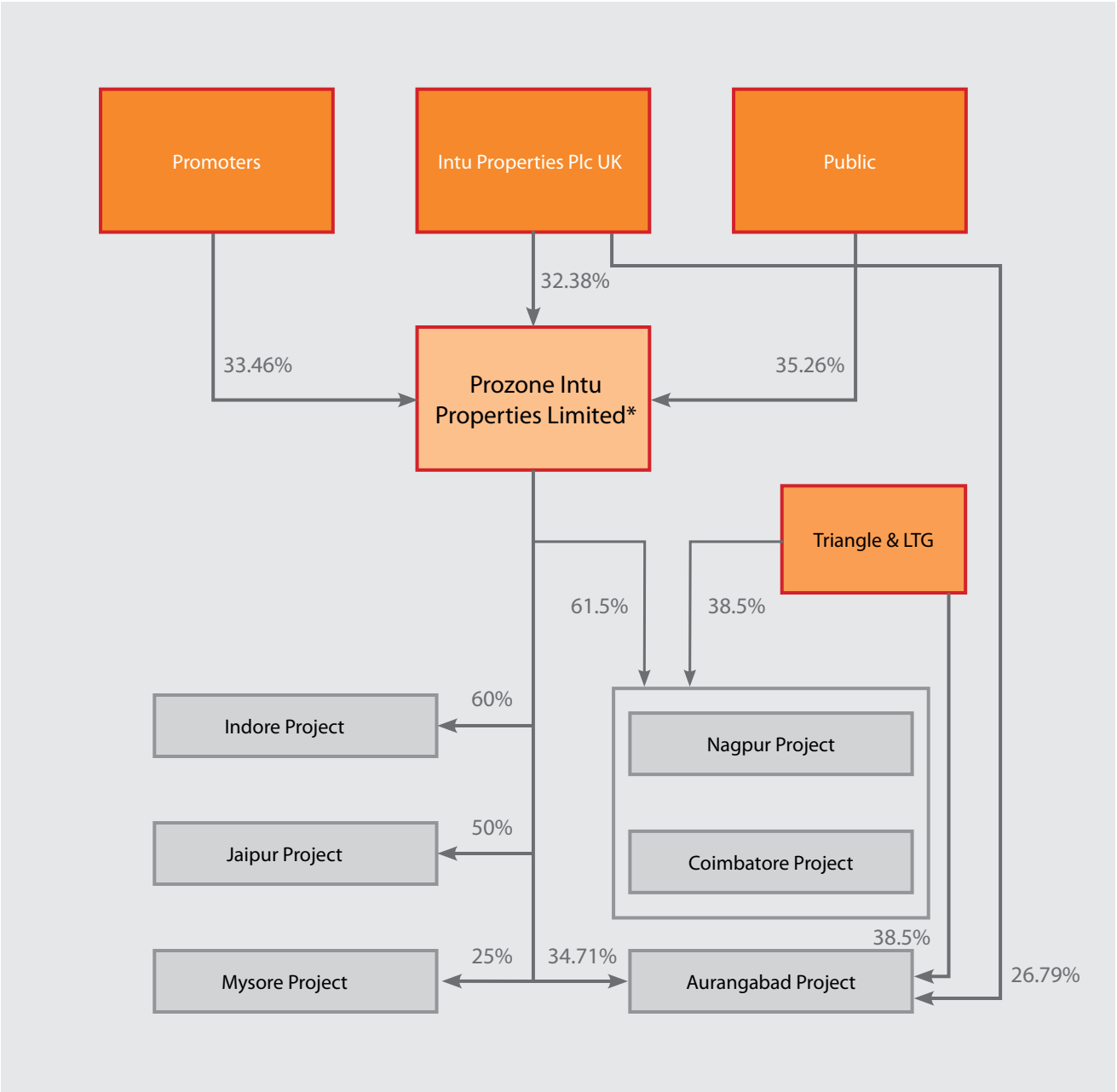
For our Retail Assets, our focus is to build regionally dominant shopping and leisure destinations. Intu Properties Plc. rakes in around 36 years of invaluable experience in design and mall management capabilities. We design our Shopping Centres in a Ground+1 Floor horizontal model with a racetrack circulation. We build our supporting infrastructure, such as large parking spaces, well ahead in time, to cater to future growth. Also, our focus is to plan the right tenant mix with the right category mix in order to augment overall consumption.

For the Residential projects, we first builds the required site infrastructure and facilities. This builds strong brand credibility and improves the overall sales velocity for the project.

Management Discussion & Analysis

COMPANY HOLDING STRUCTURE

The Company has 6 SPVs – one each in Aurangabad, Nagpur, Indore, Coimbatore, Jaipur and Mysore. The below chart highlights the Company's holding structure:



* Holds directly or indirectly

Segment wise performance - Project Portfolio Summary

Sr. No.	SPV	Ownership (%)	Residential	Commercial	Retail
1	Aurangabad	34.71%		• Launched PTC Phase 1 - 117 units (190,513 sft) - 96% booked at average rate of Rs 3,200 psf • **Development Status:** Commenced Construction - Project Expected to be Delivered by Q4 FY2016-17 • **booked Status:** Total Value - Rs 594 mn, Amount Collected - Rs 207 mn	Mall **Leasing Status:** Launched - ~7,00,000 sft - 80% Area Leased - 103 stores signed **Financial Performance (FY 2015-16):** Rental Income - Rs 226 mn , EBITDA - Rs 145 mn **Operational Performance (FY 2015-16):** Footfalls - 72.2 mn, Retailer Sales - Rs 1972.3 mn **Key Tenants -** Inox, Star Bazar, Westside, Croma, Reliance, FBB, Audi etc. **Saral Bazar** **Project Launched -** Total Carpet Area - 31,004 sft - 68% booked at average rate of Rs 12500 psf **Development Status:** Phase 1 construction complete - Possession of Shops in Process - 50 units have commenced operations **Booking Status:** Total Sales Value - Rs 337 mn, Amount Collected - Rs 129 mn
2	Nagpur	61.50%	Residential Project Phase 1 - Launched 392 Units - over 70% Booked **Development Status:** Construction for main residential buildings in progress - expected to be completed by Q2 FY 2017- 18. **Sales Status:** Total Inventory Sold - ~ Rs 1689 mn, Amount Collected - Rs 599 mn		
3	Indore	60.00%	Expected to Launch sale of Residential Plots by Q4 FY 2016-17 Construction of Initial Infrastructure has been completed		

Management Discussion & Analysis

Sr. No.	SPV	Ownership (%)	Residential	Commercial	Retail
4	Coimbatore	61.50%	**Phase 1 Soft Launch Initiated** - 540 units - 41 units already booked at Rs 3800 psf **Development Status:** Construction of Initial Infrastructure completed, Residential Tower construction expected to start by Q3 FY2016-17		**Mall expected to be launched** at 75% occupancy in FY 2016-17 **Construction Status:** Construction of Phase 1 of Retail Mall is completed, Retailer Fit-outs in Progress **Leasing Status:** Strong traction in Leasing **Key Brands:** SPAR Lifestyle, Max, GAP, Reliance Trends and Reliance Digital, Inox, Westside etc.
5	Jaipur	50.00%	To Be Monetized in Future	To Be Monetized in Future	To Be Monetized in Future
6	Mysore	25.00%	To Be Monetized in Future	To Be Monetized in Future	To Be Monetized in Future

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

Company Outlook – Roadmap For Future

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

Future Business Strategy

Creating Debt-free Long-term Annuity Assets

Our Aurangabad Mall has been operational for around five years. We have been able to significantly reduce debt at the SPV level in this asset. We came out with a Rights Issue of Rs 1,600 million to the existing shareholders of EMPL (Aurangabad SPV) to bring down our debt levels to Rs 500 million at the end of FY2016. Going forward, we will continue to repay the debt as we keep generating cash flows, going by our business strategy of becoming debt-free over the next 3-4 years. We are aiming to launch our Coimbatore Mall around Diwali, 2016. We have already soft launched our residential project at Coimbatore and are already receiving bookings. We are hoping to commence construction of this project in the next two quarters. As cash flows from the residential project pick up, they will be utilised to repay our debt at the SPV level.

Focus on Asset Monetisation

In Aurangabad SPV, at Saral Bazar and PTC Phase 1, we are witnessing positive developments. At Saral Bazar, about 50 plus stores have already commenced operations and we plan to cross 100 plus stores by Diwali this year. The operational shops are witnessing good pick-up in business, encouraging other buyers. We expect our collections to pick up this year as more stores get operational. In PTC Phase 1, we are working towards completing construction over the next two – three quarters. We expect to collect at least 50% of the dues in the next two quarters, while the balance amount will be paid in the next 12 months. We are hoping to hand over the possession and get the residual cash flows over the next one year. This will help us accelerate our debt repayment at the Aurangabad SPV and become debt-free.

We are hoping to commence construction of Coimbatore residential project in the next two quarters. As cash flows from the residential project pick up, they will be utilised to repay debt at the SPV level.

Management Discussion & Analysis

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

At Indore, our strategy is to launch sales of plots to enable faster asset monetisation. We expect to launch the sale of plots in FY2016-17 and are looking to generate significant cash flows over the next couple of years.

At Nagpur, we expect the bookings and revenue recognition to continue in Phase 1. Our aim is to deliver the project in the period commencing second quarter of FY2017-18. We are also planning to launch Phase 2 in Nagpur once all the approvals are in place. This will help us generate significant cash flows and higher revenues over the next 2-3 years.

Utilising Remaining Land Bank for Future Monetisation

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

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

Risks and Concerns

Economic Risk

A slowdown in India's economic growth can affect the Company's performance. The Company's business is highly dependent on economic growth as it leads to a rise in disposable incomes and resultant consumption. However, favourable population growth, a large pool of highly skilled workers, greater integration with the world economy and increasing domestic and foreign investment suggest that the Indian economy will continue its growth momentum for several years to come. This will also provide a growth impetus to the retail industry, largely driven by income growth, urbanisation and attitudinal shifts.

Business Risk

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

Shopping Mall Risk

Large scale retail infrastructure's success is subject to well designed architecture and services to meet the needs of retailers and consumers over the long term. The population numbers in the catchment areas in these Tier II cities are constantly

A 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.

Management Discussion & Analysis

The Company recorded operational Revenues of Rs. 862 million, EBITDA of Rs. 314 million and PAT (after minority Interest) of Rs. 74 million during the year under review.

growing, and therefore, it should present no major long-term risk to the business. In addition, the Company is guided by the advice and expertise of Intu Properties Plc.'s Representative Directors on the Board. This ensures that the architecture and services have been designed with a long-term perspective to meet the needs of retailers and consumers alike, and therefore, do not represent significant risk to the business.

Brand Risk

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

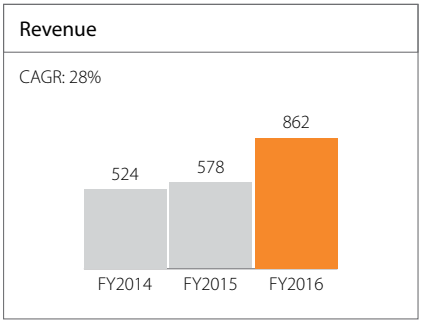
Internal Control System and Adequacies

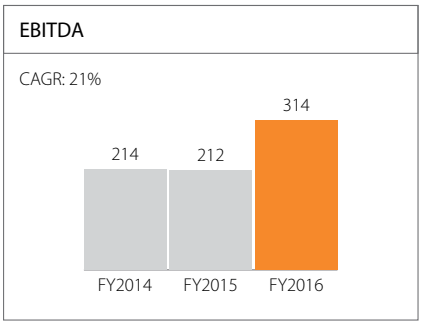
The Company has adequate internal control procedures commensurate with the size and nature of its businesses. Our internal control system is supplemented by extensive internal audits, regular reviews by the management and well-documented policies and guidelines to ensure reliability of all records to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

Financial Performance

The Company's financial performance company improved significantly during FY2016. The Company recorded operational Revenues of Rs. 862 million, EBITDA of Rs. 314 million and PAT (after minority Interest) of Rs. 74 million during the year under review. It delivered healthy overall growth during FY2016, with its Revenues growing by 49%, EBITDA growing by 48% and PAT (after minority Interest) growing to Rs. 74 million from a loss of Rs. 65 million in the previous financial year. The Company maintains a very healthy balance sheet, with low leverage with Debt/Equity ratio of 0.4x on a consolidated basis.

Our 3-Year Financial Performance (Rs million)





Human Resource Management

The Company regards its human resources as its most valuable assets and proactively invests in processes towards creating an encouraging work environment. The Company provides challenges and opportunities to its employees and recognizes their performance and potentials. As on 31st March2016, the Company had a team size of 12 employees.

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

Employee Welfare

To create an environment of fun and camaraderie among the employees, the organisation celebrates several events, festivals and get-togethers. During the year, around six events, with fun and social intent, were organised. The Company continued to engage its employees with personalised and organisation-wide health initiative. The Company has tied up with a leading health service company, which covers a series of regular health check-ups by doctors and dieticians, along with awareness seminars delivered by doctors.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of PROZONE INTU PROPERTIES LIMITED, which are forward-looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of PROZONE INTU PROPERTIES LIMITED's Annual Report, 2015-16.

Directors' Report

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, 2016.

FINANCIAL RESULTS & OPERATIONS

Particulars	Standalone		Consolidated	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Income from Operations	752.01	807.48	8621.19	5775.60
Other Income	800.05	701.88	841.97	418.01
Total Income	**1552.06**	**1509.36**	**9463.16**	**6193.62**
Total Expenditure	(953.52)	(1104.60)	(8,656.84)	(7311.92)
Exceptional item	-	(39.09)	(16.69)	(80.98)
Profit/ (loss) before Tax	598.54	365.67	789.63	(1199.28)
Less: Tax expenses	(150.32)	(111.11)	(372.20)	(35.83)
Minority Interest	-	-	320.60	585.17
Profit/ (loss) after Tax	448.22	254.56	738.02	(649.94)

STATE OF COMPANY'S AFFAIRS/FINANCIAL PERFORMANCE

Standalone

The Company's gross (total) income for the financial year ended 31st March, 2016 increased to ₹ 1552.06 lakhs against ₹ 1509.36 lakhs during the previous year. The profit before tax increased to ₹ 598.54 lakhs from ₹ 365.67 lakhs as recorded during previous year. The profit after tax increased to ₹ 448.22 lakhs from ₹ 254.56 lakhs in the previous year.

Consolidated

The Company's gross (total) income for the financial year ended 31st March, 2016 increased to ₹ 9,463.16 lakhs from ₹ 6193.62 lakhs during the previous year. The profit/(loss) before tax increased to ₹ 789.63 lakhs against loss of ₹ 1199.28 lakhs as recorded during previous year. The profit/(loss) after tax after minority interest increased to ₹ 738.02 lakhs against loss of ₹ 649.94 lakhs in the previous year.

DIVIDEND

Considering the cash requirement for business growth, your Directors decided, not to propose dividend for the year ended March 31, 2016 and there is no appropriation of any amount to General Reserve during the year under review.

LISTING

The equity shares of the Company are listed on The BSE Limited (BSE) and The National Stock Exchange of India Ltd. (NSE) and the listing fees for the year 2016-17 have been already paid.

SHARE CAPITAL

The paid up Equity Share Capital as at 31st March 2016 stood at ₹ 3,052.06 lacs. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31st March 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

SUBSIDIARY AND JOINT VENTURE COMPANIES

The Company has 10 subsidiary companies as on 31st March, 2016 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

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

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of operations, performance and future outlook of the Company and its business, as stipulated under Reg. 34 of the SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of Annual Report under the head 'Management Discussion and Analysis'.

PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor accepted the deposit from public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 amended from time to time

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- **Directors**

  During the year, Company has appointed Mr. Dushyant Singh Sangar and Ms. Deep Misra Harris as an additional Non Executive Director and woman Independent Director respectively effective from 8th February 2016.

  Mr. John Abel, Non Executive Director of the Company has resigned from the Board with effect from 8th February 2016. The Board placed on record their sincere appreciation for the valuable service rendered by Mr. John Able during his entire tenure and thanked him for all dedication and expertise which was brought by him on the Board.

  Mr. David Fischel, Non Executive Director of the Company, due to certain pre-commitments and other engagements requested the Company to appoint Mr. John Abel as his Alternate Director accordingly, the Board of Directors in its meeting held on 8th February 2016 appointed Mr. John Abel as an Alternate Director to Mr. David Fischel.

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

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

- **Appointment and Remuneration of Directors**

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

  The Nomination & Remuneration Committee and Board of Directors in their respective meetings held on 8th February 2016 consented for the increment in remuneration of Mr. Nikhil Chaturvedi, Managing Director upto Rs. 10 Lac

per month effective from 1st February 2016 and the said increment is within the pay scale already approved by the members of the Company.

- **Independent Directors**

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

  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**

  The following are the Key Managerial Personnel of the Company as on 31st March, 2016

Name	Designation
Mr. Salil Chaturvedi	Dy. Managing Director
Mr. Anurag Garg	Chief Financial Officer
Mr. Ajayendra P. Jain	Company Secretary and Chief Compliance Officer (w.e.f. 01st December, 2015)

  During the year, Ms. Snehal Bansode Company Secretary and Key Managerial Personnel had resigned from the office with effect from the end of business hours of Monday, the 30th November 2015.

  Consequently, the Board had appointed Mr. Ajayendra Pratap Jain, a member of the Institute of Company Secretaries of India (ICSI), (Membership no. ACS- 20718), as Company Secretary of the Company with effect from 1st December 2015 and subsequently in its Meeting held on 8th February, 2016 designated him as Key Managerial Personnel of the Company.

- **Board Evaluation**

  Pursuant to the Companies Act 2013 a formal annual evaluation needs to be conducted by the Board of its own performance and that of its committees and individual directors. Schedule IV to the Companies Act 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

  The Board based on evaluation criteria recommended by the 'Nomination and Remuneration Committee' and 'Code for Independent Directors' and pursuant to applicable regulations of Chapter II and Chapter IV read with schedule IV to SEBI (LODR) Regulations, 2015, evaluated the performance of Board members.

  The Board after due discussion and taking into consideration of the various aspects such as performance of specific duties, obligations, Board's functioning, composition of the Board and its Committees and governance expressed their satisfaction with the evaluation process and performance of the Board.

- **Remuneration Policy**

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

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that:

a. in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed alongwith proper explanation relating to material departures, if any;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;

c. 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;

d. the Directors have prepared the annual accounts on a 'going concern' basis;

e. 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

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and

that such systems are adequate and operating effectively.

COMMITTEES OF THE BOARD

The Board of Directors of the Company has the following committees as on 31st March, 2016;

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

The details of the Committees along with its composition, number of meeting and attendance at the meeting are provided in the Corporate Governance Report. The Board has accepted all the recommendations of the Audit Committee during the period under review.

AUDITORS

Statutory Auditors

The members of the Company in their Annual General Meeting held on September 30, 2014, appointed M/s SGCO & Co., Chartered Accountants, as Statutory Auditor of the Company for the period of three financial years from 2014-2015 to 2016-2017. In the term of first proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s SGCO & Co., Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders to hold the office from the conclusion of 9th Annual General Meeting upto the conclusion of 10th Annual General Meeting of the Company.

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

The observations and comments given by the Auditors in their report read together with notes to Accounts are self explanatory and hence do not require any further comments under section 134 (3) (f) of the Companies Act, 2013.

Secretarial Auditor

Pursuant to Section 204 of Companies Act, 2013, the Board of Directors had appointed Mr. Hemant Shetye, Partner (COP. No 1483) of M/s. HS Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Auditor's Report is attached to this report as 'Annexure 2'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark and is self explanatory and thus does not require any further comments.

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

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

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

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

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2016 is given below and forms part of the Directors' Report

A. Conservation of Energy

i) The steps taken or impact on conservation of energy: Nil

ii) The steps taken by the Company for utilizing alternate sources of energy: Nil

iii) The capital investment on energy conservation equipments: Nil

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

B. Technology Absorption

i) The efforts made towards technology absorption : Nil

ii) The benefits derived like product improvement, cost reduction, product development or import substitution : Nil

iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable

(a) Details of Technology Imported;

(b) Year of Import;

(c) Whether the Technology has been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.

iv) Your Company has not incurred any expenditure on Research and Development during the year under review.

C. Foreign Exchange Earnings and Outgo

During the year under review there were no foreign exchange earnings & 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 SEBI (LODR) Regulations, 2015.

- **Committees of the Board**

  The Board has established committees as per the requirement of Companies Act 2013 and SEBI (LODR) Regulations, 2015, including Audit Committee, Nomination and Remuneration Committee 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 SEBI (LODR) Regulations, 2015 are as under:

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

- **Vigil Mechanism/ Whistle Blower Policy**

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

  Your Company hereby affirms that no director/ employee have been denied access to the Chairman of Audit Committee and that no complaints were received during the quarter.
  The policy on Vigil Mechanism may be accessed on Company's website at the following link: http://www.prozoneintu.com/investor/Policies

- **Particulars of loans, guarantees and investments**

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

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

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

- **Particulars of employees**

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

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

- **Transfer to Reserves**

  During the year, company 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, 2016 and the date of the report, except acquisition of 100% stake of Classique Creators Private Limited on 25th April 2016 at a consideration of Rs. 5 Lakh.

- **Corporate Social Responsibility**

  Reviewing the financial statements of the Company for the financial year ended 31st March 2016, the provisions of section 135 of the Companies Act 2013 pertaining to Corporate Social Responsibility (CSR) has become applicable on the Company from the financial year 2016-17. Thus, the Company shall be complying with the necessary provision of the Act relating thereto during the financial year 2016-17 and so on.

REMOTE E-VOTING FACILITY TO MEMBERS

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Reg. 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote at the 9th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote E-Voting Services provided by Central Depository Securities (India) Limited (CDSL).

ELECTRONIC FILING

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

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

Pursuant to SEBI (LODR) Regulations 2015 the details of the shares lying with the Company in Unclaimed Suspense Account as on March 31, 2016 are as under:

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

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

APPRECIATION

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

For and on behalf of Board of Director

	Nikhil Chaturvedi	**Salil Chaturvedi**
Date: 19.05.2016	**Managing Director**	**Dy. Managing Director**
Place: Mumbai	**DIN: 00004983**	**DIN: 00004768**

Annexure-1

REMUNERATION POLICY

PREAMBLE

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

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

PRINCIPLES GOVERNING THE REMUNERATION DECISIONS

1. **Support for strategic objective:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.

2. **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

3. **Flexibility:** Remuneration and rewards offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other obligations.

4. **Internal equity:** The Company shall remunerate the Board members and the executives in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

5. **External equity:** the company shall endeavor to pay equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality personnel and the influence of external remuneration pressures.

6. **Affordability and sustainability:** the Company shall ensure that remuneration of affordable on a sustainable basis.

PROCEDURE FOR SELECTION AND APPOINTMENT

1. Criteria for Board Members:

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

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

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

Criteria for evaluation of performance of Independent Directors:

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

Annexure-2

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR FINANCIAL YEAR ENDED ON 31st MARCH, 2016.

[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,
105/106 Provogue House, Off New Link Road,
Andheri West, Mumbai 400053.

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 previously known as Prozone Capital Shopping Centres Limited (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books , Forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2016, to the extent applicable provisions of:

I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited;

We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test
-check basis, the Company has complied with the following laws applicable specifically to the Company:

a. Shop & Establishment Act and Rules made thereunder;
b. Income Tax Act and Rules made thereunder;
c. Service Tax Act and Rules made thereunder;
d. Labour Laws and other incidental laws related to labour and employees appointed by the company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;

We further report that:

The Board of Directors in its meeting held on 8th February 2016 appointed Ms. Deepa Misra Harris as Women Independent Director to have the Composition of Board of Directors of the Company duly constituted in compliance with the provisions of the Companies Act and Listing Requirements. The change in the composition of the Board of Directors and Key Managerial Personnel during the year under review were carried out in compliance with the provisions of the Act.

Annexure-2

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:

1. The Company through Postal Ballot Passed Special Resolution for exceeding the limits prescribed under section 186 of Companies Act,2013 up to aggregate sum of Rs.700 Crores (Rupees Seven Hundred Crores).
2. The Company has passed special resolution to approve related party transactions pursuant to 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.
3. The Company had Appointed Mr. Ajayendra Jain as Company Secretary in place of Ms. Snehal Bansode w.e.f. 1st December 2015.
4. The Company did not exercise the option to convert 1,77,000, 0% Optionally Convertible Debentures into equity shares, issued by Omni Infrastructure Private Limited (Step down subsidiary company) to the Company during the period of said Debentures.

For HS Associates
Company Secretaries

Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483

Date: 19th May 2016
Place: Mumbai

Annexure-3

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2016
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	JOINT VENTURE COMPANY	25%	2(6)
12	Emerald Buildhome Pvt. Ltd.	U45201RJ2006PTC023431	JOINT VENTURE THROUGH SUBSIDIARY	50%	2(6)

Annexure-3

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	4,981,236	0	4,981,236	3.26%	874,671	0	874,671	0.57%	-2.69%
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	250,000	0	250,000	0.16%	250,000	0	250,000	0.16%	0.00
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	46,938,576	0	46,938,576	30.76%	49,626,968	0	49,626,968	32.52%	1.76%
SUB TOTAL:(A) (1)	**52,169,812**	**0**	**52,169,812**	**34.19%**	**50,751,639**	**0**	**50,751,639**	**33.26%**	**-0.93%**
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0.00
b) Other Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks/FI	0	0	0	0	0	0	0	0	0.00
e) Any other…	0	0	0	0	0	0	0	0	0.00
SUB TOTAL (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**52,169,812**	**0**	**52,169,812**	**34.19%**	**50,751,639**	**0**	**50,751,639**	**33.26%**	**0**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	2,564,342	0	2,564,342	1.68%	0	0	0	0.00%	-1.68%
b) Banks/FI	715,037	0	715,037	0.47%	326,293	0	326,293	0.21%	-0.25%
c) Central govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Fund	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIIs	11,029,050	0	11,029,050	7.23%	7,479,050	0	7,479,050	4.90%	-2.33%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (B)(1):	**14,308,429**	**0**	**14,308,429**	**9.38%**	**7,805,343**	**0**	**7,805,343**	**5.11%**	**-4.26%**

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	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	6,209,054	0	6,209,054	4.07%	8,372,188	0	8,372,188	5.49%	1.42%
ii) Overseas	0	0	0	0.00%	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	12,517,920	11,267	12,529,187	8.21%	13,923,750	11,267	13,935,017	9.13%	0.92%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	15,570,138	52,875	15,623,013	10.24%	17,974,202	52,875	18,027,077	11.81%	1.58%
c) Others	51,763,388	0	51,763,388	33.92%	53,711,619	0	53,711,619	35.20%	1.28%
SUB TOTAL (B)(2):	**86,060,500**	**64,142**	**86,124,642**	**56.44%**	**93,981,759**	**64,142**	**94,045,901**	**61.63%**	**5.19%**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**100,368,929**	**64,142**	**100,433,071**	**65.81%**	**101,787,102**	**64,142**	**101,851,244**	**66.74%**	**0.93%**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0	0.00%
Grand Total (A+B+C)	**152,538,741**	**64,142**	**152,602,883**	**100.00%**	**152,538,741**	**64,142**	**152,602,883**	**100.00%**	**0.00%**

ii SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the begginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	NIKHIL CHATURVEDI (In his capacity as Trustee of NIKHIL CHATURVEDI FAMILY TRUST)	14,050,955	9.21%	0.00	14,050,955	9.21%	0.00	0.00%
2	NIKHIL CHATURVEDI and SHITAL CHATURVEDI	5,000	0.00%	0.00	5,000	0.00%	0.00	0.00%
3	SALIL CHATURVEDI (In his capacity as Trustee of SALIL CHATURVEDI FAMILY TRUST)	13,732,991	9.00%	0.00	13,732,991	9.00%	0.00	0.00%
4	RAKESH RAWAT	4,111,750	2.69%	0.00	0	0.00%	0.00	-2.69%
5	RAKESH RAWAT (In his capacity as Trustee of RAKESH RAWAT FAMILY TRUST)	0	0.00%	0.00	4,111,750	2.69%	0.00	2.69%
6	DEEP GUPTA (In his capacity as Trustee of DEEP GUPTA FAMILY TRUST)	7,061,173	4.63%	0.00	7,061,173	4.63%	0.00	0.00%
7	NIGAM PATEL (In his capacity as Trustee of NIGAM PATEL FAMILY TRUST)	3,528,558	2.31%	0.00	2,257,801	1.48%	0.00	-0.83%

Annexure-3

Sl No.	Shareholders Name	Shareholding at the begginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% 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	
8	AKHIL CHATURVEDI (In his capacity as Trustee of AKHIL CHATURVEDI FAMILY TRUST)	4,204,058	2.75%	0.00	4,051,457	2.65%	0.00	-0.10%
9	ANISHA CHATURVEDI	144,225	0.09%	0.00	144,225	0.09%	0.00	0.00%
10	VEENA GUPTA	70,005	0.05%	0.00	70,005	0.05%	0.00	0.00%
11	VANDANA VAIDH	1,620	0.00%	0.00	1,620	0.00%	0.00	0.00%
12	ANISHA CHHABRA	22,035	0.01%	0.00	22,035	0.01%	0.00	0.00%
13	GHANSHYAM RAWAT	20,500	0.01%	0.00	20,000	0.01%	0.00	0.00%
14	PUSHPLATA RAWAT	36,501	0.02%	0.00	36,501	0.02%	0.00	0.00%
15	BALA CHHABRA	100,000	0.07%	0.00	100,000	0.07%	0.00	0.00%
16	SUSHANT CHHABRA	67,300	0.04%	0.00	67,300	0.04%	0.00	0.00%
17	VIRENDRA CHHABRA	392,300	0.26%	0.00	392,300	0.26%	0.00	0.00%
18	MEERUT FESTIVAL CITY LLP	4,360,841	2.86%	0.00	4,360,841	2.86%	0.00	0.00%
19	PROVOGUE (INDIA) LIMITED	250,000	0.16%	0.00	250,000	0.16%	0.00	0.00%
20	SANTOSH SUBHASH GUPTA	10,000	0.01%	0.00	10,000	0.01%	0.00	0.00%
21	SUBHASH GUPTA**	5,685	0.00%	0.00	5,685	0.00%	0.00	0.00%
	Total	**52,175,497**	**34.19%**	**0.00**	**50,751,639**	**33.26%**	**0.00**	**-0.93%**

** Shareholding of Mr. Subhash Gupta (5685 shares), being father of Mr. Deep Gupta, Promoter of the Company who earlier been inadvertently shown in Public Category, is now being shown under Promoter Category. However, he has not made any fresh transaction in shares of the Company either from the market or otherwise.

iii CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year		Reason
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company	
1	**Nigam Patel Family Trust**					
	At the beginning of the year	3,528,558	2.31%	3,528,558	2.31%	NA
	17.08.2015	(19,226)	-0.01%	3,509,332	2.30%	Market sale
	18.08.2015	(16,378)	-0.01%	3,492,954	2.29%	
	19.08.2015	(4,622)	0.00%	3,488,332	2.29%	
	09.09.2015	(5,000)	0.00%	3,483,332	2.28%	
	11.09.2015	(6,335)	0.00%	3,476,997	2.28%	

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	
	14.09.2015	(7,454)	0.00%	3,469,543	2.27%	
	15.09.2015	(2,546)	0.00%	3,466,997	2.27%	
	16.09.2015	(2,054)	0.00%	3,464,943	2.27%	
	18.09.2015	(17,946)	-0.01%	3,446,997	2.26%	
	21.09.2015	(10,000)	-0.01%	3,436,997	2.25%	
	22.09.2015	(100,000)	-0.07%	3,336,997	2.19%	
	28.09.2015	(30,000)	-0.02%	3,306,997	2.17%	
	29.09.2015	(30,000)	-0.02%	3,276,997	2.15%	
	05.10.2015	(7,561)	0.00%	3,269,436	2.14%	
	06.10.2015	(26,443)	-0.02%	3,242,993	2.13%	
	07.10.2015	(90,000)	-0.06%	3,152,993	2.07%	
	09.10.2015	(25,000)	-0.02%	3,127,993	2.05%	
	26.10.2015	(17,670)	-0.01%	3,110,323	2.04%	
	27.10.2015	(500)	0.00%	3,109,823	2.04%	
	28.10.2015	(50,000)	-0.03%	3,059,823	2.01%	
	29.10.2015	(3,405)	0.00%	3,056,418	2.00%	
	30.10.2015	(50,000)	-0.03%	3,006,418	1.97%	
	17.11.2015	(111)	0.00%	3,006,307	1.97%	
	18.11.2015	(14,085)	-0.01%	2,992,222	1.96%	
	19.11.2015	(80,000)	-0.05%	2,912,222	1.91%	
	20.11.2015	(3,936)	0.00%	2,908,286	1.91%	
	23.11.2015	(100,000)	-0.07%	2,808,286	1.84%	
	24.11.2015	(50,000)	-0.03%	2,758,286	1.81%	
	26.11.2015	(9,832)	-0.01%	2,748,454	1.80%	
	27.11.2015	(2,750)	0.00%	2,745,704	1.80%	
	30.11.2015	(2,881)	0.00%	2,742,823	1.80%	
	01.12.2015	(50,000)	-0.03%	2,692,823	1.76%	
	04.12.2015	(22,549)	-0.01%	2,670,274	1.75%	
	07.12.2015	(6,200)	0.00%	2,664,074	1.75%	
	08.12.2015	(23,622)	-0.02%	2,640,452	1.73%	
	09.12.2015	(11,923)	-0.01%	2,628,529	1.72%	
	11.12.2015	(460)	0.00%	2,628,069	1.72%	
	14.12.2015	(12,260)	-0.01%	2,615,809	1.71%	
	16.12.2015	(10,000)	-0.01%	2,605,809	1.71%	

Annexure-3

Sl. No.	Particulars	Share holding at the beginning of the year		Cumulative Share holding during the year		Reason
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company	
	18.12.2015	(2,499)	0.00%	2,603,310	1.71%	
	22.12.2015	(50,000)	-0.03%	2,553,310	1.67%	
	23.12.2015	(20,000)	-0.01%	2,533,310	1.66%	
	11.01.2016	(14,000)	-0.01%	2,519,310	1.65%	
	12.01.2016	(30,000)	-0.02%	2,489,310	1.63%	
	13.01.2016	(15,000)	-0.01%	2,474,310	1.62%	
	15.02.2016	(54,897)	-0.04%	2,419,413	1.59%	
	17.02.2016	(45,103)	-0.03%	2,374,310	1.56%	
	22.02.2016	(364)	0.00%	2,373,946	1.56%	
	25.02.2016	(4,087)	0.00%	2,369,859	1.55%	
	29.02.2016	(6,539)	0.00%	2,363,320	1.55%	
	01.03.2016	(42,962)	-0.03%	2,320,358	1.52%	
	02.03.2016	(57,038)	-0.04%	2,263,320	1.48%	
	03.03.2016	(2,400)	0.00%	2,260,920	1.48%	
	04.03.2016	(3,119)	0.00%	2,257,801	1.48%	
	At the end of the year	2,257,801	1.48%	2,257,801	1.48%	
2	**Akhil Chaturvedi Family Trust**					
	At the beginning of the year	4,204,058	2.75%	4,204,058	2.75%	NA
	24.06.2015	(1,934)	0.00%	4,202,124	2.75%	Market sale
	15.09.2015	(2,422)	0.00%	4,199,702	2.75%	
	18.09.2015	(9,800)	-0.01%	4,189,902	2.75%	
	21.09.2015	(30,000)	-0.02%	4,159,902	2.73%	
	12.10.2015	(5,000)	0.00%	4,154,902	2.72%	
	13.10.2015	(1,000)	0.00%	4,153,902	2.72%	
	14.10.2015	(700)	0.00%	4,153,202	2.72%	
	16.10.2015	(1,300)	0.00%	4,151,902	2.72%	
	20.10.2015	(3,000)	0.00%	4,148,902	2.72%	
	21.10.2015	(3,000)	0.00%	4,145,902	2.72%	
	23.10.2015	(1,000)	0.00%	4,144,902	2.72%	
	26.10.2015	(11)	0.00%	4,144,891	2.72%	
	28.10.2015	(2,782)	0.00%	4,142,109	2.71%	
	29.10.2015	(2,218)	0.00%	4,139,891	2.71%	
	30.10.2015	(9,000)	-0.01%	4,130,891	2.71%	
	19.11.2015	(2,000)	0.00%	4,128,891	2.71%	

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	
	20.11.2015	(5,251)	0.00%	4,123,640	2.70%	
	23.11.2015	(19,749)	-0.01%	4,103,891	2.69%	
	30.11.2015	(23)	0.00%	4,103,868	2.69%	
	03.12.2015	(477)	0.00%	4,103,391	2.69%	
	07.12.2015	(2,500)	0.00%	4,100,891	2.69%	
	08.12.2015	(1,000)	0.00%	4,099,891	2.69%	
	23.12.2015	(7,000)	0.00%	4,092,891	2.68%	
	28.12.2015	(1,700)	0.00%	4,091,191	2.68%	
	16.02.2016	(1,000)	0.00%	4,090,191	2.68%	
	18.02.2016	(121)	0.00%	4,090,070	2.68%	
	22.02.2016	(6,891)	0.00%	4,083,179	2.68%	
	23.02.2016	(1,109)	0.00%	4,082,070	2.67%	
	24.02.2016	(602)	0.00%	4,081,468	2.67%	
	25.02.2016	(2,000)	0.00%	4,079,468	2.67%	
	26.02.2016	(1,000)	0.00%	4,078,468	2.67%	
	01.03.2016	(2,000)	0.00%	4,076,468	2.67%	
	02.03.2016	(2,200)	0.00%	4,074,268	2.67%	
	03.03.2016	(3,000)	0.00%	4,071,268	2.67%	
	04.03.2016	(2,311)	0.00%	4,068,957	2.67%	
	08.03.2016	(5,000)	0.00%	4,063,957	2.66%	
	16.03.2016	(6,000)	0.00%	4,057,957	2.66%	
	17.03.2016	(1,000)	0.00%	4,056,957	2.66%	
	18.03.2016	(2,000)	0.00%	4,054,957	2.66%	
	28.03.2016	(100)	0.00%	4,054,857	2.66%	
	29.03.2016	(3,400)	0.00%	4,051,457	2.65%	
	At the end of the year	4,051,457	2.65%	4,051,457	2.65%	
3	**Rakesh Rawat**					
	At the beginning of the year	4,111,750	2.69%	4,111,750	2.69%	NA
	31.12.2015	-4,111,750	-2.69%	0	0.00%	Transfer to Private family trust
	At the end of the year	0	0.00%	0	0.00%	NA
4	**Rakesh Rawat Family Trust**					
	At the beginning of the year	0	0.00%	0	0.00%	NA
	31.12.2015	4,111,750	2.69%	4,111,750	2.69%	Transfer from individual A/C
	At the end of the year	4,111,750	2.69%	4,111,750	2.69%	NA

Annexure-3

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	
5	**Ghanshyam Rawat**					
	At the beginning of the year	20,500	0.01%	20,500	0.01%	NA
	23.11.2015	-500	0.00%	20,000	0.01%	Market sale
	At the end of the year	20,000	0.01%	20,000	0.01%	NA

iv Shareholding Pattern of top ten Shareholders (other than Direcors, 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 JHUNJHUNWALA	3,150,000	2.06%	3,150,000	2.06%
3	LO FUNDS - ASIA CONSUMER	2,850,000	1.87%	1,550,000	1.02%
4	RAJESH R NARANG	2,324,160	1.52%	2,324,160	1.52%
5	SANDEEP G RAHEJA	4,489,600	2.94%	4,489,600	2.94%
6	ACACIA PARTNERS, LP	2,243,375	1.47%	2,249,600	1.47%
7	CAVENDISH ASSET MANAGEMENT LTD	1,797,065	1.18%	1,797,065	1.18%
8	FAIRPRICE TRADERS (INDIA) PVT LTD	1,525,195	1.00%	2,240,000	1.47%
9	GOPIKISHAN SHIVKISHAN DAMANI	0	0.00%	1,400,000	0.92%
10	LAKSHON ELECTRONICS PRIVATE LIMITED	0	0.00%	1,350,000	0.88%

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.

iv Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year		Reason
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	Nikhil Chaturvedi, Director Jointly with his wife					
	At the beginning of the year	5,000	0.00%	5,000	0.003%	NA
	At the end of the year	5,000	0.00%	5,000	0.003%	NA

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

V INDEBTEDNESS

(₹ in Lakhs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	33.33	1,729.49	-	1,762.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**33.33**	**1,729.49**	**-**	**1,762.82**
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction	12.62	-	-	12.62
Net Change	**(12.62)**	**-**	**-**	**12.62**
Indebtedness at the end of the financial year				
i) Principal Amount	20.71	1,729.49	-	1,750.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**20.71**	**1,729.49**	**-**	**1,750.20**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(INR in Lakhs)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/ Manager		Total Amount
		Mr. Nikhil Chaturvedi, Managing Director	Mr. Salil Chaturvedi, Dy. Managing Director	
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	90.00	60.00	150.00
	(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	-	-	-
	Total (A)	**90.00**	**60.00**	**150.00**
	Ceiling as per the Act			

Annexure-3

B. Remuneration to other directors:

(INR in Lakhs)

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

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

(INR in Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary**	
1	**Gross Salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	29.58	12.34	41.92
	(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	-	-	-
Total		**29.58**	**12.34**	**41.92**

** Remuneration includes total remuneration paid to Company Secretaries irrespective of change of Company Secretary during the year.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure-4

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

SN	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
Not Applicable								

2. Details of material contracts or arrangements or transactions at Arm's length basis. (₹ in lakhs)

SN	Name (s) of the related party & nature of relationship	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Alliance Mall Developers Co. Private Limited	Subsidiary Companies	Rendering of management consultancy services	On continuous basis uptil completion of project	As per the agreement entered into between the parties	20.05.2015*	Nil
2	Empire Mall Private Limited						
3	Hagwood Commercial Developers Private Limited.						

Note: For this purpose, a transaction with related party is considered material if the value of transaction(s) taken together during financial year exceeds 10% of annual turnover of the Company as per latest audited financial statement.
*Date of Omnibus approval granted by Audit Committee and Board of Director to transaction(s) for the financial year 2015-16

For and on behalf of Board of Director

Nikhil Chaturvedi
Managing Director
DIN: 00004983

Salil Chaturvedi
Dy. Managing Director
DIN: 00004768

Date: 19th May, 2016
Place: Mumbai

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 2016

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 Rs. 60 lacs per annum.										
Sr. No.	**Name of Employee**	**Age**	**Designation**	**Qualification**	**Experience (In years)**	**Gross Remuneration (In Rs.)**	**Date of comencement of employment**	**Last Employment**		**% of Equity Shares held by employee in the Company**	**Relation with Director/ Manager of the Company**
								Name of Employer	**Position held**		
1	Mr. Nikhil Chaturvedi	46	Managing Director	B. Com	23+	90,00,000.00	27.02.2012	Prozone Enterprises Pvt. Ltd	Managing Director	5000 (0.003%)	Brother of Salil Chaturvedi
2	Mr. Salil Chaturvedi	44	Dy. Managing Director	B.Sc	18+	60,00,000.00	27.02.2012	Prozone Enterprises Pvt. Ltd	Dy. Managing Director	Nil	Brother of Nikhil Chaturvedi
3	Mr. Bipin Gurnani	44	President	Associate Degree in Management	24+	65,35,092.00	01.04.2008	Pyramid Retail	-	Nil	-
B	**Employed for the part of financial year and were in receipt of average gross remuneration not less than Rs. 5 lacs per month**										
Sr. No.	**Name of Employee**	**Age**	**Designation**	**Qualification & Experience**	**Experience (In years)**	**Gross Remuneration (In Rs.)**	**Date of comencement of employment**	**Last Employment**		**% of Equity Shares held by employee in the Company**	**Relation with Director/ Manager of the Company**
								Name of Employer	Position held		
Not Applicable											

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

Annexure-6

PARTICULARS OF EMPLOYEES AND RELATED DETAILS

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

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

No.	Requirements	Disclosures		
1	The ratio of remuneration of each Director to the Median remuneration of employees for the financial year	Mr. Nikhil Chaturvedi, MD		6.97 : 1
		Mr. Salil Chaturvedi, Dy MD		3.48 : 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		7.14%
		Mr. Salil Chaturvedi, Dy MD		No increase
		Mr. Anurag Garg, CFO		8.33%
		Mr. Ajayendra P Jain, CS*		No increase
3	The Percentage increase in the median remuneration of employees in the financial year	54.70%		
4	The Number of permanent employees on the rolls of the Company	There were 12 employees as on 31st March 2016		
5	The explanation on the relationship between average increase in remuneration and the Company Performance	The Increment took place considering their contribution in the development of business and hiring of new professionals.		
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	During the FY, KMPs were paid 27.22% of net profit of the Company		
7	Variation in the market capitalization of the Company, price earnings ratio as at closing date of the current financial year and previous financial year and, percentage increase over decrease in the market quotation 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 variation in the net worth of the Company as at the close of the current financial year and previous financial year	**Particular**	**On 31.03.2016**	**On 31.03.2015**
		Market Capitalisation	Rs. 413 Crore	Rs. 439 Crore
		Price Earnings ratio	93.28	169.41
		Variation in market quotation	8.20%	15.2%
		Net worth	Rs. 412.57 Crore	Rs. 408.09 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	Increase in other than managerial personnel – 5.87% Increase in managerial personnel – 12.88%		
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	**Name of KMPs**		**% of net profit**
		Mr. Salil Chaturvedi, Dy MD		13.38%
		Mr. Anurag Garg, CFO		7.81%
		Mr. Ajayendra P Jain, CS		6.02%
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.		

*Mr. Ajayendra P. jain was appointed as Company Secretary w.e.f. 1st December 2015.

Corporate Governance Report

The Board present the Company's Report on Corporate Governance for the year ended 31st March 2016, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Corporate Governance Report of the Company for the year ended 31st March 2016 is as follows:

2. BOARD OF DIRECTORS

a. Composition of the Board and Category of Director

The Company has a judicious mix of Executive and Non-Executive Directors. As on 31st March, 2016 the Board comprised of seven Directors of which, two Executive Directors, two Non-Executive Directors and three Independent Directors including a woman independent director appointed as an additional director during the financial year 2015-16. Further Mr. Puneet Goenka, Independent Director heading the Board as Chairman. The Independent Directors have confirmed that they satisfy the criteria of independence as prescribed under Reg. 16 of SEBI (LODR) Regulations 2015 and Companies Act, 2013.

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

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

In the financial year 2015-16, the Board met four times. The meetings were held on 20th May 2015, 11th August 2015, 9th November 2015 and 8th February 2016 and the intervening gap between two meetings did not exceed one hundred twenty days.

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

Name of the Director	Category	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	5	1	2
Mr. Rajiv Singh	ID	4	Yes	2	1	2
Ms. Deepa Misra Harris5	ID & WD	N.A.	N.A.	1	-	-
Mr. Nikhil Chaturvedi	MD	4	Yes	2	-	1
Mr. Salil Chaturvedi	Dy. MD	4	No	6	1	2
Mr. David Fischel	NED	3	No	1	-	-
Mr. Dushyant Singh Sangar	NED	N.A.	N.A.	1	-	-
Mr. John Abel7&8	NED	4	No	1	-	-

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 Reg. 26 of SEBI (LODR) Regulations, 2015, Membership / Chairmanship only in Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies, have been considered

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; 'NED' refers to Non- executive Director and WD refers to Woman Director.

5. Ms. Deepa Misra Harris was appointed as Additional Director (Independent Woman Director) w.e.f. 8th February 2016.

6. Mr. Dushyant Singh Sangar was appointed as an Additional Director (Independent Director) w.e.f. 8th February, 2016.

7. Mr. John Abel resigned as Non-Executive Director w.e.f. 8th February 2016.

8. Mr. John Abel was appointed as an Alternate Director to Mr. David Fischel w.e.f. 8th February 2016.

9. Mr. Nikhil Chaturvedi, Managing Director and Mr. Salil Chaturvedi, Dy. Managing Director are brothers.

10. No Shares of the Company are being held by Non Executive Director as on 31st March 2016.

b. Independent Director

The Independent Directors fulfills the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulation. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulation has been issued on their appointment.

c. Meetings of Independent Directors

In compliance with the provisions of Section 149(8) read with Schedule IV of the Companies Act, 2013 and Reg. 25 of SEBI (LODR) Regulation 2015, meeting of the Independent Directors of the Company was held on 23rd March 2016 without the presence of Non-Independent Directors. All the Independent Directors were present at the said meeting, to discuss the following matters

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

d. Familiarization Programme for Independent Directors

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

The details of Familiarisation Programmes imparted during the financial year, have been hosted on website of the Company. Link: www.prozoneintu.com/investor/Policies

e. Payment of compensation to Non-Executive directors

During the financial year 2015-16, no amount has been paid to Non-Executive Directors of the Company either as fees, compensation or otherwise.

COMMITTEES OF THE BOARD

The Board has set up various level committees in accordance with the erstwhile Listing Agreement with the Stock Exchanges and in consonance with the requirements of SEBI (LODR) Regulations 2015. The details of which are given as under:

3. AUDIT COMMITTEE

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

a. Term of Reference

The term of reference of Audit Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity, reviewing, with the management, the financial statements before submission to the board for approval; reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process, scrutiny of related party transactions and inter-corporate loans and investments, reviewing the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit; reviewing, with the management, the annual financial

statements and auditor's report thereon before the same are forwarded to the board for approval, with primary focus on;

- Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Significant adjustments made in the financial statements arising out of audit findings.
- Disclosure of any related party transactions
- Modified opinion(s) in the draft audit report;

b. Composition:

The Audit Committee comprises 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. Mr. Ajayendra P. Jain, 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.

c. Meetings and attendance of the Audit Committee:

Audit Committee met four times during the financial year 2015-16 on 20th May 2015, 11th August 2015, 9th November 2015 and 8th February 2016. The gap between two Audit committee meetings was not more than one hundred and twenty days.

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

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

Name of the 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

1. *In above table 'ID' refers to Independent Director and 'Dy. MD' refers to Deputy Managing Director.*
2. *Mr. Rajiv Singh, member of the committee was appointed as Chairman for the Audit Committee meeting held on 08th February 2016 as the attendance of Mr. Puneet Goenka was through video conference.*

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

4. NOMINATION AND REMUNERATION COMMITTEE

a. Term of Reference

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

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

b. Composition

The Committee as on 31st March 2016 comprised of Mr. Rajiv Singh Independent Director as Chairman and Mr. Punit Goenka, Independent Director and Mr. David Fischel, Non-executive Director as members of the Committee.

During the year on 8th February, 2016 Mr. John Abel, Non-Executive Director has resigned as Director of the Company consequently as member of the Committee.

c. Meeting and attendance of the Committee

The Nomination & Remuneration Committee met once during the financial year, on 8th February 2016. The details of attendance of the members in meeting is as follows:

Name of the Member	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	0
Mr. John Abel2	NED	Member	1	1

Notes:

1. In above table 'ID' refers to Independent Director, NED' refers to Non-Executive Director.
2. On 8th February 2016 Mr. John Abel resigned from the directorship of the Company hence ceased to be member of the committee. Further, he has been appointed as an alternate director to Mr. David Fischel on the same date.
3. Mr. Puneet Goenka, member of the committee attended the meeting held on 08th February 2016 through Video Conference.

d. Performance evaluation criteria for independent directors:

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

a. Knowledge and skills in accounting and finance, business judgement, general management practices, crisis response and management, industry knowledge, strategic planning etc.
b. Personal characteristics matching the Company's values, such as integrity, accountability, financial literacy, and high performance standards
c. Commitment to attend a minimum of 75% of meetings which will include the attendance through audio/video conferencing.
d. Ability and willingness to represent the Stakeholders' long and short term interests
e. Awareness of the Company's responsibilities to its customers, employees, suppliers, regulatory bodies, and the communities in which it operates
f. Responsibility towards following objectives being an Independent Director
   i. Maintenance of independence and abstain himself from availing of benefits, directly or indirectly from the Company
   ii. Responsibilities of the Board as outlined in the Corporate Governance requirements prescribed under Clause 49 of the Listing Agreement and Schedule IV of the Companies Act 2013
   iii. Accountability under the Directors' Responsibility Statement
   iv. Overseeing the maintenance of Corporate Governance standards of the Company and ethical conduct of business

5. REMUNERATION OF DIRECTORS

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

The details of remuneration paid to Directors during the year 2015-16 are as under:

	Name of the Director	Basic Salary Paid (₹)	Allowances & perquisites (₹)	Sitting Fees paid (₹)	Total Remuneration (₹)
1	Mr. Punit Goenka	-	-	-	-
2	Mr. Nikhil Chaturvedi **	33,60,000	56,40,000	-	90,00,000
3	Mr. Salil Chaturvedi **	24,00,000	36,00,000	-	60,00,000
4	Mr. Rajiv Singh	-	-	-	-
5	Mr. David Fischel	-	-	-	-
6	Mr. John Abel	-	-	-	-

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

a. Term of Reference:

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

b. Composition:

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

c. Meetings and attendance of the Committee

During the year 2015-16, the Committee met four times on 20th May 2015, 11th August 2015, 09th November 2015 and 08th February 2016. 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	4
Mr. Nikhil Chaturvedi	MD	Member	4	4
Mr. Salil Chaturvedi	Dy. MD	Member	4	4

1. *In above table 'ID' refers to Independent Director, 'MD' refers to Managing Director and 'Dy. MD' refers to Deputy Managing Director.*
2. *Mr. Puneet Goenka, member of the committee attended the meeting held on 08th February 2016 through Video Conference.*

d. Details of Shareholding Complaints:

The details of complaints received, resolved and pending are as under;

Particulars	No of Complaints
Number of Investors Complaints received during Financial year 2015-16	Nil
Number of complaints not resolved to the satisfaction of the shareholders as on 31st March 2016	Nil
Number of pending complaints as on 31st March 2016	Nil

7. GENERAL BODY MEETING

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

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

- None of the items transacted at the last Annual General Meeting held on 30th September 2015 were required to be passed by postal ballot, nor any resolution requiring postal ballot is proposed at the ensuing Annual General Meeting.

Postal Ballot

The Board sought the consent of the Members of the Company twice 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:

1. **Postal Ballot notice dated 03.07.2015 – Special resolution for Part participation by wholly owned subsidiary of the Company in right issue of step-down subsidiary of the Company**

The voting on said resolution casted through physical postal ballot and electronic voting process. Based on the report submitted by Mr. Nitin Sarfare, 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 6th August 2015. The details of Voting pattern are as under:

Particulars	No. of Postal Ballot forms and e-votes	No. of shares	% of the total paid up equity capital	% of Total valid Votes polled
(a) Total Voting through Postal Ballot Forms	17	9,67,73,208	63.42%	95.05%
(b) Less: Invalid Postal Ballot Forms	0	0	0.00%	0%
(c) Total valid Postal Ballot Forms; [(a) – (b)]	**17**	**9,67,73,208**	**63.42%**	**95.05%**
(d) Total votes casted through e-voting	57	50,35,472	3.30%	4.95%
(e) Less: Invalid e-voting	0	0	0.00%	0%
(f) Total valid e-voting [(d) – (e)]	**57**	**50,35,472**	**3.30%**	**4.95%**
(g) Total valid votes through Postal ballot forms and e-voting [(c) + (f)]	**74**	**10,18,08,680**	**66.71%**	**100%**
Votes in favour of special resolution	**67**	**10,18,01,026**	**66.71%**	**99.99%**
Votes against the special resolution	**7**	**7,654**	**0.01%**	**0.01%**

The proposed special resolution was passed with 99.99% majority votes.

2. **Postal Ballot notice dated 08.02.16 – Special resolution for Grant of Loans or extending guarantee or providing securities or making investments in excess of limit specified under section 186 of the Companies Act 2013**

The voting on said resolution casted through physical postal ballot and electronic voting process. Based on the report submitted by Mr. Nitin Sarfare, 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 31st March 2016. The details of Voting pattern are as under:

Particulars	No. of Postal Ballot forms and e-votes	No. of shares	% of the total paid up equity capital	% of total valid votes polled
(a) Total Voting through Postal Ballot Forms	33	99620472	65.28%	99.00%
(b) Less: Invalid Postal Ballot Forms	01	02	0.00%	0.00%
(c) Total valid Postal Ballot Forms; [(a) – (b)]	32	99620470	65.28%	99.00%
(d) Total votes casted through e-voting	44	1004667	0.66%	1.00%
(e) Less: Invalid e-voting	0	0	0.00%	0.00%
(f) Total valid e-voting [(d) – (e)]	**44**	**1004667**	**0.66%**	**1.00%**
(g) Total valid votes through Postal ballot forms and e-voting [(c) + (f)]	**76**	**100625137**	**65.94%**	**100%**
Votes in favor of special resolution	**67**	**100519111**	**65.87%**	**99.89%**
Votes against the special resolution	**09**	**106026**	**0.07%**	**0.11%**

The proposed special resolution was passed with 99.99% majority votes.

8. MEANS OF COMMUNICATION

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

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

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

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

SEBI Complaint Redressal Systems (SCORES)

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

Presentations to institutional investors / analysts:

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

9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting: Date, Time and Venue

As indicated in the notice accompanying this Annual Report, the Ninth Annual General Meeting of the Company will be held on Thursday, 22nd September 2016 at 11.00 a.m. at Eden Hall, The Classique Club, Behind Infinity Mall, New Link Road, Andheri (West), Mumbai – 400053.

Plant Location: Not Applicable

Financial Year

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

Dividend Payment Date

The Company has not recommended any dividend for the financial year 2015-16.

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

Un-audited results Q1 ending 30.06.2016	On or before 14th August 2016
Un-audited results Q2/half year ending 30.09.2016	On or before 14th November 2016
Un-audited results Q3/Nine months ending 31.12.2016	On or before 14th February 2017
Audited Results for the year ending 31.03.2017	On or before 30th May 2017

Book Closure Date: Company was not required to decide any book closure period during the financial year.

Details of Stock Exchanges where listed

Stock Exchanges	Stock Code
BSE Ltd Listing Department P.J. Towers, Dalal Street, Fort Mumbai 400 001	534675
National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex, Bandra (E) Mumbai 400 051	PROZONINTU
Demat ISIN in NSDL and CDSL for Equity Shares	INE195N01013

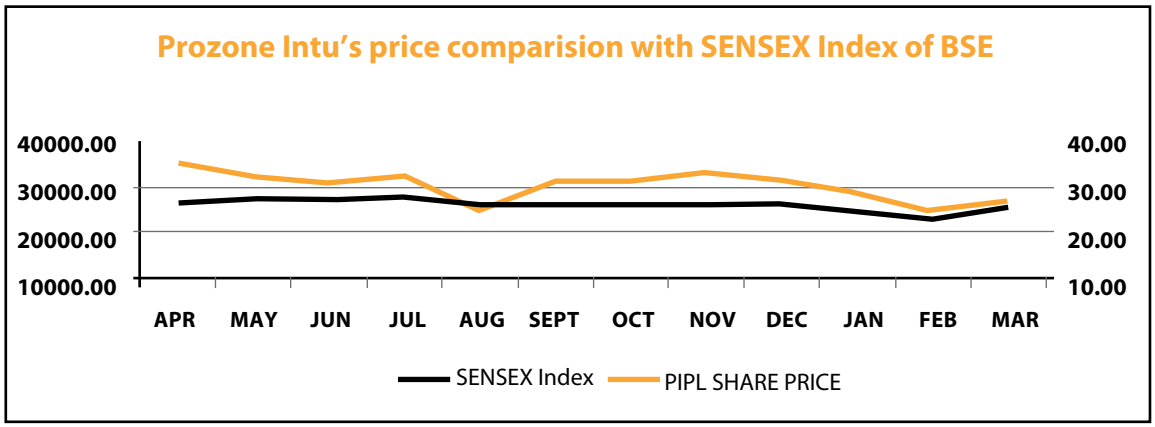
Listing fees have been paid for the Financial Year 2016-17.

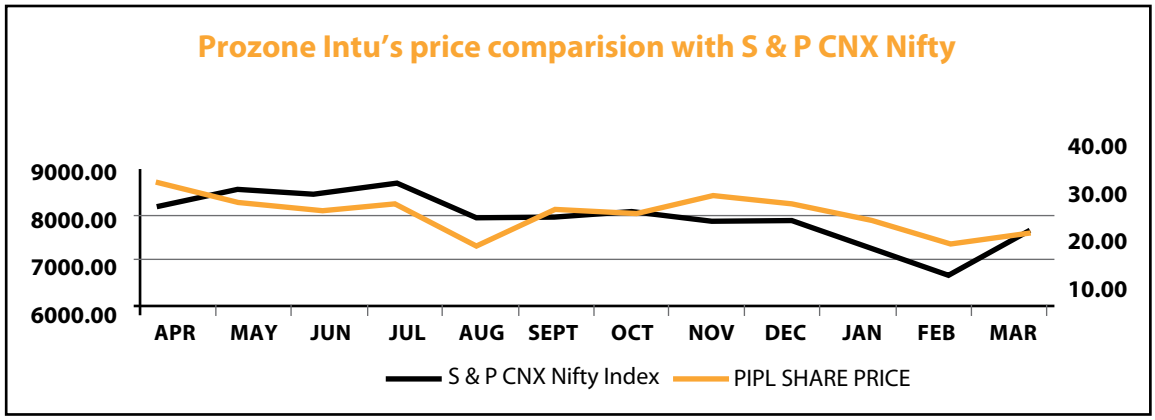
Market Price Data

Month	BSE				NSE			
	Share Price (in Rs)			Sensex	Share Price (in Rs)			Nifty
	High	Low	Close	Close	High	Low	Close	Close
Apr 2015	44.70	28.75	35.55	27011.31	45.15	28.00	35.65	8181.50
May 2015	37.70	31.05	32.35	27828.44	37.70	31.00	32.45	8433.65
Jun 2015	34.10	27.20	31.00	27780.83	34.10	27.95	30.85	8368.50
Jul 2015	37.00	31.05	32.20	28114.56	37.00	30.90	32.20	8532.85
Aug 2015	35.35	21.85	24.80	26283.09	35.50	22.00	25.00	7971.30
Sept 2015	32.15	22.70	30.75	26154.83	32.00	22.45	30.80	7948.90
Oct 2015	33.25	28.55	30.45	26656.83	33.40	25.65	30.25	8065.80
Nov 2015	35.10	28.50	32.85	26145.67	34.90	28.05	33.00	7935.25
Dec 2015	34.50	28.70	31.75	26117.54	34.65	28.50	31.70	7946.35
Jan 2016	37.00	27.05	28.95	24870.69	37.95	27.25	29.05	7563.55
Feb 2016	30.00	24.85	24.90	23002.00	30.10	24.80	24.85	6987.05
Mar 2016	29.45	24.40	27.35	25341.86	29.40	24.15	27.05	7738.40

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

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





Corporate Governance Report

Share Transfer system:

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

Dematerialization of shares:

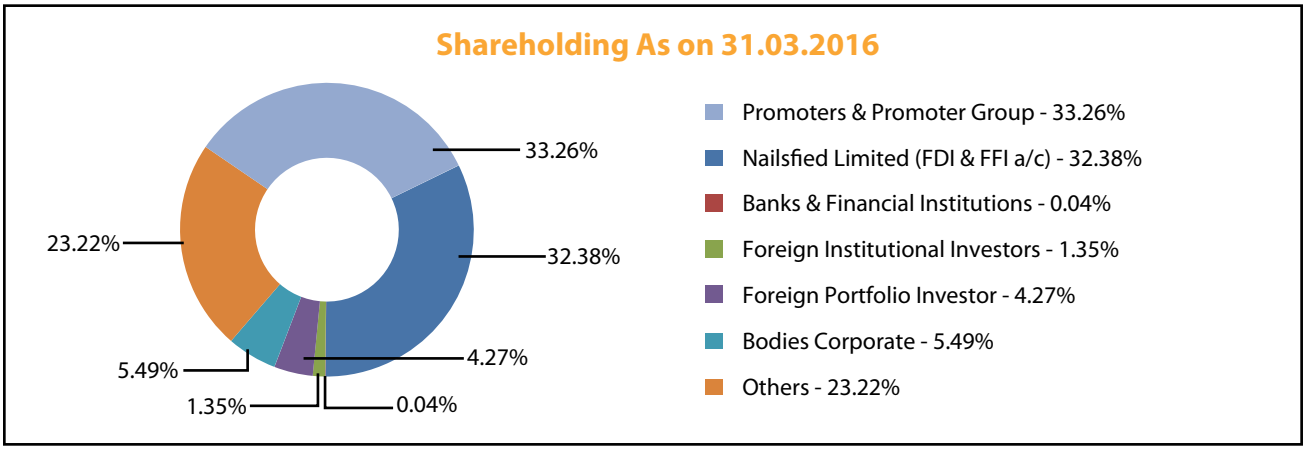
As on 31st March 2016, 15,25,38,741 Equity shares of the Company, representing 99.96% of its issued capital, were held in dematerialized form and the balance 0.04% representing 64,142 equity shares were held in physical form.

Distribution of Shareholding as on March 31, 2016

Share holding	Shareholders		Shares	
No. of Shares	**Number**	**% to total share capital**	**No. of Shares**	**% to total share capital**
(1)	**(2)**	**(3)**	**(4)**	**(5)**
0-1000	22205	82.16%	3434462	2.25%
1001-2000	2318	8.58%	2004425	1.31%
2001-4000	1092	4.04%	1757647	1.15%
4001-6000	391	1.45%	1028190	0.67%
6001-8000	194	0.72%	705922	0.46%
8001-10000	213	0.79%	1029214	0.67%
10001- 20000	286	1.06%	2237360	1.47%
20001- above	327	1.21%	140405663	92.01%
Total	**27026**	**100.00%**	**152602883**	**100.00%**

Categories of Shareholders as on 31.03.2016:

Category	No. of Shares	% of Shareholding
Promoters & Promoter Group	50751639	33.26%
Nailsfield Limited (FDI & FFI a/c)	49410788	32.38%
Banks & Financial Institutions	53628	0.04%
Foreign Institutional Investors	2064050	1.35%
Foreign Portfolio Investor	6514541	4.27%
Bodies Corporate	8372188	5.49%
Others	35436049	23.22%
Total	**152602883**	**100.00%**



Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments

Upto 31st March, 2016 the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company.

Commodity Price risk or foreign exchange risk and hedging activities

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

Address for correspondence:
Registered office:

Prozone Intu Properties Limited
105/106, 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
Website: www. prozoneintu.com

Registrar and Share Transfer Agent:

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

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

10. OTHER DISCLOSURES

Related Party Transactions [RPT's]

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

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

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

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

Statutory Compliance, Penalties and Strictures

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

Vigil Mechanism and Whistle Blower Policy

The Board of Directors has adopted a 'Whistle Blower Policy' to enable the Stakeholders (including Directors and Employees) to report their concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of conduct

and provided a direct access to the Chairman of Audit Committee in exceptional cases.

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

Insider Trading Code

With a view to regulate the trading in securities by the insiders including 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 29th 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.

Disclosure of Accounting Treatment

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

Risk Management

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

Management Discussion and Analysis Report

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

CEO & CFO certification

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

Code of Conduct

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

"I, Nikhil Chaturvedi, Managing Director of Prozone Intu Properties Limited, in terms of provisions of Regulation 34 of SEBI (LODR) Regulations 2015, hereby confirm that all Board Members and Senior Management Personnel have affirmed the compliance with the "Code of Conduct and business ethics" of the Company during the financial year ended March 31, 2016."

Nikhil Chaturvedi,
Managing Director
DIN: 00004983

Subsidiary monitoring framework

The Company has 10 subsidiary companies as on 31st March, 2016 of which Alliance Mall Developers Co. Pvt. Ltd., has been recognised as a 'Material non listed Indian subsidiary company' Accordingly, in compliance with the SEBI (LODR) Regulations, 2015. Mr. Rajiv Singh, an Independent Director of the Company has been appointed as Director on the Board of Alliance Mall Developers Co. Pvt. Ltd.

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.

Corporate Governance Report

Mandatory and Non-mandatory requirements

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

The details of adoption of non mandatory requirements are given below;

SN	Particulars	Remarks
1	The Board	The Company does not reimburse expenses incurred, if any, by the Non-Executive Chairman for maintenance of a separate Chairman's Office.
2	Shareholders' Rights	Quarterly financial results of the Company are furnished to the Stock Exchanges and are also published in the news papers and uploaded on website of the Company. Significant events are also posted on the Company's website under the Investors Section. A complete Annual Report is sent to every shareholder of the Company
3	Audit qualifications	There are no audit qualifications in the standalone financial statement for the period 2015-16. Standard practices and procedures are in place to ensure unqualified financial statements.
4	Separate posts of Chairman and CEO	The Company has appointed Independent Director as Chairman of the Company and Company is not having position of CEO.
5	Reporting of Internal Auditor	The Internal Auditor quarterly places an Internal audit report before the Audit Committee for its review and comments.

For and on behalf of Board of Director

Nikhil Chaturvedi
Managing Director
DIN: 00004983

Salil Chaturvedi
Dy. Managing Director
DIN: 00004768

Date: 19.05.2016
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

To,
The Shareholders,
PROZONE INTU PROPERTIES LIMITED
105/106, Provogue House,
1st Floor, Off New Link Road,
Andheri (West), Mumbai – 400053,
Maharashtra.

We have examined the compliance of conditions of Corporate Governance by Prozone Intu Properties Limited ("the Company"), for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement")of the Company with Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ("Listing Regulations") as referred to in regulation 15 (2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

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

FOR HS ASSOCIATES
COMPANY SECRETARIES

Sd/-
HEMANT SHETYE
FCS – 2827
COP – 1483

DATE :- 19.05.2016
PLACE :- MUMBAI

Financials Standalone

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, 2016, 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 Section133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

INDEPENDENT AUDITOR'S REPORT

(e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate report in Annexure "B";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note no 12 (a) and 26 (A)(iii) 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's Registration No. 112081W

Shyamratan Singrodia
Partner
Mem. No. 49006

Place: Mumbai
Date: 19th May, 2016

Annexure "A" to the Independent Auditors Report

The Annexure A referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements "in our Independent Auditor's Report to the members of Prozone Intu Properties Limited for the year ended 31st March, 2016.

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

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

b) The Fixed Assets have been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies have been noticed on such physical verification.

c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties which was vested to the Company as per the Composite Scheme of Arrangement and Amalgamation during the year ended March 31, 2012 are not held in the name of the Company. Details of the same is as below :-

Particulars	Buildings	Remarks
Gross Block	141.73 Lakhs	Held in the name of erstwhile demerged Company.
Net Block	95.22 Lakhs	

(ii) Since the Company does not have any inventory, the paragraph 3 (ii) of the said Order is not applicable to the Company.

(iii) The company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013.

a) In our opinion, the rate of interest and the other terms and conditions of the grant of such loans were not, prima facie, prejudicial to the company's interest;

b) The borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii) (b) of the Order is not applicable to the Company in respect of repayment of the principal amount;

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

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

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

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

(vii) a) Accordingly to the records of the Company, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities except delays in some cases of Tax Deducted at Source (TDS), Professional Tax and Service Tax. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2016 for a period more than six months from the date they became payable.

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

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

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

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

Annexure "A" to the Independent Auditors Report

(x) According to the information & explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandate by the provision of section 197 read with schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with of section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Shyamratan Singrodia
Partner
Mem. No. 49006

Place: Mumbai
Date: 19th May, 2016

Annexure "B" to the Independent Auditor's Report

of even date on the Standalone financial statements of Prozone Intu Properties Limited for the year ended 31st March 2016.

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

We have audited the internal financial controls over financial reporting of Prozone Intu Properties Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Shyamratan Singrodia
Partner
Mem. No. 49006

Place: Mumbai
Date: 19th May, 2016

BALANCE SHEET
as at 31st March, 2016

(₹ in Lakhs)

Particulars	Notes	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	3,052.06	3,052.06
Reserves and surplus	3	38,205.48	37,757.25
		41,257.54	**40,809.31**
Non - current Liablities			
Long - term borrowings	4	1,735.95	1,750.20
Long - term Provisions	5	20.35	2.21
		1,756.30	**1,752.41**
Current Liabilities			
Trade payables	6	100.70	259.12
Other current liabilities	7	57.71	138.46
Short-term provisions	8	28.25	37.87
		186.66	**435.45**
		43,200.50	**42,997.17**
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	9	220.42	298.00
Non - current investments	10	27,229.27	28,723.27
Deferred Tax Assets (Net)	11	89.11	85.33
Long - term loans and advances	12	5,305.20	11,092.38
		32,844.00	**40,198.98**
Current Assets			
Current Investments	13	5,633.25	-
Trade receivables	14	660.97	569.99
Cash and cash equivalents	15	156.76	5.83
Short - term loans and advances	16	2,135.52	2,222.37
Other current assets	17	1,770.00	-
		10,356.50	**2,798.19**
		43,200.50	**42,997.17**
Significant Accounting Policies	1		
Accompanying Notes to Accounts	25		

As per our report of even date attached

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

For and on behalf of the Board

Shyamratan Singrodia
Partner
Mem. No. 49006

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Place : Mumbai
Date : 19th May, 2016

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary & CCO

STATEMENT OF PROFIT & LOSS

for the year ended 31st March , 2016

(₹ in Lakhs)

Particulars	Notes	Year Ended 31.03.2016	Year Ended 31.03.2015
INCOME			
Revenue from operations	18	752.01	807.48
Other income	19	800.05	701.88
TOTAL REVENUE		**1,552.06**	**1,509.36**
EXPENSES			
Employee benefits expense	20	331.11	355.30
Finance costs	21	3.37	4.81
Depreciation and amortisation expense	9	76.79	162.89
Other expenses	22	542.24	581.60
TOTAL EXPENSES		**953.52**	**1,104.60**
Profit before tax & exceptional items		**598.54**	**404.76**
Exceptional Items	23	-	39.09
Profit before tax		**598.54**	**365.67**
Less: Tax Expense			
Current Tax		122.99	150.93
Deferred Tax Liability/(Assets)		(3.78)	(39.82)
Tax of earlier years		31.11	-
		150.32	111.11
Profit / (Loss) for the year		**448.22**	**254.56**
Earnings per equity share	24		
(Nominal value of share ₹ 2 : Basic		0.29	0.17
: Diluted		0.29	0.17
Significant Accounting Policies	1		
Accompanying Notes to Accounts	25		

As per our report of even date attached

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

For and on behalf of the Board

Shyamratan Singrodia
Partner
Mem. No. 49006

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Place : Mumbai
Date : 19th May, 2016

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary & CCO

CASH FLOW STATEMENT

for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars		Year ended 31.03.2016	Year ended 31.03.2015
A	**Cash Flow from Operating Activities:**		
	Net Profit / (Loss) before tax	598.54	404.76
	Adjustments for :		
	Depreciation	76.79	162.89
	Financing Charges	3.37	4.81
	Gain on foreign exchange fluctuations (net)	(8.39)	(5.51)
	Loss on sale of fixed assets	1.40	-
	Interest Received	(457.26)	(696.23)
	Dividend from Mutual Funds	(236.67)	(0.13)
	Operating profit before working capital changes	**(22.22)**	**(129.41)**
	Adjustments for :		
	Increase / (Decrease) in Trade payables	(158.42)	48.92
	Increase / (Decrease) in Other current liabilities	(80.75)	49.70
	Increase / (Decrease) in long-term provisions	18.14	2.21
	Increase / (Decrease) in short-term provisions	(11.75)	8.62
	Decrease / (Increase) in Trade receivables	(90.98)	(216.40)
	Net Cash from Operations	**(345.98)**	**(236.37)**
	Direct Taxes Paid	198.12	(146.47)
	Exceptional Items (refer note no. 23)	-	(39.09)
	Net Cash from Operating Activities	**(147.86)**	**(421.93)**
B.	**Cash Flow from Investing Activities:**		
	Purchase of Fixed Assets	(2.39)	-
	Sale of Fixed Assets	1.78	-
	Movement in loans and advances	5,532.33	(268.77)
	Interest Received	457.26	696.23
	Purchase of Current Investments	(5,633.25)	-
	Purchase of Non-current Investments	(276.00)	-
	Dividend from Mutual Funds	236.67	0.13
	Net Cash used in Investment Activities	**316.41**	**427.59**

CASH FLOW STATEMENT

for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars		Year ended 31.03.2016	Year ended 31.03.2015
C.	**Cash Flow from Financing Activities:**		
	Proceeds / (Repayment) of Long Term Borrowings (net)	(14.25)	(12.63)
	Financing Charges	(3.37)	(4.81)
	Net Cash used from Financing Activities	**(17.62)**	**(17.44)**
	Net increase in Cash and Cash Equivalents	**150.93**	**(11.78)**
	Cash and Cash Equivalents (Opening)	5.83	17.61
	Cash and Cash Equivalents (Closing)	**156.76**	**5.83**

Notes :

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

(₹ in Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Cash in Hand	10.73	0.41
Cheques in Hand	36.98	-
Balances with Banks	109.05	5.42
	156.76	**5.83**

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

For and on behalf of the Board

Shyamratan Singrodia
Partner
Mem. No. 49006

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Place : Mumbai
Date : 19th May, 2016

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary & CCO

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

Corporate information:

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

Note 1 : Significant Accounting Policies

a) Basis of Accounting:

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

ii. Financial Statements are based on historical cost convention and are prepared on accrual basis.

b) Use of Estimates:

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

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

c) Revenue Recognition :

i. Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

ii. Revenue from management consultancy is recognised on accrual basis as per the terms and conditions of the contract.

iii. Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv. Dividend income is recognised when the right to receive payment is established.

d) Fixed Assets:

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

e) Depreciation and Amortization:

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

f) Impairment of Fixed Assets:

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

g) Miscellaneous Expenditure:

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

h) Employee Benefits:

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

ii) Liability for Leave Encashment Benefits has been provided on the basis of the actuarial valuation, using the projected unit method, as at the date of the Balance Sheet.

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

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) Provision and Contingent Liabilities:

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

k) Foreign Currency Transactions :

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

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

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

iv) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Statement of Profit and Loss.

v) The premium or discount in respect of forward exchange contract is amortized over the life of contract. The net gain or losses on account of any exchange difference, cancellation or renewal of such forward exchange contracts are recognised in the Statement of Profit & Loss.

l) Accounting for Taxation of Income :

Current taxes

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

Deferred taxes

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

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 2 : Share capital

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Authorised		
2,002.50 lakhs Equity Shares of ₹ 2 each	4,005.00	4,005.00
	4,005.00	**4,005.00**
Issued, Subscribed and Fully Paid Up		
1,526.03 lakhs Equity Shares of ₹ 2 each fully paid up	3,052.06	3,052.06
	3,052.06	**3,052.06**

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
Equity Shares				
At the beginning of the year	1,526.03	3,052.06	1,526.03	3,052.06
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,526.03**	**3,052.06**	1,526.03	3,052.06

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

During the year 2011-12, the Company has allotted 1,523.53 Lakhs equity shares of ₹ 2 each fully paid up to the Shareholders of Demerged Company and Transferor Company pursuant to the 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 Sharehlders holding more than 5% shares in the company:

Names of Shareholders	As at 31.03.2016		As at 31.03.2015	
	No. in lakhs	% holding	No. in lakhs	% holding
Nailsfield Limited, Mauritius (Aggregate of shareholding under FDI & FII route)	494.11	32.38	494.11	32.38
Nikhil Chaturvedi (in his capacity as trustee of Nikhil Chaturvedi Family Trust)	140.51	9.21	140.51	9.21
Salil Chaturvedi (in his capacity as trustee of Salil Chaturvedi Family Trust)	137.33	9.00	137.33	9.00

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 3 : Reserves and surplus

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Securities Premium		
At the beginning and end of the year	**36,434.05**	**36,434.05**
Amalgamation Reserve (Pursuant to the Scheme of Demerger and Amalgamation)	**688.75**	**688.75**
Surplus / (Deficit) in the Statement of Profit & Loss		
Opening Balance	634.45	390.27
Add: Profit / (Loss) during the year	448.22	254.56
	1,082.67	644.83
Less : Adjustment pursuant to note no 7(b) of Schedule II of Companies Act, 2013 (Net of Deferred tax) (Refer note no. 25(I))	-	10.38
Closing Balance	**1,082.67**	**634.45**
	38,205.48	**37,757.25**

Note 4 : Long - term borrowings

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Hire Purchase Loans (Secured)	20.71	33.34
Less: Current maturities of Long Term Debt (disclosed under other current liabilities)	(14.25)	(12.63)
	6.46	**20.71**
Loan & Advances from related parties (Unsecured)	1,729.49	1,729.49
	1,735.95	**1,750.20**

(a) Hire Purchase Loans includes : - ₹ 20.71 (PY 33.34) lakhs in respect of one vehicle which is secured by hypothecation of vehicle financed. The loan carries interest @ 12.13% p.a. The loan is repayable in 53 equal instalments starting from 1st May, 2013."

(b) Loan and advances from related parties represents loan received from Emerald Buildhome Private Limited, a step down Joint Venture Company (JVC) vide Joint Venture Agreement (JVA) dated 14th December 2007 entered into with the Co-venturer, Shree Salasar Overseas Private Limited for developing a Mall at Jaipur. The said loan was repayable to the JVC at the time of acquisition of additional land. Since the JVC presently does not have any land proposal in hand, the said loan remains with the Company and no interest is payable as agreed between the JV Partners, till the time any new land is acquired by the JVC.

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 5 : Long - term Provisions

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Gratuity	6.08	2.21
Provision for Leave Encashment	14.27	-
	20.35	**2.21**

Note 6 : Trade payables

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade payables		
- Due to Micro, Small & Medium Enterprises (Refer note below)	13.48	26.94
- Others	87.22	232.18
	100.70	**259.12**

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

Particulars	As at 31.03.2016	As at 31.03.2015
The principal amount remaining unpaid to any supplier as at the end of accounting year ;	13.48	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.	-	-

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

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 7 : Other current liabilities

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Current maturities of long term debt	14.25	12.63
Duties & taxes payable	10.33	92.70
Other Liabilities	33.13	33.13
	57.71	**138.46**

Note 8 : Short-term provisions

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits expense	14.28	16.27
Provision for Leave Encashment	3.16	12.65
Provision for Gratuity	3.50	3.97
Provision for tax (Net of Advance Tax & TDS)	2.68	0.55
Provision for expenses	4.63	4.43
	28.25	**37.87**

Note 9 : Tangible assets

(₹ in lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2015	Additions during the year	Deductions during the year	As at 31.03.2016	Upto 31.03.2015	Provided for the year	Adjustments during the year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Buildings	141.73	-	-	141.73	41.09	5.42	-	46.51	95.22	100.64
Furniture's & Fittings	565.45	-	-	565.45	447.33	50.11	-	497.44	68.01	118.12
Motor Vehicles	333.45	-	90.87	242.58	277.96	19.14	(87.69)	209.41	33.18	55.50
Office Equipments	75.22	-	-	75.22	57.46	0.91	-	58.37	16.85	17.76
Computers	98.70	2.39	-	101.09	92.72	1.21	-	93.93	7.16	5.98
Total	**1,214.55**	**2.39**	**90.87**	**1,126.07**	**916.56**	**76.79**	**(87.69)**	**905.66**	**220.42**	**298.00**
Previous Year	**1,214.55**	**-**	**-**	**1,214.55**	**738.32**	**162.89**	**15.35**	**916.56**	**298.00**	**-**

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 10 : Non - current investments

(Valued at cost unless stated otherwise)

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade, Unquoted		
Investment in equity instruments of subsidiaries		
Prozone Liberty International Limited (Singapore)	26,193.02	26,193.02
(614.74 lakhs (PY 614.74 lakhs) Ordinary Shares of USD 1/- each fully paid up)		
Alliance Mall Developers Co Private Limited	557.00	557.00
(20.1 lakhs (PY 20.1 lakhs) Equity Shares of ₹ 10/- each fully paid up)		
Jaipur Festival City Private Limited	1.00	1.00
(0.1 lakhs (PY 0.1 lakhs) Equity Shares of ₹ 10/- each fully paid up)		
Royal Mall Private Limited	1.00	1.00
(0.1 lakhs (PY 0.1 lakhs) Equity Shares of ₹ 10/- each fully paid up)		
Kruti Multitrade Private Limited	1.00	1.00
(0.1 lakhs (PY 0.1 lakhs) Equity Shares of ₹ 10/- each fully paid up)		
Investment in Joint Ventures :		
Moontown Trading Company Private Limited	200.25	200.25
(20.025 lakhs (PY 20.025 lakhs) Equity Shares of ₹ 10/- each fully paid up)		
Non-trade, Unquoted		
Investment in equity instruments		
Samriddhi Finvest Advisory Services Private Limited	1.00	-
(0.05 lakhs (P.Y. Nil) Equity Shares of Rs. 10/- each fully paid up)		
Investment in Preference Shares		
Samriddhi Finvest Advisory Services Pvt Ltd.	275.00	-
(27.50 lakhs (P.Y. Nil) 4% Non-cumulative Redeemable Convertible Preference shares of ₹ 10/- each fully paid up)		
Investment in Debentures		
Omni Infrastructure Private Limited (Step down subsidiary company) (refer note 17(a) below)		
Nil (PY 1.77 lakhs) 0% Optional Convertible Debentures of ₹ 1,000/- each	-	1,770.00
	27,229.27	**28,723.27**
Aggregate Book Value of Unquoted Investment	27,229.27	28,723.27

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 11 : Deferred Tax Assets (Net)

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	79.97	78.97
Impact of Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	9.14	6.36
Deferred Tax Assets	**89.11**	**85.33**

Note 12 : Long - term loans and advances

(Unsecured, Considered Good)

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Security deposits	4.45	2.60
Loans and advances given to Related Parties	2,875.45	9,381.86
Advance recoverable in cash or kind (Refer note (a) & (b) below)	2,178.20	1,125.56
Others		
Advance Tax & TDS (Net of Provision for Tax)	230.27	580.36
Capital Advances	16.18	2.00
Balances with Government authorities	0.66	-
	5,305.20	**11,092.38**
Loans and advances given to related parties includes :		
- Subsidiary companies		
Prozone Liberty International Limited (Singapore)	148.65	140.27
Royal Mall Private Limited	0.34	0.34
Kruti Multitrade Private Limited	36.51	36.51
- Step down subsidiary companies		
Empire Mall Private Limited	58.35	6,607.82
Omni Infrastructure Private Limited	2,103.40	2,083.03
Hagwood Commercial Developers Private Limited	250.39	236.09
- Joint Venture Company		
Moontown Trading Company Private Limited (Refer note (c) below)	277.80	277.80
	2,875.45	**9,381.86**

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

a) Advance Recoverable in Cash or Kind includes a sum of ₹ 150 lakhs (PY ₹ 150 lakhs) due from De Lara Tourism Corporation Limited (DTCL) pursuant to award from a panel of Arbitrators constituted by the Arbitral Tribunal as per the instruction of SC. In view of the Award given by the Arbitral Tribunal, the management had considered ₹ 150 Lacs as good and fully recoverable. Further, DTCL had challenged this award before the Chief Judge, City Civil Court Hyderabad by filing an appeal. The said appeal is pending.

b) Advance Recoverable in Cash or Kind also includes advance of ₹ 1961.50 lakhs (PY ₹910 lakhs) towards Joint construction of real estate projects in Mumbai. These projects are at intial stage.

c) Loan to JVC represents the amount funded by the Company for various initial project expenses. At present there is no significant progress in the said project. However, there is no impairment in the value of the project.

Note 13 : Current Investments

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Quoted		
(Valued at lower of cost and fair value, unless stated otherwise)		
Investments in Mutual Funds		
51.28 Lakhs (PY Nil) units of Birla Sun Life Enhanced Arbitrage fund - Dividend Regular Plan Payout	558.19	-
15.43 Lakhs (PY Nil) units of Kotak Treasury Advantage Fund - Daily Dividend Regular Plan	2,573.74	-
239.27 Lakhs (PY Nil) units of Kotak Equity Arbitrage Fund - Monthly Dividend Regular Plan	155.53	-
93.37 Lakhs (PY Nil) units of HDFC Arbitrage Fund - Wholesale Plan - Monthly Dividend - Regular	1,011.11	-
95.61 Lakhs (PY Nil) units of Reliance Arbitrage Advantage Fund - Monthly Dividend Plan	1,004.77	-
0.34 Lakhs (PY Nil) units Of Reliance Money Manager Fund - Daily Dividend Plan	337.57	
	5,640.92	-
Less : Provision For Diminution In Investment Value	(7.67)	-
	5,633.25	-
Aggregate Value of Unquoted Investments	-	-
Aggregate Value of Quoted Investments	5,640.92	-
Market Value of Quoted Investments	5,633.25	-

Note 14 : Trade receivables

(Unsecured, Considered Good)

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Outstanding for a period exceeding six months from the date they are due for payment	375.05	291.56
Other Debts	285.92	278.43
	660.97	**569.99**

Particulars	As at 31.03.2016	As at 31.03.2015
Trade receivable includes debt due from subsidiary / step down subsidiary companies :		
(a) Outstanding for a period exceeding six months from the date they are due for payment		
Empire Mall Private Limited	57.27	117.88
Hagwood Commercial Developers Private Limited	315.68	171.58
Omni Infrastructure Private Limited	1.52	1.52
Royal Mall Private Limited	0.58	0.58
	375.05	**291.56**
(b) Other Debts		
Alliance Mall Developers Co. Private Limited	78.43	15.59
Empire Mall Private Limited	64.64	130.58
Hagwood Commercial Developers Private Limited	142.85	132.27
	285.92	**278.43**

Note 15 : Cash and cash equivalents

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Balance with Banks		
On Current Accounts	109.05	5.42
Cheques on hand	36.98	-
Cash on hand	10.73	0.41
	156.76	**5.83**

Note 16 : Short - term loans and advances

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Loans and advances (Refer note below)	1,765.23	1,745.08
Advance Recoverable in cash or in kind	361.63	466.07
Other Loans & Advances		
Prepaid expenses	2.07	0.63
Advances to employees	6.59	10.59
	2,135.52	**2,222.37**

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 17 : Other current assets

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Others receivables	1,770.00	-
	1,770.00	**-**

a) Others receivables represents amount due on maturity of investment in 1.77 lakhs 0% Optional Convertible Debentures of ₹ 1,000/- each in Omni Infrastructure Private Limited (Step down subsidiary company) which was matured during the year and option of the conversion is not exercised by the Company.

Note 18 : Revenue from operations

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Sale of services		-
Management Consultancy Charges	752.01	807.48
	752.01	**807.48**

Note 19 : Other income

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Interest income on loans & advances	457.26	696.23
Interest income on income tax refund	97.73	-
Dividend income on current investments	236.67	0.13
Gain on foreign exchange fluctuations (net)	8.39	5.51
	800.05	**701.88**

Note 20 : Employee benefits expense

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Salaries and bonus	173.69	202.17
Directors' remuneration	150.00	144.00
Contribution to Provident and other fund	2.38	2.36
Staff welfare expenses	5.05	6.77
	331.12	**355.30**

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 21 : Finance costs

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Interest expenses	3.37	4.81
	3.37	**4.81**

Note 22 : Other expenses

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Rent	85.00	120.00
Rates and taxes	2.69	2.18
Insurance	3.89	1.84
Repairs & maintenance - others	45.69	22.40
Electricity charges	18.70	18.33
Printing & stationery	8.52	7.56
Communication costs	11.75	13.73
Professional fees	96.16	103.47
Travelling & conveyance	43.17	42.02
Vehicle expenses	56.86	56.46
Housekeeping Expenses	16.31	20.61
Advertisement & business promotion expenses	67.43	58.06
Auditors' remuneration	24.40	21.95
Office expenses	10.07	12.80
Sundry Balances Written Off	4.76	60.50
Loss on sale of fixed asset	1.40	-
Loss on sale of current investments	7.73	-
Provision for diminution in value of current investments	7.67	-
Interest on late payments of statutory dues	14.85	13.45
Miscellaneous expenses	15.19	6.24
	542.24	**581.60**

Payment to Auditors

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
- For Audit Fees	14.40	14.40
- For Taxation Matters	10.00	7.55
	24.40	**21.95**

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 23 : Exceptional Items

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Reversal of interest income erroneously booked in earlier year	-	39.09
	-	**39.09**

Note 24 : Earnings per equity share

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

(₹ in lacs)

Particulars		Year Ended 31.03.2016	Year Ended 31.03.2015
i)	Weighted average number of Equity Shares of ₹ 2 each (No. in Lakhs)		
a)	Number of shares at the beginning and end of the year	1,526.03	1,526.03
c)	Weighted average number of shares outstanding during the year	1,526.03	1,526.13
d)	Weighted average number of Potential Equity shares outstanding during the year	-	-
e)	Total number of Potential Equity Share for calculating Diluted Earning Per share	1,526.03	1,526.13
ii)	Net Profit \ (Loss) after tax available for equity shareholders (₹ In lakhs)	448.22	254.56
iii)	**Basic Earning per share (in ₹)**	**0.29**	**0.17**
iv)	**Diluted Earning per share (in ₹)**	**0.29**	**0.17**

Note 25 : Accompanying Notes to Account

A) Contingent liabilities not provided for:

i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹99.32 lakhs (PY ₹ Nil).

ii) Guarantee given to Bank on behalf of subsidiary company ₹ 23,254.20 lakhs (P.Y. ₹23,592.13 lakhs)

iii) Disputed demands in respect of Income Tax (Interest thereon not ascertainable at present) ₹14.87 lakhs (PY ₹14.87 lakhs).

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

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

a) Details of Loans to Subsidiaries / Step down Subsidiaries

Name of Subsidiary Company	31st March, 2016		31st March, 2015	
	₹ in lakhs	Maximum Amount	₹ in lakhs	Maximum Amount
Alliance Mall Developers Co. Private Limited	-	-	-	164.98
Royal Mall Private Limited	0.34	0.34	0.34	0.34
Prozone Liberty International Ltd, Singapore	148.65	148.65	140.27	140.27
Omni Infrastructure Private Limited	2,103.40	2,103.40	2,083.03	2,083.03
Empire Mall Private Limited	58.35	6,829.24	6,607.83	6,607.83
Hagwood Commercial Developers Private Limited.	250.39	331.72	236.09	274.73
Kruti Multitrade Private Limited	36.51	36.51	36.51	36.51
	2,597.64	**9,449.87**	**9,104.06**	**9,307.68**

b) Details of Investments in Subsidiaries **(No. of shares)**

Name of Subsidiary Company	Year Ended 31.03.2016	Year Ended 31.03.2015
Alliance Mall Developers Co Private Limited	20,10,000	20,10,000
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)	614,74,094	614,74,094
Investments through Prozone Liberty International Limited (Singapore)		
Prozone International Coimbatore Limited (Singapore)	1	1
Prozone Overseas Pte Limited (Singapore)	1	1
Empire Mall Private Limited *	472,09,412	472,09,412
Hagwood Commercial Developers Private Limited	94,80,235	94,80,235
Omni Infrastructure Private Limited	24,000	24,000

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

D) The Company has the following Joint Ventures as on 31st March, 2016 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Ventures is given below:

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

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March, 2016

E) Disclosure as per AS 15 "Employee Benefits":

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

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment
	Year Ended 31.03.2016	Year Ended 31.03.2015	**Year Ended 31.03.2016**
Discount rate	7.80%	7.80%	7.80%
Expected rate of return on assets	7.80%	9.50%	9.50%
Expected rate of future salary increase	5.10%	5.10%	5.10%
Changes in present value of obligations			
Present value of obligation as at the beginning of the year	17.85	10.41	12.65
Transfer in / (out) Obligation	0.44	-	-
Interest Cost	1.33	0.87	0.99
Past Service Cost	-	-	-
Current Service Cost	3.85	18.31	4.22
Benefits paid	-	(16.17)	-
Actuarial loss on obligations	(1.13)	4.43	(0.42)
Present Value of obligation as at the end of the year	22.34	17.85	17.44
(Assets) / Liability recognized in the Balance Sheet			
Present Value of obligation as at the end of the year	22.34	17.85	17.44
Fair Value of plan assets as at the end of the year	12.78	11.67	-
Unfunded status	9.56	6.18	17.44
Unrecognized Actuarial (Gain)/ loss	-	-	-
Net (Assets)/ Liabilities recognized in the Balance Sheet	9.56	6.18	17.44
- Non-Current (Assets) / Liabilities	6.08	2.21	14.27
- Current (Assets) / Liabilities	3.48	3.97	3.17
Expenses recognized in the Profit and Loss Account			
Current Service Cost	3.85	18.31	4.22
Past Service Cost	-	-	-
Interest Cost	1.33	0.87	0.99
Actuarial (Gain) / Loss on obligations	(1.13)	4.43	(0.42)
Actuarial (Gain) / Loss on plan assets	0.12	(0.01)	-
Expected return on Plan Assets	(1.23)	(1.08)	-
Total Expenses recognized in the Profit and Loss account	**2.95**	**22.52**	**4.79**

Note : - The Company has taken acturial valuation for leave encashment from the FY 2015-16, hence previous year figures are not available.

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

Particulars	Gratuity				
	Year Ended 31.03.2016	**Year Ended 31.03.2015**	**Year Ended 31.03.2014**	**Year Ended 31.03.2013**	**Year Ended 31.03.2012**
Defined benefit obligation	22.34	17.85	10.41	17.79	10.47
Plan assets	12.78	11.67	12.12	17.06	5.71
Surplus/(deficit)	9.56	6.18	(1.71)	0.72	4.76
Experience adjustments on plan liabilities	(1.13)	3.07	(5.25)	2.76	-
Experience adjustments on plan assets	0.12	(0.01)	2.54	(0.31)	-
Actuarial gain/(loss) due to change in assumption	-	1.36	(0.49)	(0.22)	-

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

F) Related Party Disclosure:

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

List of Related Parties :

i) Key Management Personnel

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

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
Omni Infrastructure Private Limited
Empire Mall Private Limited
Hagwood Commercial Developers Private Limited
Kruti Multitrade Private Limited
Prozone International Coimbatore Limited (Singapore)
Prozone Overseas Pte Limited (Singapore)

iii) Joint Ventures and Coventurers :-

Emerald Buildhome Private Limited
Moontown Trading Company Private Limited

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

Provogue (India) Limited

Related Party Transactions

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
(I) Transactions				
Sale of services				
Subsidiaries / Step down Subsidiaries	752.01		807.48	
Alliance Mall Developers Co. Private Limited		347.06		370.36
Empire Mall Private Limited		145.25		189.34
Hagwood Commercial Developers Private Limited.		259.70		247.78
Rent Paid				
Enterprises having same key management personnel	85.00		120.00	
Provogue (India) Limited		85.00		120.00
Interest Income				
Subsidiaries / Step down Subsidiaries	283.06		537.73	
Empire Mall Private Limited		248.44		510.90

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
Remuneration to Key Management Personnel	191.92		196.19	
Mr. Nikhil Chaturvedi		90.00		84.00
Mr. Salil Chaturvedi		60.00		60.00
Mr. Nigam Patel		-		20.00
Mr. Anurag Garg		29.58		26.04
Sundry Balances Written off				
Subsidiaries / Step down Subsidiaries	-		60.44	
Omni Infrastructure Private Limited		-		60.44
Loans given				
Subsidiaries / Step down Subsidiaries	586.84		780.19	
Empire Mall Private Limited		311.18		508.15
Hagwood Commercial Developers Private Limited.		267.24		230.97
Joint Ventures and Coventurers	0.30			
Moontown Trading Company Private Limited		0.30		
Repayment of loans given				
Subsidiaries / Step down Subsidiaries	7,359.27		222.52	
Empire Mall Private Limited		7,084.25		144.83
Hagwood Commercial Developers Private Limited.		273.62		68.48
(II) Balance outstanding at the end of the year				
Trade Receivables				
Subsidiaries / Step down Subsidiaries	660.97		570.00	
Alliance Mall Developers Co. Private Limited		78.43		15.59
Empire Mall Private Limited		121.91		248.46
Hagwood Commercial Developers Private Limited.		458.53		303.85
Trade Payable				
Enterprises having same key management personnel	30.43		132.02	
Provogue (India) Limited		30.43		132.02
Loans given				
Subsidiaries / Step down Subsidiaries	2,598.23		9,104.06	
Prozone Liberty International Limited, Singapore		148.65		140.27
Omni Infrastructure Private Limited		2,103.40		2,083.03
Empire Mall Private Limited		58.35		6,607.83
Hagwood Commercial Developers Private Limited.		250.39		236.09
Joint Ventures and Coventurers	278.10		277.80	
Moontown Trading Company Private Limited		278.10		277.80

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
Loans taken				
Joint Ventures and Coventurers	1,729.49		1,729.49	
Emerald Buildhome Private Limited		1,729.49		1,729.49
Remuneration Payable	8.36		6.29	
Mr. Salil Chaturvedi		3.66		3.61
Mr. Anurag Garg		2.60		2.20
Mr. Ajayendra jain		2.10		-

* "Major Parties" denotes who account 10% or more of the aggregate for that category of transaction
Note: Related Parties are as disclosed by the Management and relied upon by the auditors.

G) The Company is mainly engaged in the business of designing, developing, owning and operating of Shopping Malls, Commercial and Residential Premises through its various SPVs. The Company is also providing related management consultancy services to its SPVs. There is no other reportable business segment as per Accounting Standard (AS-17).

H) The name of the Company has been changed from 'Prozone Capital Shopping Centres Limited' to 'Prozone Intu Properties Limited' vide special resolution passed through postal ballot on 12th June, 2014. The Registrar of Companies, Mumbai has issued a fresh Certificate of Incorporation to this effect on 24th July, 2014, being the effective date of change of name of the company.

I) 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 Lakhs (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.

J) Disclosure with regards to section 186 (4) of the Companies Act, 2013
i) For Investment refer note no. 10.
ii) For Corporate Guarantees given refer note no. 25(A)(i).
iii) For Loans given :

Particulars	Rate of Interest	Year ended 31st March, 2016	Year ended 31st March, 2015
Subsidiaries / Step down subsidiaries	8.50%	488.81	7,003.61
Others	9% to 10%	1,561.74	1,257.10
Total		**2,050.55**	**8,260.71**

Note : Above disclosures do not include unsecured loans (including interest) granted before enforcement of Companies Act, 2013 amounting to ₹ 2590.13 lakhs (PY ₹ 2866.23 lakhs).

NOTES TO FINANCIAL STATEMENTS
for the year ended 31st March, 2016

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

For and on behalf of the Board

Shyamratan Singrodia
Partner
Mem. No. 49006

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Place : Mumbai
Date : 19th May, 2016

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary & CCO

Financials Consolidation

INDEPENDENT AUDITOR'S REPORT

To the Members of
Prozone Intu Properties Limited (Formerly Known as Prozone Capital Shopping Centers Limited),

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Prozone Intu Properties Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, comprising the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

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

Basis for Qualified Opinion

The aforesaid consolidated financial statements includes unaudited financial statements / financial information of one subsidiary and two joint ventures, which are material to the Group reflect total assets of ₹11,686.45 lakhs as at 31st March, 2016, total revenues of ₹ 6.99 lakhs and net cash outflows amounting to ₹ 2.28 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and jointly controlled entities, 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, 2016, and their consolidated profit and their consolidated cash flows for the year

ended on that date.

Other Matters

Apart from one subsidiary and two joint ventures Company mentioned in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements also includes unaudited financial statements / financial information of three foreign subsidiaries, which are not material to the Group reflect total assets of ₹ 9.63 lakhs as at 31st March, 2016, total revenues of ₹ Nil and net cash inflows amounting to ₹ 0.45 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) 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 financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and its jointly controlled entities incorporated in India, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016, 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, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure A";**

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.

      (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities incorporated in India – Refer Note 13 (b) and 29 (H) (iii), (iv) and (v) to the consolidated financial statements.

      (ii) The Holding Company, its subsidiary companies and its jointly controlled entities incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its jointly controlled entities incorporated in India.

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

Shyamratan Singrodia
Partner
Mem. No. 49006

Place: Mumbai
Date: 19th May, 2016

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Prozone Intu Properties Limited (hereinafter referred to as "the Holding Company"), its subsidiary companies and its jointly controlled entities which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Basis for Qualified Opinion

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

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the Holding Company, its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Shyamratan Singrodia
Partner
Mem. No. 49006

Place: Mumbai
Date: 19th May, 2016

CONSOLIDATED BALANCE SHEET

as at 31st March, 2016

(₹ in Lakhs)

Particulars	Notes	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	3,052.06	3,052.06
Reserves and surplus	3	52,024.72	46,903.22
		55,076.78	**49,955.28**
Minority Interest		**30,341.61**	**19,135.53**
Non - current Liablities			
Long-term borrowings	4	22,166.88	21,755.23
Other long-term liabilities	5	1,139.85	4,392.63
Long-term provisions	6	40.16	5.92
		23,346.89	**26,153.78**
Current Liabilities			
Trade payables	7	1,161.34	1,878.59
Other current liabilities	8	6,042.11	5,669.29
Short-term provisions	9	659.00	598.22
		7,862.45	**8,146.10**
		116,627.73	**103,390.69**
ASSETS			
Non-current Assets			
Fixed assets	10		
Tangible assets		38,203.92	41,713.53
Intangible assets		200.00	200.00
Capital work in progress		19,301.93	9,567.93
Goodwill on consolidation		10,976.15	10,976.15
Non-current investments	11	1,290.03	1,964.03
Deferred tax assets (net)	12	92.26	100.30
Long-term loans and advances	13	6,950.18	8,984.25
Other non-current assets	14	-	0.01
		77,014.47	**73,506.20**
Current Assets			
Current investments	15	5,891.27	-
Inventories	16	17,665.60	15,578.30
Trade receivables	17	8,912.31	7,246.87
Cash and bank balances	18	2,083.41	1,411.81
Short-term loans and advances	19	4,955.31	5,521.17
Other current assets	20	105.36	126.33
		39,613.26	**29,884.49**
		116,627.73	**103,390.69**
Significant Accounting Policies	1		
Accompanying Notes to Accounts	29		

As per our report of even date attached

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

For and on behalf of the Board

Shyamratan Singrodia
Partner
Mem. No. 49006

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Place : Mumbai
Date : 19th May, 2016

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary & CCO

STATEMENT OF CONSOLIDATED PROFIT & LOSS

for the year ended 31st March , 2016

(₹ in Lakhs)

Particulars	Notes	Year Ended 31.03.2016	Year Ended 31.03.2015
INCOME			
Revenue from operations	21	8,621.19	5,775.61
Other income	22	841.97	418.01
TOTAL REVENUE		**9,463.16**	**6,193.62**
EXPENSES			
Cost of Construction Project	23	4,257.47	2,274.44
Employee Benefits Expenses	24	240.16	271.89
Finance Costs	25	1,019.76	1,593.32
Depreciation	10	1,317.62	1,647.20
Other Expenses	26	1,821.83	1,525.07
TOTAL EXPENSES		**8,656.84**	**7,311.92**
Profit / (Loss) before tax & exceptional items		**806.32**	**(1,118.30)**
Less: Exceptional Items	27	16.69	80.98
Profit / (Loss) before tax		**789.63**	**(1,199.28)**
Less: Tax Expense			
Current tax		409.43	246.96
MAT Credit Entitlement		(76.13)	(75.30)
Deferred tax liability / (assets)		8.04	(135.80)
Tax of earlier years		30.87	(0.03)
		372.21	**35.83**
Profit / (Loss) after tax before Minority Interest		**417.42**	**(1,235.11)**
Minority Interest		**(320.60)**	**(585.17)**
Profit / (Loss) for the year		**738.02**	**(649.94)**
Earnings per equity share (Nominal value of share ₹ 2)	28		
Basic & Diluted		0.48	(0.43)
Significant Accounting Policies	1		
Accompanying Notes to Accounts	29		

As per our report of even date attached

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

For and on behalf of the Board

Shyamratan Singrodia
Partner
Mem. No. 49006

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Place : Mumbai
Date : 19th May, 2016

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary & CCO

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2016

(₹ in Lakhs)

	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
A	**Cash Flow from Operating Activities:**		
	Net Profit / (Loss) before tax and before extraordinary items	806.32	(1,118.30)
	Adjustments for :		
	Depreciation	1,317.62	1,647.20
	Interest income	(558.34)	(383.12)
	Dividend income	(283.63)	(34.89)
	Interest paid	1,013.41	1,590.59
	Loss on sale of Fixed assets	1.40	
	Bad debts / Sundry balances written off (net)	10.30	62.11
	Operating profit before working capital changes	**2,307.08**	**1,763.59**
	Adjustments for :		
	Increase / (Decrease) in Trade payables	(717.25)	397.70
	Increase / (Decrease) in Other current liabilities	372.82	12.25
	Increase / (Decrease) in Long-term provisions	34.24	3.43
	Increase / (Decrease) in Short term provisions	(134.49)	116.95
	Increase / (Decrease) in Other long- term liabilities	(3,252.78)	1,621.45
	Decrease / (Increase) in Trade receivables	(1,676.32)	(865.75)
	Decrease / (Increase) in Other Non - current assets	0.01	103.37
	Decrease / (Increase) in Inventories	124.77	349.78
	Decrease / (Increase) in Other current assets	20.97	(126.11)
	Cash generated from / (used in) operations	**(2,920.94)**	**3,376.66**
	Direct taxes paid	(90.90)	(246.93)
	Exceptional items	(16.69)	(80.98)
	Net cash flow from / (used in) operating activities	**(3,028.53)**	**3,048.75**
B.	**Cash Flow from Investing Activities:**		
	Purchase of fixed assets	(38.00)	(25.37)
	Sale of fixed assets	1.40	-
	Capital work in progress	(9,718.89)	(5,144.01)
	Proceeds from non-current investments (Net)	674.00	500.00
	Proceeds from current investments (Net)	(5,891.27)	2,180.28
	Decrease / (Increase) in Long-term loans and advances	1,956.07	(3,418.65)
	Decrease / (Increase) in Short-term loans and advances	565.86	522.49
	Interest income	558.34	383.12
	Dividend income	283.63	34.89
	Redemption / maturity of bank deposits (having original maturity of more than 3 months)	29.83	(40.48)
	Net cash flow from / (used in) investment activities	**(11,579.02)**	**(5,007.72)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
C. Cash Flow from Financing Activities:		
Proceeds from issue of equity share capital in one of the step-down subsidiary	16,000.00	-
Share issue expenses	(90.08)	-
Proceeds from Long - term borrowings (Net)	411.65	4,174.85
Interest paid	(1,013.41)	(1,590.59)
Net cash flow from / (used in) financing activities	**15,308.16**	**2,584.26**
Net increase in Cash and Cash Equivalents	700.61	625.29
Foreign Currency Translation Reserve	0.82	(1.73)
Cash and Cash Equivalents		
- at the beginning of the year	874.72	251.16
Cash and Cash Equivalents at the end of the year	**1,576.15**	**874.72**

Notes :

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

(₹ in Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Balances with Banks:		
On Current Accounts	1,483.45	844.22
Cheque on Hand	67.10	-
Cash on Hand	22.63	27.53
Add: Share in joint venture	2.97	2.97
	1,576.15	**874.72**

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

For and on behalf of the Board

Shyamratan Singrodia
Partner
Mem. No. 49006

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Place : Mumbai
Date : 19th May, 2016

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary & CCO

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

Corporate information:

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

Note 1 : Significant Accounting Policies

(A) Basis of preparation of financial statements :

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

b. Financial Statements are based on historical cost convention and are prepared on accrual basis

(B) Principles of Consolidation:

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

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

i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the balances of like items of assets, liabilities, income and expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss.

ii) The financial statements of the Company and its Joint Ventures have been consolidated using the proportionate consolidation method.

iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

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

a) The summarized revenue and expenses transactions at the year-end reflected in Profit and Loss Account of the foreign subsidiaries, which are stated in the currency of their domicile, are translated into Indian Rupees at an average exchange rate.

b) All monetary items reflected in the Balance Sheet of the foreign subsidiaries which are stated in the currency of their domicile, are translated into Indian Rupees at the year-end closing exchange rate and Non-monetary items are translated at the exchange rate at the date of transaction.

c) The resultant translation exchange gain/loss in case of non-integral foreign operations is disclosed as Foreign Exchange Translation Reserve in Reserves & Surplus Schedule in the Accounts.

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

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

(C) Other Significant Accounting Policies:

i) Use of Estimates:

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

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

ii) Revenue Recognition:

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

b) Income earned by way of leasing or renting out of commercial premises is recognised as income in

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2016

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 or a letter of intent.
- The estimates relating to percentage of completion, cost to completion, saleable area, etc. being technical in nature are revised periodically by the management and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognized in the period in which such changes are determined.

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.

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

v) Impairment of Fixed Assets:

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

vi) Depreciation and Amortisation:

a) Tangible Assets

i. Leasehold Land is amortised over the remaining period of the Lease.

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

b) Intangible Assets

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

vii) Inventories:

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

viii) Investments:

Investments that is intended to be held for more than a year from the date of acquisition are classified as long term investments and are carried at cost less any provision for 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 the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

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

xii) Provisions and Contingent Liabilities:

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

xiii) Foreign Currency Transactions:

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

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

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

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

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

xiv) Accounting for Taxation of Income :

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

Note 2 : Share capital

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Authorised		
2,002.50 lakhs Equity Shares of ₹ 2 each	4,005.00	4,005.00
	4,005.00	**4,005.00**
Issued, Subscribed and Fully Paid Up		
1,526.03 lakhs Equity Shares of ₹ 2 each fully paid up	3,052.06	3,052.06
	3,052.06	**3,052.06**

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

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
(Face Value of ₹ 2 each)				
At the beginning of the period	1,526.03	3,052.06	1,526.03	3,052.06
Issued during the period	-	-	-	-
Outstanding at the end of the period	**1,526.03**	**3,052.06**	1,526.03	3,052.06

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

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

Names of Shareholders	As at 31.03.2016		As at 31.03.2015	
	No. in lakhs	% holding	No. in lakhs	% holding
Nailsfield Limited, Mauritius (Aggregate of shareholding under FDI & FII route)	494.11	32.38	494.11	32.38
Nikhil Chaturvedi (in his capacity as trustee of Nikhil Chaturvedi Family Trust)	140.51	9.21	140.51	9.21
Salil Chaturvedi (in his capacity as trustee of Salil Chaturvedi Family Trust)	137.33	9.00	137.33	9.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 3 : Reserves and surplus

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Amalgamation Reserve		
Balance at the beginning and end of the year	**688.75**	**688.75**
Foreign Currency Translation Reserve		
Opening Balance	946.78	948.51
Add / (Less) : Adjustments during the year	0.82	(1.73)
	947.60	**946.78**
Capital Reserve on Consolidation		
Balance at the beginning and end of the year	7.20	7.20
Securities Premium		
Balance at the beginning of the year	48,130.60	48,130.60
Add / (Less) *:		
On further issue of shares	10,074.07	-
Share Issue Expenses	(90.07)	-
Share of Minority interest	(8,379.72)	-
Closing Balance	**49,734.88**	**48,130.60**
Surplus / (deficit) in the Statement of Profit and Loss		
Opening Balance	(2,870.11)	(2,208.26)
Add / (Less) :		
Share of Minority interest*	2,778.37	
Profit / (Loss) during the year	738.02	(649.94)
Adjustment pursuant to note no 7(b) of Schedule II of Companies Act, 2013 (Net of Deferred tax) (Refer note no. 29(G))	-	11.91
Closing Balance	**646.28**	**(2,870.11)**
	52,024.72	**46,903.22**

*Refer Note No.29 (A) (a) (i)

Note 4 : Long - term borrowings

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Secured		
Term Loans	23,254.20	23,592.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Less: Interest accrued but not due on borrowings	230.37	315.13
Less: Current maturities of long term debt (disclosed under other current liabilities)	1,742.01	2,416.53
	21,281.82	**20,860.47**
Hire Purchase Loans	43.34	48.82
Less: Current maturities of long term Debt (disclosed under other current liabilities)	23.07	18.85
	20.27	**29.97**
	21,302.09	**20,890.44**
Unsecured		
Interest free loans and advances from related parties	864.79	864.79
	864.79	**864.79**
Total	**22,166.88**	**21,755.23**

Other Disclosures Pursuant to Secured Loans

(a) Term Loans

(i) Term loan taken from various banks carries interest in the range of 11.50 % 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.

(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 : Other long-term liabilities

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Lease Deposits from Tenants	2,889.06	4,391.84
Less : Lease deposit become payable within next 12 months	1,750.00	-
	1,139.06	**4,391.84**
Add: Share in Joint Ventures	0.79	0.79
	1,139.85	**4,392.63**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 6 : Long-term provisions

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employees' benefits		
Provision for Leave Encashment	27.49	-
Provision for gratuity	12.67	5.92
	40.16	**5.92**

Note 7 : Trade payables

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade payables		
- Due to Micro, Small & Medium Enterprises (Refer note below)	82.45	57.59
- Others	1,078.72	1,820.89
Add: Share in joint venture	0.17	0.11
	1,161.34	**1,878.59**

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

Particulars	As at 31.03.2016	As at 31.03.2015
The principal amount remaining unpaid to any supplier as at the end of accounting year ;	82.45	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.	-	-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 8 : Other current liabilities

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Current maturities of long term debt	1,765.08	2,435.38
Lease deposit become payble within next 12 months	1,750.00	-
Interest accrued but not due on borrowings	281.70	366.45
Payables in respect of capital assets	1,586.28	1,113.06
Advance from customers	283.40	1,049.54
Duties & taxes payable	142.53	598.00
Other Liabilities	233.12	106.86
	6,042.11	**5,669.29**

Note 9 : Short term provisions

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits expense	67.20	63.85
Provision for Leave Encashment	6.02	24.06
Provision for gratuity	7.74	8.60
Provision for expenses	306.33	425.27
Provision for Tax (Net of Advance Tax & TDS)	271.71	76.44
	659.00	**598.22**

Note 10 : Fixed assets

a) TangibleAssets

(₹ in lacs)

Particulars	Gross Block				Depreciation						Net Block	
	As at 01.04.2015	Additions during the year	Deduction during the year	Consolidation Adjustments	As at 31.03.2016	Upto 31.03.2015	Provided for the year	Adjustments for the year	Consolidation Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Owned :												
Leasehold Land	3,795.75	-			3,795.75	526.30	63.79	-	-	590.09	3,205.66	3,269.45
Free hold Land *	22,840.97	-	2,212.07		20,628.90	-	-	-	-	-	20,628.90	22,840.97
Building	164.08	5.46			169.54	41.08	5.42	-		46.50	123.04	123.00
Residential Premises	31.74	-			31.74	9.83	1.02	-	-	10.85	20.89	21.91
Plant & Equipments	5,664.72	3.90	-		5,668.62	3,108.72	601.72	-	32.64	3,677.80	1,990.82	2,556.00
Furniture's & Fittings	616.13	0.47			616.60	478.32	56.86	-	-	535.18	81.42	137.81
Motor Vehicles	479.59	22.77	90.87		411.49	381.61	36.74	88.07	-	330.28	81.21	97.98
Painting	8.82	-			8.82	5.21	1.17	-	-	6.38	2.44	3.61
Computers	140.95	5.40			146.35	128.51	5.71		-	134.22	12.13	12.44
Total	**33,742.75**	**38.00**	**2,302.94**	**-**	**31,477.81**	**4,679.58**	**772.43**	**88.07**	**32.64**	**5,331.30**	**26,146.49**	**29,063.16**
Given on Operating Lease :												
Building	17,475.24	-	-	-	17,475.24	5,983.72	622.28	-	29.34	6,576.66	10,898.58	11,491.52
	17,475.24	**-**	**-**	**-**	**17,475.24**	**5,983.72**	**622.28**	**-**	**29.34**	**6,576.66**	**10,898.58**	**11,491.52**
Total	**51,217.99**	**38.00**	**2,302.94**	**-**	**48,953.05**	**10,663.30**	**1,394.71**	**88.07**	**61.98**	**11,907.96**	**37,045.07**	**40,554.68**
Add: Share in joint ventures	1,158.85		-		1,158.85		-			-	1,158.85	1,158.85
Grand Total	**52,376.84**	**38.00**	**2,302.94**	-	**50,111.90**	**10,663.30**	**1,394.71**	**88.07**	**61.98**	**11,907.96**	**38,203.92**	**41,713.53**
Previous Year	49,040.63	3,336.85	0.64	-	52,376.84	8,985.80	1,731.73	17.63	71.86	10,663.30	41,713.53	

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

b) Intangible Assets (₹ in lacs)

Particulars	Gross Block					Amortisation					Net Block	
	As at 01.04.2015	Additions during the year	Deduction during the year	Consolidation Adjustments	As at 31.03.2016	Upto 31.03.2015	Provided for the year	Adjustments for the year	Consolidation Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
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
Total	**226.27**	**-**	**-**	**-**	**226.27**	**26.27**	**-**	**-**	**-**	**26.27**	**200.00**	**200.00**
Previous Year	226.27	-	-	-	226.27	23.29	2.98	-	-	26.27	200.00	

c) Capital Work in Progress - Project Expenses Pending Capitalisation	**19,301.93**	**9,567.93**
d) Depreciation / Amortisation for the year		
Depreciation provided for the year on tangible assets	1,394.71	1,731.73
Amortisation provided for the year on intangible assets	-	2.98
Consolidation adjustments for the year on tangible assets	(61.98)	(71.86)
	1,332.73	**1,662.85**
Less: Capitalised to the cost of Capital Work in Progress during the year	15.11	15.65
	1,317.62	**1,647.20**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 11 : Non-current investments

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Investment in property	5.15	5.15
Non-Trade Investments		
Unquoted Equity Instruments		
Choice Realty Private Limited	50.00	50.00
(0.08 Lakh Equity Shares of Face value of ₹10 each fully paid up)		
Rigveda Properties Limited	-	500.00
(Nil (P.Y 0.50 Lakh) Equity Shares of Face value of ₹10 each fully paid up)		
Anant Trexim Private Limited	40.00	40.00
(0.40 Lakh Equity Shares of Face value of ₹10 each fully paid up)		
Shine Enterprises Private Limited	598.00	598.00
(0.23 Lakh Equity Shares of Face value of ₹100 each fully paid up)		
Sai Golden Ingots Private Limited	100.00	100.00
(0.20 Lakh Equity Shares of Face value of ₹100 each fully paid up)		
Jorko Commodities Private Limited	25.00	25.00
(0.50 Lakh Equity Shares of Face value of ₹10 each fully paid up)		
Madhujas Promotions Private Limited	10.00	10.00
(0.125 Lakh Equity Shares of Face value of ₹10 each fully paid up)		
Sojatia Auto Private Limited	160.88	160.88
(0.165 Lakh Equity Shares of Face value of ₹100 each fully paid up)		
Trade Winds Impex Private Limited	25.00	25.00
(0.20 Lakh Equity Shares of Face value of ₹10 each fully paid up)		
Samriddhi Finvest Advisory Services Private Limited	1.00	-
(0.05 lakhs (P.Y. Nil) Equity Shares of ₹ 10/- each fully paid up)		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

Preference Shares (Unquoted)		
Samriddhi Finvest Advisory Services Private Limited	275.00	-
(27.50 lakhs (P.Y. Nil) 4% Non-cumulative Redeemable Convertible Preference shares of ₹ 10/- each fully paid up)		
Miracle Agro Private Limited	-	450.00
(Nil (PY 4.50 Lakhs) 6% Non Cumulative Preference Shares of Face value of ₹100 each fully paid up)		
	1,290.03	**1,964.03**
Aggregate book value of unquoted Investments	**1,290.03**	**1,964.03**

Note 12 : Deferred tax assets (net)

(₹ in lacs)

Particulars	**As at 31.03.2016**	**As at 31.03.2015**
Deferred Tax Assets (Gross)		
Unabsorbed depreciation	298.23	-
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	11.93	8.71
	310.16	141.28
Less:		
Deferred Tax Liabilities (Gross)		
Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	183.06	-
"Impact of income charged to the statement of profit and loss in the current year but allowed for tax purposes on receipt basis - Lease Rental Adjustments - Unbilled Revenue"	34.84	40.98
	217.90	40.98
Deferred Tax Assets (Net)	**92.26**	**100.30**

Note 13 : Long-term loans and advances

(Unsecured, Considered Good, Unless stated otherwise)

(₹ in lacs)

Particulars	**As at 31.03.2016**	**As at 31.03.2015**
Security deposits	240.65	206.35
Capital advance	318.73	448.54
Mobilisation advances (Refer note (a) below)		

- Unsecured	1,740.53	4,403.01
- Secured	-	245.27
Loans and advances		
- To related parties	208.35	208.35
- To others	174.75	174.75
Advance recoverable in cash or in kind (Refer note (b) and (c) below)	2,280.79	1,229.06
Other Loans and Advances		
Advance tax & TDS (net of provisions)	948.54	1,102.59
MAT Credit Entitlement	151.35	75.30
Balances with government authorities	873.98	878.53
Add: Share in joint venture	12.50	12.50
	6,950.18	**8,984.25**

a) Mobilisation advances of ₹ 1740.53 Lakhs (PY 4648.28 Lakhs), represents advance reimbursements to be expended by the respective parties in the course of procurement of raw material, procurement of contactors and sub-contractors in relation to development of the planned retail centric mixed used development project.

b) Advance Recoverable in Cash or Kind includes a sum of ₹ 150 lakhs (PY ₹ 150 lakhs) due from De Lara Tourism Corporation Limited (DTCL) pursuant to award from a panel of Arbitrators constituted by the Arbitral Tribunal as per the instruction of SC. In view of the Award given by the Arbitral Tribunal, the management had considered ₹ 150 Lacs as good and fully recoverable. Further, DTCL had challenged this award before the Chief Judge, City Civil Court Hyderabad by filing an appeal. The said appeal is pending.

c) Advance Recoverable in Cash or Kind also includes advance of ₹ 1961.50 lakhs (PY ₹910 lakhs) towards Joint construction of real estate projects in Mumbai. These projects are at intial stage.

Note 14 : Other non-current assets

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Lease Rental Adjustments - Unbilled Revenue	-	0.01
	-	0.01

Note 15 : Current investments

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Quoted		
(Valued at lower of cost and fair value, unless stated otherwise)		
Investments in Mutual Funds		
51.28 Lakhs (PY Nil) units of Birla Sun Life Enhanced Arbitrage fund - Dividend Regular Plan Payout	558.19	-
15.43 Lakhs (PY Nil) units of Kotak Treasury Advantage Fund - Daily Dividend Regular Plan	2,573.74	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

239.27 Lakhs (PY Nil) units of Kotak Equity Arbitrage Fund - Monthly Dividend Regular Plan	155.53	-
93.37 Lakhs (PY Nil) units of HDFC Arbitrage Fund - Wholesale Plan - Monthly Dividend - Regular	1,011.11	-
95.61 Lakhs (PY Nil) units of Reliance Arbitrage Advantage Fund - Monthly Dividend Plan	1,004.77	-
0.34 Lakhs (PY Nil) units Of Reliance Money Manager Fund - Daily Dividend Plan	337.57	-
25.60 Lakhs (PY Nil) units of Kotak Treasury Advantage Fund - Daily Dividend Regular Plan	258.03	-
	5,898.94	
Less : Provision For Diminution In Investment Value	(7.67)	
	5,891.27	-
Aggregate Value of Quoted Investments	**5,898.94**	-
Aggregate market value of quoted Investments	**5,891.27**	-

Note 16 : Inventories

(Valued at lower of cost and NRV)

(₹ in lacs)

Particulars	**As at 31.03.2016**	**As at 31.03.2015**
Work In Progress - Construction Project (Refer note no. 23)	17,665.60	15,578.30
	17,665.60	**15,578.30**

Note 17 : Trade receivables

Unsecured, Considered Good

(₹ in lacs)

Particulars	**As at 31.03.2016**	**As at 31.03.2015**
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	3,212.08	3,415.72
Other Debts *	5,700.23	3,831.15
	8,912.31	**7,246.87**
Trade receivables includes amount due from :		
Enterprises having significant influence		
Due for a period exceeding six months from the date they are due for payment		
- Faridabad Festival City Private Limited	199.61	160.67
Other Debts		
- Faridabad Festival City Private Limited	0.63	**31.85**

* includes unbilled receivables of ₹3,888.35 Lakhs (PY ₹ 2,961.02 Lakhs) in respect of revenue from sale of properties recognised on percentage completion method.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 18 : Cash and bank balances

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Cash and Cash Equivalents		-
Balances with Banks:		
On Current Accounts	1,483.45	844.22
Cheques on hand	67.10	-
Cash on hand	22.63	27.53
Add: Share in joint venture	2.97	2.97
Other Bank Balances		
Deposits with original maturity for more than 3 months but less than 12 months	507.26	537.09
	2,083.41	**1,411.81**

Note 19 : Short-term loans and advances

(Unsecured, Considered Good)

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Loans & advances	4,327.72	4,702.60
Advance recoverable in cash or in kind	600.23	778.47
Other loans and advances		
Loan to employees	7.74	12.35
Prepaid expenses	19.62	27.75
	4,955.31	**5,521.17**

Note 20 : Other current assets

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Lease Rental Adjustments - Unbilled Revenue	105.36	126.33
	105.36	**126.33**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 21 : Revenue from Operations

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Sales		
Sales of Commercial & Residential units	5,687.97	2,902.48
Sale of services		
License fees	1,491.67	1,436.06
CAM & Amenities charges	772.75	749.00
Other operational income	668.80	688.07
	8,621.19	**5,775.61**

Note 22 : Other Income

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Interest on long term loans & advances	402.22	339.71
Interest on balance with banks	47.03	43.34
Interest on income tax refund	109.09	0.07
Dividend income on current investments	283.63	34.89
	841.97	**418.01**

Note 23 : Cost of Construction Project

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Opening Balance	**15,578.30**	**19,238.92**
Add:		
Construction & development costs	2,907.18	1,116.98
Borrowing costs	2.11	0.54
Administrative & other expenses	446.62	807.14
	21,923.07	**21,163.58**
Less:		
Conversion of Inventory into Capital Assets	-	3,310.84
Transferred to inventories (Work in progress - construction project)	17,665.60	15,578.30
	17,665.60	**18,889.14**
	4,257.47	**2,274.44**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 24 : Employee Benefits Expenses

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Salaries and wages	393.36	384.51
Directors' remuneration	150.00	144.00
Contribution to provident fund and other funds	7.99	10.26
Staff welfare expenses	7.50	7.73
Less: Elimination of the cost of services rendered to subsidiaries	318.69	274.61
	240.16	**271.89**

Note 25 : Finance Costs

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Interest on bank loans	829.33	1,405.16
Interest on other loans	184.08	185.43
Other borrowing costs	6.35	2.73
	1,019.76	**1,593.32**

Note 26 : Other Expenses

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Rent	85.00	121.72
Rates and taxes	169.36	192.31
Insurance	23.06	22.61
Repairs & maintenance		
- building	30.95	36.69
- plant & machinery	55.53	52.83
- others	45.69	22.78
Electricity charges	546.38	425.10
Security charges	115.93	97.32
Housekeeping charges	92.03	97.04
Printing & stationery	9.43	9.09
Communication costs	15.61	17.83
Legal & professional fees	382.47	390.15
Director Sitting Fees	16.35	5.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Travelling & conveyance	128.64	134.87
Interest on late payments	66.26	-
Brokerage & commission	50.36	2.89
Net loss on sale of current investments	7.30	-
Provision for diminution in value of current investments	7.67	-
Advertisement & business promotion expenses	252.11	225.77
Auditors' remuneration	88.61	87.36
Bad debts / Sundry balances written off (net)	10.30	62.11
Loss on sale of Fixed assets	1.40	
Miscellaneous expenses	54.64	54.38
	2,255.08	**2,057.85**
Add: Share in Joint Ventures	0.07	0.09
Less: Elimination of the cost of services rendered to subsidiaries	433.32	532.87
	1,821.83	**1,525.07**

Note 27 : Exceptional items

(₹ in lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Reversal of interest income erroneously booked in the earlier years	-	39.08
Rates & Taxes of earlier years	16.69	41.90
	16.69	**80.98**

Note 28 : Earning Per Share

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

Sr No	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
i)	Number of Equity Shares outstanding (No. in Lakhs)	1,526.03	1,526.03
ii)	Face value per share (in ₹)	2.00	2.00
iii)	Net Profit / (Loss) after tax	738.02	(649.94)
iv)	Basic and Diluted Earnings per share (in ₹)	0.48	(0.43)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2016

Note 29 : 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 31.03.2016	% Voting Power held As on 31.03.2015
Alliance Mall Developers Co Private Limited (AMDPL)	1	31-Aug-07	India	61.50	61.50
Omni Infrastructure Private Limited (OIPL)	2	4-May-07	India	60.00	60.00
Hagwood Commercial Developers Private Limited (HCDPL)	2	7-May-07	India	61.50	61.50
Empire Mall Private Limited (EMPL) (refer Note (i) below)	2	11-Mar-08	India	34.71	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	2-Oct-09	Singapore	100.00	100.00

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

b) Joint Ventures:

Name of Company	Held Through	Country of Incorporation	% Voting Power held	As on 31.03.2016		FY 2015-16	
				Assets	Liabilities	Income	Expenditure
Emerald Buildhome Private Limited (EBPL)	2	India	50.00	1,376.19	0.15	-	0.04
Moontown Trading Company Private Limited (MTCPL)	1	India	25.00	212.51	0.95	-	0.03

Held Through

1 Prozone Intu Properties Limited

2 Prozone Liberty International Limited, Singapore

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

B) Employees Defined Benefits:

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

Defined Benefit Plans – As per Actuarial Valuation

Particulars	As on 31.03.2016	As on 31.03.2015	As on 31.03.2016
	Gratuity	Gratuity	Leave Encashment
Discount rate	7.80%	7.80%	7.80%
Expected rate of return on assets	10.00%	9.50%	10.00%
Expected rate of future salary increase	5.10%	5.10%	5.10%
Changes in present value of obligations			
Present value of obligation as at the beginning of the year	29.88	15.93	24.05
Interest cost	2.26	1.99	1.88
Transfer In/(Out)	0.86	-	-
Current service cost	8.59	27.14	9.57
Benefits paid	(1.56)	(9.53)	(3.30)
Actuarial loss on obligations	0.63	(1.87)	1.32
Present value of obligation as at the end of the year	40.66	33.66	33.51
(Assets) / Liability recognized in the Balance Sheet			
Present value of obligation as at the end of the year	40.66	33.66	33.51
Fair value of plan assets as at the end of the year	23.52	19.14	-
Unfunded status	17.14	14.52	33.51
Unrecognized actuarial (gain) / loss	-	-	-
Net (Assets)/ Liabilities recognized in the Balance Sheet	17.14	14.52	33.51
- Non-Current (Assets) / Liabilities	12.67	5.92	27.49
- Current (Assets) / Liabilities	4.47	8.60	6.02
Expenses recognized in the Profit and Loss Account			
Current service cost	8.59	27.14	9.57
Past service cost	-	-	-
Interest cost	2.26	1.99	1.88
Actuarial (Gain) / Loss on obligations	0.63	(1.87)	1.32
Actuarial (Gain) / Loss on plan assets	0.29	(1.63)	-
Total expenses recognized *	11.76	25.63	12.77
* Apportionment of Gratuity expenses :			
Expense recognised in Statement of Profit and Loss	1.78	22.52	8.29
Expenses apportioned to Capital work in progress	9.98	3.10	4.47
	11.76	25.63	12.77

Particulars	Gratuity				
	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2013	Year Ended 31.03.2012
Defined benefit obligation	40.66	33.66	22.57	27.03	16.11
Plan assets	23.52	19.14	18.96	21.80	5.71
Surplus/(deficit)	17.14	14.52	3.62	5.22	10.40
Experience adjustments on plan liabilities	0.60	(4.06)	(6.87)	2.03	-
Experience adjustments on plan assets	0.28	0.13	2.52	(0.65)	-
Actuarial gain/(loss) due to change in assumption	0.04	2.51	(1.19)	(0.36)	-

C) Related Party Disclosure:

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

List of Related Parties :

i) Key Management Personnel

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

ii) Relative of Key Management Personnel :-

- Mr. Akhil Chaturvedi

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

- Provogue (India) Limited
- 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, 2016		Year ended 31st March, 2015	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
(I) Transactions				
Sale of Goods /Services				
Enterprises having significant influence	13.25		63.76	
Faridabad Festival City Private Limited		11.08		58.62
Provogue (India) Limited		2.11		5.14
Purchase of Goods /Services				
Enterprises having significant influence	107.88		157.32	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

Provogue (India) Limited		85.00		121.62
Acme Advertisement Private Limited		22.88		35.70
Loan Given				
Joint Ventures and Coventurers	0.23		-	
Moontown Trading Company Private Limited. (JV)		0.23		-
Remuneration				
Remuneration to Key Management Personnel	187.99		196.19	
Mr. Nikhil Chaturvedi		90.00		84.00
Mr. Salil Chaturvedi		60.00		60.00
Mr. Nigam Patel (Upto 31st July, 2014)		-		20.00
Mr. Anurag Garg (from 23rd May, 2014)		29.58		26.04
Director Sitting Fees	5.35		3.50	
Mr. Akhil Chaturvedi		5.35		3.50
(II) Balance outstanding at the end of the year				
Trade Receivables				
Enterprises having significant influence	200.31		192.52	
Faridabad Festival City Private Limited		200.31		192.52
Trade Payables				
Enterprises having significant influence	21.58		133.29	
Provogue (India) Limited		21.56		128.40
Acme Advertisement Private Limited		0.02		4.89
Lease Rental Deposit Taken				
Enterprises having significant influence	7.27		7.27	
Provogue (India) Limited		7.27		7.27
Loan Given				
Joint Ventures and Coventurers	208.58		208.35	
Moontown Trading Company Private Limited. (JV)		208.58		208.35
Loan Taken				
Joint Ventures and Coventurers	864.79		864.79	
Emerald Buildhome Private Limited.(JV)		864.79		864.79

Remuneration Payable	8.36	6.29
Mr. Salil Chaturvedi	3.66	3.61
Mr. Anurag Garg (from 23rd May, 2014)	2.60	2.20
Mr. Ajayendra jain	2.10	-

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

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

D) Segment information:

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

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

a) Leasing

b) Outright Sales

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

(₹ In Lakhs)

Particulars	**Leasing**	**Outright Sales**	**Total**
For the year ended 31st March, 2016			
Revenue	2,933.22	5,687.97	**8,621.19**
Results			
Segment Results	258.67	1,196.47	**1,455.14**
Unallocated Expenses			471.03
Operation Profit			**984.11**
Finance Costs			1,019.76
Other Income			(841.97)
Exceptional Items			16.69
Profit / (Loss) Before Tax			**789.63**
Tax Expense			372.21
Net Profit / (Loss) for the year			**417.42**
As at 31st March, 2016			
Segment Assets	36,313.70	26,749.46	63,063.16
Unallocated Assets			53,564.57
Total Assets (A)			**116,627.73**
Segment Liabilities	26,749.67	3,300.91	30,050.58
Unallocated Liabilities			31,500.37
Total Liabilities (B)			**61,550.95**
Capital Employed (A) - (B)			**55,076.78**
Other segment information :			
Depreciation & Amortisation expense	1,163.62	1.28	1,164.90
Unallocated Depreciation & Amortisation expense			152.72

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

(₹ In Lakhs)

Particulars	Leasing	Outright Sales	Total
Total Depreciation & Amortisation			**1,317.62**
Capital Expenditure	10.06	27.93	37.99
Unallocated Capital Expenditure			9,734.00
Total Capital Expenditure			**9,771.99**
For the year ended 31st March, 2015			
Revenue	2,873.13	2,902.48	**5,775.61**
Results			
Segment Results	54.55	420.62	**475.17**
Unallocated Expenses			418.16
Operation Profit			**57.01**
Finance Costs			1,593.32
Other Income			(418.01)
Exceptional Items			80.98
Profit / (Loss) Before Tax			**(1,199.28)**
Tax Expense			35.83
Net Profit / (Loss) for the year			**(1,235.11)**
As at 31st March, 2015			
Segment Assets	16,147.17	22,373.04	38,520.21
Unallocated Assets			64,870.48
Total Assets (A)			**103,390.69**
Segment Liabilities	13,503.84	5,037.05	18,540.89
Unallocated Liabilities			34,894.52
Total Liabilities (B)			**53,435.41**
Capital Employed (A) - (B)			**49,955.28**
Other segment information :			
Depreciation & Amortisation expense	1,463.50	3.31	1,466.81
Unallocated Depreciation & Amortisation expense			180.39
Total Depreciation & Amortisation			**1,647.20**
Capital Expenditure *	23.17	3,313.67	3,336.85
Unallocated Capital Expenditure *			5,156.68
Total Capital Expenditure			**8,493.53**

* During the FY 2014-15, 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.

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 in to non-cancellable leave and License agreements with various parties. The disclosure required to be made in accordance with Accounting Standard 19 on "Leases".

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

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Not later than one year	269.78	405.75
Later than one year and not later than five years	-	-

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

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

G) 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 Lakhs (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.

H) Contingent Liabilities not provided for :

i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 12,550.27 lakhs (PY ₹ 15,524.87 lakhs).

ii) Guarantee given by Bank on behalf of the subsidiary Company ₹ 115.60 Lakhs (PY ₹ 115.60 Lakhs).

iii) Claims against the Subsidiary Companies, not acknowledged as debts ₹177.17 Lakhs (PY ₹177.17 Lakhs).

iv) Disputed demands in respect of Income Tax (Interest thereon not ascertainable at present) ₹ 281.31 Lakhs (PY ₹200.83 Lakhs).

v) Disputed demand in respect of Property tax amounting to ₹72.62 Lakhs (PY ₹Nil) . (The Company has paid under protest ₹36.31 Lakhs (PY ₹Nil)

I) 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.

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

(₹ In Lakhs)

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)
Parent				
Prozone Intu Properties Limited	24.64	21,046.17	37.56	156.77
Indian Subsidiaries				
Direct Subsidiaries				
Alliance Mall Developers Co Private Limited	11.90	10,167.74	(0.87)	(3.62)
Jaipur Festival City Private Limited	(0.00)	(0.20)	(0.03)	(0.12)
Royal Mall Private Limited	(0.00)	(0.07)	0.01	0.06
Kruti Multitrade Private Limited	0.01	5.75	0.01	0.04
Indirect Subsidiaries				
Hagwood Commercial Developers Private Limited	11.41	9,743.32	162.50	678.33
Empire Mall Private Limited	6.67	5,695.13	(18.34)	(76.56)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2016

(₹ In Lakhs)

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)
Omni Infrastructure Private Limited	8.07	6,895.40	(0.15)	(0.63)
Foreign Subsidiaries				
Direct Subsidiaries				
Prozone Liberty International Limited	(0.08)	(64.12)	(3.87)	(16.16)
Indirect Subsidiaries				
Prozone Overseas Pte Limited	-	-	-	-
Prozone International Coimbatore Limited	-	-	-	-
Minority Interest in all subsidiaries	35.52	30,341.61	(76.80)	(320.60)
Joint Venture (Indian)(as per proportionate Consolidation)				
Direct				
Moontown Trading Co. Private Limited	0.25	211.63	(0.01)	(0.03)
Indirect				
Emerald Build Home Private limited	1.61	1,376.05	(0.01)	(0.04)
TOTAL	**100.00**	**85,418.41**	**100.00**	**417.44**

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2016

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 : 19th May, 2016

For and on behalf of the Board

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary & CCO

FORM AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES AND JOINT VENTURES

PART- A - Subsidiaries

(₹ In Lakhs)

S.No.	Subsidiary Company	Note	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover (Including other income)	Profit / (Loss) before taxation	Tax Expense	Profit / (Loss) after taxation	Proposed dividend	% of sharehol-ding
1	Alliance Mall Developers Co Private Limited		INR	1.00	395.73	16,242.78	36,135.91	19,497.40	906.03	170.31	(6.20)	(0.30)	(5.90)	-	61.50
2	Royal Mall Private Limited		INR	1.00	1.00	(2.35)	0.04	1.39	-	0.18	0.06	0.02	0.04	-	100.00
3	Jaipur Festival City Private Limited		INR	1.00	1.00	(1.45)	0.01	0.46	-	-	(0.12)	-	(0.12)	-	100.00
4	Kruti Multitrade Privatex Limited		INR	1.00	1.00	(32.01)	5.88	36.89	5.16	0.23	0.06	0.02	0.04	-	100.00
5	Prozone Liberty International Limited		USD	66.33	26,140.48	1,145.31	27,508.20	222.41	27,498.57	-	(16.15)	-	(16.15)	-	100.00
6	Prozone Overseas Pte Limited	1 , 2	USD	66.33	-	-	-	-	-	-	-	-	-	-	100.00
7	Prozone International Coimbatore Limited	1 , 3	USD	66.33	-	-	-	-	-	-	-	-	-	-	100.00
8	Omni Infrastructure Private Limited	1	INR	1.00	4.00	5,891.69	10,101.73	4,206.04	360.88	6.99	2.55	-	2.55	-	60.00
9	Hagwood Commercial Developers Private Limited	1	INR	1.00	1,541.50	22,274.45	25,516.91	1,700.96	5,600.00	5,791.51	1,273.99	209.43	1,064.56	-	61.50
10	Empire Mall Private Limited	1 , 6	INR	1.00	13,602.25	5,444.97	28,542.04	9,494.82	-	2,986.21	(1,101.89)	12.71	(1,114.60)	-	34.71

Notes:

1 Held through Prozone Liberty International Limited (Singapore)
2 Capital is ₹ 40
3 Capital is ₹ 48
4 Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as in 31.03.2016.
5 Tax expense includes deferred tax
6 Refer note no. 29 (A)(a)(i).

PART- B - Joint Venture

(₹ In Lakhs)

S.No.	Name of the Joint Ventures	Latest audited Balance Sheet Date	Share of the Associate/Joint Ventures held by the company on the year end			Networth 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	Not considered in consolidation	
1	Moontown Trading Company Private Limited	31-Mar-15	2,002,500	200.25	25	142.11	(0.03)	(0.08)	Note 1
2	Emerald Build Home Private Limited	31-Mar-13	5,000,000	4,077.97	50	2,240.79	(0.04)	(0.04)	Note 1

Notes

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

For and on behalf of the Board

Nikhil Chaturvedi
Managing Director
DIN : 00004983

Salil Chaturvedi
Dy. Managing Director
DIN : 00004768

Anurag Garg
Chief Financial Officer

Ajayendra Jain
Company Secretary & CCO

NOTES

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
Website: 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

Name: _____ Address _____

_____

Email Id_____ Signature _____, or failing him

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 9th Annual general meeting/ of the company, to be held on Thursday 22nd September 2016 at 11 a.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:

Resolution No	Description
1	To receive, consider and adopt the audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended 31st March 2016 including audited Balance Sheet as at 31st March, 2016 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. Salil Chaturvedi (DIN: 00004768), who retires by rotation and being eligible, offers himself for re-appointment.
3	To Ratify the appointment of Statutory Auditors and fix their remuneration
4	To appoint Ms. Deepa Misra Harris, (DIN: 00064912) as an Independent Woman Director.
5	To appoint Mr. Dushyant Singh Sangar, (DIN: 07347397) as Non- Executive Director
6	Determination of a fee to be charged from members for delivery of documents in their desired mode

Signed this _____ day of _____ 2016.

Affix One Rupee Revenue Stamp

_____
Signature of the shareholder

_____
Signature of the Proxy Holder(s)

_____
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
Website: www.prozoneintu.com

9th 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 9th 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 11.00 a.m. on Thursday 22nd September 2016.

(Proxy's Name in Block letters) _____

_____

(Member's /Proxy's Signature)

1. Strike out whichever is not applicable
2. Please fill in this Attendance Slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional Attendance Slip on request.

To, Date : …….....……
Link Intime India Pvt. Limited
Unit: Prozone IntuProperties Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078

Sub: Service of Documents through Electronic Mode (Registration Form Electronic Communication)

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

Thanking you,
Yours truly,
Name of Sole / First Holder _____

Signature: _____

Registered Office

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

www.prozoneintu.com

investorservice@prozoneintu.com

prozone
intu