IMPORTANT NOTICE

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THIS OFFERING OF THE SECURITIES DESCRIBED IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER REGULATION 2(1)(SS) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS")

IMPORTANT: This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately. You must read the following disclaimer before continuing. The following disclaimer applies to the preliminary placement document of The Phoenix Mills Limited (the "**Issuer**") dated August 18, 2020, in relation to the proposed qualified institutions placement of its equity shares ("**Equity Shares**") by the Issuer (the "**Issue**"), filed with BSE Limited and National Stock Exchange of India Limited, attached to this e-mail (the "**Preliminary Placement Document**"), and you are therefore advised to read this page carefully before reading, accessing or making any other use of the attached Preliminary Placement Document. In accessing the Preliminary Placement Document, you have acknowledged and agreed to be bound by the following restrictions, terms and conditions, including any modifications to them, from time to time, each time you receive any information from us as a result of such access. **You acknowledge that the Preliminary Placement Document is intended for use by you only and you agree to not forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person.**

The Issue and the distribution of the Preliminary Placement Document is being done in reliance on Chapter VI of the SEBI ICDR Regulations and Sections 42, 62 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, each as amended ("**Companies Act**"). The Preliminary Placement Document is personal to each prospective investor and made on a private placement basis and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors, other than eligible QIBs.

Confirmation of Your Representation: You have accessed the attached Preliminary Placement Document on the basis that you have confirmed your representation, warranty, agreement and acknowledgement to the Issuer and each of CLSA India Private Limited, HSBC Securities and Capital Markets (India) Private Limited. Kotak Mahindra Capital Company Limited , and UBS Securities India Private Limited (the "**Book Running Lead Managers**") that: (1) you are the intended recipient of the attached Preliminary Placement Document; AND (2) you are a qualified institutional buyer ("**QIB**") that is eligible to participate in the Issue and are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and other applicable laws; AND (3) (i) the e-mail address that you have provided and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and, to the extent that you eventually purchase the Equity Shares described in the attached Preliminary Placement Document, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or (ii) you are, or are acting on behalf of, a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act); AND (4) the securities offered hereby have not been registered under the U.S. Securities Act; AND (5) you are not a resident in a country where delivery of the attached Preliminary Placement Document by electronic transmission may not be lawfully made in accordance with the laws of the applicable jurisdiction; AND (6) you agree and acknowledge that if you are allotted more than 5% of the equity shares in the Issue, the Issuer shall be required to disclose your name and the number of equity shares allotted to you to the Stock Exchanges, and they will make the same available on their website and you consent to such disclosures; (7) you are aware that if you are circulated the Preliminary Placement Document or are allotted any Equity Shares in the Issue, the Issuer is required to disclose details such as your name, address, PAN, email-id and the number of Equity Shares allotted along with other relevant information as may be required, to the relevant Registrar of Companies and you consent to such disclosure; AND (8) that you consent to delivery of the attached Preliminary Placement Document and any amendments or supplements thereto by electronic transmission.

The attached Preliminary Placement Document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the book running lead managers, their affiliates or any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents or any affiliates of any such person, accepts any liability or responsibility whatsoever in respect of any discrepancies between the Preliminary Placement Document distributed to you in electronic format and the hard copy version.

The Preliminary Placement Document is intended only for use by the addressee named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of the Preliminary Placement Document, you are hereby notified that any dissemination, distribution or copying of the Preliminary Placement Document is strictly prohibited. If you have received the Preliminary Placement Document in error, please immediately notify the sender or any of the book running lead managers by reply email and destroy the email received and any printouts of it.

None of the Issuer or the book running lead managers, their affiliates or any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents or any affiliates of any such person accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Preliminary Placement Document or their respective contents or otherwise arising in connection therewith.

Restrictions: The attached Preliminary Placement Document and notice are being furnished in connection with an offering exempt from or not subject to registration under the U.S. Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the Preliminary Placement Document. You are reminded that the information in the attached document is not complete and may be changed at any time without notice.

NOTHING HEREIN CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. SECURITIES OFFERED OR SOLD OUTSIDE OF THE UNITED STATES ARE BEING OFFERED OR SOLD IN COMPLIANCE WITH THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

THE PRELIMINARY PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REGISTERED AS A PROSPECTUS OR A STATEMENT IN LIEU OF PROSPECTUS WITH ANY REGISTRAR OF COMPANIES IN INDIA UNDER COMPANIES ACTAND IS NOT AND SHOULD NOT BE CONSTRUED AS AN OFFERING CIRCULAR, AN OFFERING MEMORANDUM, AN ADVERTISEMENT, AN OFFER OR AN OFFER DOCUMENT UNDER THE SEBI ICDR REGULATIONS, COMPANIES ACT OR ANY OTHER APPLICABLE LAW. FURTHER, NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OR AN INVITATION TO THE PUBLIC UNDER THE COMPANIES ACT, AS AMENDED, BY OR ON BEHALF OF THE ISSUER OR THE BOOK RUNNING LEAD MANAGERS TO SUBSCRIBE FOR OR PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN. THE PRELIMINARY PLACEMENT DOCUMENT SHALL BE FILED AS A PRIVATE PLACEMENT OFFER LETTER WITH THE STOCK EXCHANGES. THE ISSUER SHALL ALSO MAKE THE REQUISITE FILINGS WITH THE REGISTRAR OF COMPANIES, MAHARASHTRA AT MUMBAI, WITHIN THE PERIOD STIPULATED UNDER APPLICABLE LAW. THE PRELIMINARY PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE RESERVE BANK OF INDIA, ANY REGISTRAR OF COMPANIES IN INDIA OR ANY STOCK EXCHANGE IN INDIA. THE PRELIMINARY PLACEMENT DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS AN INVITATION, OFFER OR SALE OF ANY SECURITIES TO THE PUBLIC IN INDIA.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation or inducement to sell or issue or any solicitation of any offer by or on behalf of either the Issuer of the securities or the book running lead managers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute a “general solicitation” or “general advertising” (each as defined in Regulation D under the U.S. Securities Act) or "directed selling efforts" (as defined in Regulation S under the U.S. Securities Act) in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a book running lead managers or any affiliate of such book running lead managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such book running lead managers or any of its eligible affiliates on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached Preliminary Placement Document on the basis that you are a person into whose possession the attached Preliminary Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

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Preliminary Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
Serial Number: [●]

THE PHOENIX MILLS LIMITED

Registered Office: 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
Corporate Office: Shree Laxmi Woolen Mills Estate, 2nd Floor, R.R. Hosiery Building, Off. Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011, Maharashtra, India.
Telephone: +91 22 2496 4307 | **Email:** investorrelations@highstreetphoenix.com | **Website**: www.thephoenixmills.com | **CIN**: L17100MH1905PLC000200

Our Company was incorporated as '*The Phoenix Mills Limited*' on January 27, 1905, as a company with limited liability under the Indian Companies Act, 1882, with the Registrar of Joint Stock Companies, Bombay. For further details, please see the section entitled "*General Information*" on page 251.

Issue of up to [●] equity shares of face value of ₹ 2 each of our Company (the "**Equity Shares**") at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] million (the "**Issue**"). For details, please see the section entitled "*Summary of the Issue*" on page 34.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the Equity Shares on BSE and NSE as on August 18, 2020 was ₹ 646.25 and ₹ 646.20 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE on August 18, 2020. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND THE RULES PRESCRIBED THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, AS AMENDED, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 48 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

A copy of this Preliminary Placement Document, which includes disclosures prescribed under Form PAS-4 (as defined hereinafter), has been delivered to the Stock Exchanges. A copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) shall be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Maharashtra at Mumbai ("**RoC**") within the stipulated period as required under the Companies Act, 2013, as amended and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority, and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and shall not be registered as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and the Issue shall not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document, together with the Application Form (as defined hereinafter), the Placement Document and the Confirmation of Allocation Note (as defined hereinafter). For further details, please see the section entitled "*Issue Procedure*" on page 202. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent to any person other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) (a "**U.S. QIB**") pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For further information, please see the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 216 and 223, respectively.

The information on the websites of our Company, any website directly or indirectly linked to our websites or on the respective websites of the Book Running Lead Managers (as defined hereinafter) or of their respective affiliates, does not form part of this Preliminary Placement Document, and prospective investors should not rely on any such information contained in or available through any such websites for their investment in this Issue.

This Preliminary Placement Document is dated August 18, 2020.

BOOK RUNNING LEAD MANAGERS (in alphabetical order)

CLSA A CITIC Securities Company	HSBC	kotak Investment Banking	UBS
CLSA India Private Limited	**HSBC Securities and Capital Markets (India) Private Limited**	**Kotak Mahindra Capital Company Limited**	**UBS Securities India Private Limited**

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. This Preliminary Placement Document is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted pursuant to the Placement Document.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company and the Equity Shares, which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, its Subsidiaries, its Associates and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, its Subsidiaries, its Associates and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company, its Subsidiaries, its Associates and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the Book Running Lead Managers have any obligation to update such information to a later date.

The information contained in this Preliminary Placement Document has been provided by our Company and other sources identified herein. CLSA India Private Limited, HSBC Securities and Capital Markets (India) Private Limited, Kotak Mahindra Capital Company Limited and UBS Securities India Private Limited (the "**Book Running Lead Managers**") have not separately verified the information contained in this Preliminary Placement Document (financial, legal, or otherwise). Accordingly, neither the Book Running Lead Managers, nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with us or the Issue or the distribution of the Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on any of the Book Running Lead Managers or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, its Subsidiaries, its Associates and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Book Running Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission ("SEC"), any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For further information, please see the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 216 and 223, respectively.

Subscribers and purchasers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 3, 216 and 223, respectively of this Preliminary Placement Document.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For further details, please see the section entitled "*Selling Restrictions*" on page 216.

In making an investment decision, the prospective investors must rely on their own examination of our Company, its Subsidiaries, its Associates and the Equity Shares and the terms of the Issue, including the merits and risks involved. The prospective investor should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. The prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and that it is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in the securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree, or subscriber in the Issue also acknowledges that it has been afforded an opportunity to request from us and review information relating to us and the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on the website of our Company - www.thephoenixmills.com, any website directly or indirectly linked to the website of our Company or on the respective websites of the Book Running Lead Managers and of their affiliates, does not constitute nor form part of this Preliminary Placement Document. The prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information to investors in certain other jurisdictions, please see the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 216 and 223, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the Bidders in the Issue. By Bidding and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged, undertaken and agreed to our Company and the Book Running Lead Managers, as follows:

1. You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

2. That you are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

3. If you are not a resident of India, but are an Eligible QIB, you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, and can participate in the Issue only under Schedule II of FEMA Rules. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities. Since, FVCIs and non-resident multilateral or bilateral development financial institution are not permitted to participate in the Issue, you confirm that you are neither a FVCI nor a non-resident multilateral or bilateral development financial institution.

4. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

5. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the Stock Exchanges (additional requirements apply if you are within the United States). For more information, please see the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on page 216 and 223, respectively);

6. You are aware that this Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified or affirmed by SEBI, the RBI, the Stock Exchanges, RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been filed and the Placement Document will be filed with the Stock Exchanges and be displayed on the websites of our Company and the Stock Exchanges;

7. You are entitled to and have the necessary capacity to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have the necessary capacity and have obtained all necessary consents and authorisations, as may be required and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

8. Neither our Company, the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or other affiliates are making any recommendations to you or advising you regarding the suitability of any transactions they may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or other affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity in relation to you;

9. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. None of our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or other affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

10. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

11. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments, agreements and undertakings as set out in this section and under the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 216 and 223, respectively and you warrant that you will comply with such representations, warranties, acknowledgments, agreements and undertakings;

12. You have been provided a serially numbered copy of the Preliminary Placement Document, and have read it in its entirety, including in particular the section entitled "*Risk Factors*" on page 48;

13. In making your investment decision, you have (i) relied on your own examination of our Company, our Subsidiaries, its Associates, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, our Subsidiaries, its Associates and the Equity Shares and the terms of the Issue based solely on the information in this Preliminary Placement Document and no other representation by us or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning without limitation, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or the BRLMs or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

14. Neither the Book Running Lead Managers nor any of their respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or other affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including, but not limited to, the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of their respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or other affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against us, either of the Book Running Lead Managers or any of their respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or other affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

15. You are a sophisticated investor and you and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or other affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

16. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

17. You are not a ‘promoter’ of our Company (as defined under the SEBI ICDR Regulations), and are not a person related to the Promoter, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoter or Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

18. You have no rights under a shareholders’ agreement or voting agreement entered into with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which, shall not deem you to be a Promoter or a person related to the Promoter;

19. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

20. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

21. The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined herein) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

22. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs participating in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    a. Eligible QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other QIB; and

    b. ‘Control’ shall have the same meaning as is assigned to it under the SEBI Takeover Regulations (as defined herein).

23. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and such in-principle approval has been received by the Company from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges only after Allotment, and that there can be no assurance that such approvals will be obtained on time or at all. Neither, our Company nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or other affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

24. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

25. You are aware that in terms of the requirements of the Companies Act, 2013, as amended, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

26. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

27. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

28. You are aware the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges, and that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

29. You are aware and understand that the Book Running Lead Managers have entered into a placement agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

30. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any person acting on its or their behalf, nor any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents and other affiliates or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents and other affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Managers and their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents and other affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

31. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

32. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

33. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013, as amended;

34. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

35. You understand that the Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. For more information, please see the section entitled "*Selling Restrictions*" on page 216;

36. If you are within the United States, you are a U.S. QIB, who is or are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the requirements of a U.S. QIB, for investment purposes only, and not with a view to, or for offer or sale in connection with, the distribution (within the meaning of any United States securities laws) thereof in whole or in part;

37. If you are outside the United States, you are purchasing the Equity Shares in an "offshore transaction" within the meaning of Regulation S and in compliance with laws of all jurisdictions applicable to you;

38. You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act) or "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the Securities Act provided by Section 4(a)(2) thereof. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in *"Selling Restrictions" and "Transfer Restrictions and Purchaser Representations"* on pages 216 and 223, respectively;

39. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees and persons in control harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

40. Our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and persons in control and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements, agreements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable. It is agreed that if any such representations, warranties, acknowledgements, agreements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Managers;

41. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

42. You understand that the Equity Shares issued pursuant to the Issue will, be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

43. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

44. You are aware that in terms of the FEMA Rules (as defined hereinafter), and any notifications, circulars or clarifications issued thereunder, the total holding by each FPI including its investor group (which means common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the Company and the investor with applicable reporting requirements;

45. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

46. You represent that you are not an affiliate of our Company or the Book Running Lead Managers or a person acting on behalf of such affiliate; and

47. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Managers.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**"), FPIs, including the affiliates of the Book Running Lead Managers, who are registered as category I FPI can issue and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "P-Notes") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. Such P-Notes can be issued post compliance with the KYC norms and such other conditions as specified by SEBI from time to time. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above mentioned restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated August 28, 2017. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers. Respective affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase the Equity Shares in the Issue, and may issue P-Notes in respect thereof, in each case to the extent permitted by applicable law.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Also please see the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on page 216 and 223, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;
(2) warrant that the Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or
(3) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company,

It should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to the 'Company' or the 'Issuer' are to The Phoenix Mills Limited on a standalone basis and references to 'we', 'us' or 'our' are to The Phoenix Mills Limited together with its Subsidiaries and its Associates on a consolidated basis.

In this Preliminary Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India and to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States. All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Gross Leasable Area, Saleable Area and carpet area

The terms Gross Leasable Area and Saleable Area appearing at various places in this Preliminary Placement Document should be understood to be different from 'carpet area', a term commonly used in the real estate industry. While the term carpet area refers to the area inside a store or an office or an apartment, the terms Gross Leasable Area and Saleable Area are theoretical areas derived by applying a loading factor on the carpet area. The loading factor is based on general market practice locally and represents the estimated proportionate share of the tenant/lessee/purchaser for the access and use of common areas in a development along with other tenants/lessees/purchasers.

Carpet area is to be understood as being significantly lower than Gross Leasable Area or Saleable Area. Further, it should also be understood that Gross Leasable Area and Saleable Area, by virtue of being based on local market practice and conditions, vary from project to project even within a same city or state in India.

Consumption and Trading Density

Consumption (sales) numbers and Trading Density numbers appearing at various places in this Preliminary Placement Document have not been extracted from its financial data. These numbers do not form part of the financial statements of our Company or the financial statements of our Subsidiaries or Associates.

The current lease/leave and license agreements of our Company and our Subsidiaries and/or Associates with our retail tenants require them to share with us, their sales data relating to specified time periods (daily/weekly/monthly/quarterly/annually), to enable us to aggregate Consumption data at each of our malls. Based on such aggregated Consumption data, we have calculated the Trading Density at each of our malls, i.e. by dividing the total Consumption by the total trading carpet area of a mall for a specific period.

All references to Consumption and Trading Density appearing at various places in this Preliminary Placement Document should be construed accordingly.

Use of Acres, square feet, square meters

In this Preliminary Placement Document, our Company has adopted the convention of using square feet in relation to its measurement of Saleable Area, Gross Leasable Area and property size, and Acres in respect of land parcel areas, at its projects. In certain instances, where measurements of our Company's properties have been provided by our Company's architects in square meters, such measurements have been converted into square feet or Acres (as applicable) for consistency purposes based in conversion rates of: 1 sq. mt. = 10.764 sq. ft. and 1 Acre = 4,046.86 sq. mt. or 43,560 sq. ft.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'Fiscal Year', 'fiscal' or 'FY' are to the twelve month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Our Audited Consolidated Financial Statements and our Unaudited Consolidated Interim Condensed Financial Statements, each together with their respective reports, have been included in this Preliminary Placement Document. In addition to the financial data extracted from the Audited Consolidated Financial Statements and the Unaudited Consolidated Interim Condensed Financial Statements referenced in this Preliminary Placement Document, certain financial data derived from the audited consolidated and unconsolidated financial statements of the Company for fiscals 2017, 2016, 2015, 2014 and 2013 has been included in the section "*Our Business - Description of our Business – Large Mixed-Use Retail Development*". The consolidated and unconsolidated audited financial statements of our Company for fiscals 2017, 2016, 2015, 2014 and 2013 have not been included in this Preliminary Placement Document. Such financial statements have been published by our Company and are publicly available on our Company's website, http://www.thephoenixmills.com.

Our Statutory Auditors, DTS & Associates LLP, Chartered Accountants, have audited the consolidated financial statements for fiscals 2020, 2019 and 2018, and have issued audit reports dated June 29, 2020, May 15, 2019 and May 8, 2018, respectively, on such financial statements.

The Unaudited Consolidated Interim Condensed Financial Statements have been subjected to limited review by our Statutory Auditors and they have issued their report dated August 18, 2020, based on their limited review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the Institute of Chartered Accountants of India ("**ICAI**"). The Audited Consolidated Financial Statements should be read along with the respective audit reports, and the Unaudited Consolidated Interim Condensed Financial Statements should be read along with the limited review report issued thereon. Further, our Unaudited Consolidated Interim Condensed Financial Statements are not necessarily indicative of results that may be expected for the full financial year or any future reporting period. For further information, please see the section entitled "*Financial Information*" on page 253.

Our Company presents its financial statements under Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its audited consolidated financial statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements and the Unaudited Consolidated Interim Condensed Financial Statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements and Unaudited Consolidated Interim Condensed Financial Statements. For details, please see the section entitled "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 253 and 80, respectively.

Except for the Audited Consolidated Financial Statements and the Unaudited Consolidated Interim Condensed Financial Statements, figures in this Preliminary Placement Document have been presented in million or in whole numbers where the numbers have been too small to present in million unless stated otherwise. Our Audited Consolidated Financial Statements and the Unaudited Consolidated Interim Condensed Financial Statements are prepared in lakhs and have been presented in this Preliminary Placement Document in lakhs for presentation purposes.

In this Preliminary Placement Document, references to "Lakh" represents "100,000", "million" represents "1,000,000", "crore" represents "10,000,000", and "billion" represents "1,000,000,000".

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Non-GAAP financial measures

As used in this Preliminary Placement Document, a non-GAAP financial measure is one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable Ind AS measures. From time to time, reference is made in this Preliminary Placement Document to such "non-GAAP financial measures," primarily EBITDA, or earnings before interest, taxes and depreciation and amortization. Our management believes that EBITDA and other non-GAAP financial measures provide investors with additional information about our performance, as well as ability to incur and service debt and make capital expenditures and are measures commonly used by investors. The non-GAAP financial measures described herein are not a substitute for Ind AS (or IFRS) measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. In addition, you should note, that other companies in the real estate development industry may calculate and present these data in a different manner and, therefore, you should use caution in comparing our data with data presented by other companies, as the data may not be directly comparable.

INDUSTRY AND MARKET DATA

Information included in this Preliminary Placement Document regarding market position, growth rates, industry forecasts and other industry data pertaining to our Company's business consists of estimates based on industry reports compiled primarily by government bodies, data from other external sources and knowledge of the markets in which we operate.

The statistical information, industry and market data, information regarding our position in the market, growth rates and other industry data pertaining to our business included in this Preliminary Placement Document relating to the industry in which we operate has been derived from the industry data sourced from CBRE South Asia Private Limited ("**CBRE**"), Hotelivate Private Limited ("**Hotelivate**"), and Anarock Property Consultants Private Limited ("**Anarock**"), and other industry sources.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the Book Running Lead Managers have independently verified this data and do not make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Book Running Lead Managers can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – We have not independently verified certain data in this Preliminary Placement Document and third party statistical and financial data in this Preliminary Placement Document may be incomplete or unreliable."* on page 64. Thus, neither our Company nor the Book Running Lead Managers can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. The prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'goal', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'seek to', 'should', 'will', 'will continue', 'will pursue', 'would', 'will achieve' 'will likely result', 'is likely' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- The COVID-19 pandemic adversely affects our business, financial condition, results of operations, cash flows, liquidity and performance, and it may reduce the demand for real estate in future;
- Low occupancy levels of our licensed/leased retail mall and commercial office space may adversely affect our revenues, results of operations and financial condition;
- Our inability to sell our residential Completed and Ongoing Projects at expected prices could adversely affect our future revenues and profitability;
- Our Ongoing and Planned Projects are exposed to a number of risks and uncertainties which may adversely affect our business, financial condition and results of operations; and
- Risk of lower footfalls in our retail malls may adversely affect our revenues, business and results of operations.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections entitled "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 48, 112, 155 and 80, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and our Company or the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All the Directors and Key Managerial Personnel named herein are residents of India, and all of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per USD). The exchange rates are based on the reference rates released by the RBI/ FBIL, which are available on the website of the RBI/ FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On August 17, 2020, the exchange rate was ₹ 74.85 to USD 1. (*Source: www.fbil.org.in*)

(₹ per USD)

	Period end(1)	**Average(2)**	**High(3)**	**Low(4)**
Fiscal*				
2020	75.39	70.88	76.15	68.37
2019	69.17	69.89	74.39	64.93
2018	65.04	64.45	65.76	63.35
Quarter ended*				
June 30, 2020	75.53	75.86	76.81	75.12
March 31, 2020	75.39	72.36	76.15	70.81
December 31, 2019	71.27	71.23	72.05	70.68
September 30, 2019	70.69	70.34	72.19	68.37
Month ended*				
July 31, 2020	74.77	74.99	75.58	74.68
June 30, 2020	75.53	75.73	76.21	75.33
May 31, 2020	75.64	75.66	75.93	75.39
April 30, 2020	75.12	76.24	76.81	75.12
March 31, 2020	75.39	74.35	76.15	72.24
February 29, 2020	72.19	71.49	72.19	71.14

(Source: www.rbi.org.in (for period prior to July 9, 2018) and www.fbil.org.in (for period post July 9, 2018))

(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.
(2) Average of the official rate for each Working Day of the relevant period.
(3) Maximum of the official rate for each Working Day of the relevant period.
(4) Minimum of the official rate for each Working Day of the relevant period.

Notes:

* *If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed. The RBI/ FBIL reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections entitled "Industry Overview", "Taxation", "Financial Information" and "Legal Proceedings" on pages 112, 233, 253 and 242, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
"the Company" or "our Company" or "the Issuer" or "Phoenix Mills"	The Phoenix Mills Limited, a public limited company incorporated under the Indian Companies, Act, 1882 and having its registered office at 462, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India, on an unconsolidated basis. It is clarified that references to "us", "we" or "our" are to our Company, together with the Subsidiaries and the Associates, on a consolidated basis.
Associates	The associates of our Company as listed below: 1. Classic Housing Projects Private Limited; 2. Classic Mall Development Company Limited; 3. Columbus Investment Advisory Private Limited; 4. Mirabel Entertainment Private Limited; and 5. Starboard Hotels Private Limited.
"Articles" or "Articles of Association"	Articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of our Company as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 182
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company as of and for the years ended March 31, 2020, 2019 and 2018 which have been prepared in all material aspects, in accordance with the recognition and measurement principles laid down in Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 to the extent applicable
"Auditors" or "Statutory Auditors"	The current statutory auditors of our Company, namely, DTS & Associates LLP, Chartered Accountants
"Board of Directors" or "Board" or "our Board"	The board of directors of our Company or any duly constituted committee thereof
Capital Raising Committee	The committee of our Board of Directors formed with respect to this Issue, pursuant to a resolution passed by our Board of Directors dated June 29, 2020
Chairman	Chairman of our Board, namely, Atul Ruia
Corporate Office	The corporate office of our Company located at Shree Laxmi Woolen Mills Estate, 2nd Floor, R.R. Hosiery Building, Off. Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, Maharashtra, India.
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 182
Directors	The directors of our Company
ESOP 2007	The Phoenix Mills Employees' Stock Option Plan 2007, as amended
ESOP 2018	The Phoenix Mills Employees' Stock Option Plan 2018
Equity Shares	Equity shares of our Company having a face value of ₹ 2 each
Executive Directors	The executive Director(s) of our Company, being Shishir Shrivastava, Pradumna Kanodia and Rajendra Kalkar
Independent Director	The non-executive, independent Directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, being Amit Dalal, Amit Dabriwala, Sivaramakrishnan Iyer and Shweta Vyas

Term	Description
Key Managerial Personnel	Key managerial personnel as decided by our Company pursuant to Section 2(51) of the Companies Act and Regulation 2(bb) of the SEBI ICDR Regulations. For further details, please see the section entitled "*Board of Directors and Key Managerial Personnel*" on page 182
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 182
Non-Executive Director	The Director not being an Executive Director nor an Independent Director, in this case being, Atul Ruia
PHCPL	Phoenix Hospitality Company Private Limited
PHCPL Amalgamation Scheme	The scheme of amalgamation amongst our Company and PHCPL
Preferential Issue	Proposed preferential issue of up to 1,562,500 equity warrants convertible into a maximum of 1,562,500 Equity Shares at a premium of ₹ 638 per Equity Share, aggregating to ₹ 1,000 million, to Ashok Apparels Private Limited, our Promoter Group entity. For further information, please see the section entitled "*Capital Structure*" on page 74.
Promoter	The promoter of our Company namely Atul Ruia
Promoter Group	The individuals and entities forming part of the promoter group of our Company as per the provisions of the SEBI ICDR Regulations
Registered Office	The registered office of our Company located at 462, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.
Risk Management Committee	Risk management committee of our Company, as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 182
Shareholders	The holders of the Equity Shares of our Company
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company, as disclosed in the section entitled "*Board of Directors and Key Managerial Personnel*" on page 182
Subsidiaries	The subsidiaries of our Company, in accordance with Section 2(87) of the Companies Act and applicable accounting standards, whose financials are consolidated with that of our Company. The subsidiaries of our Company are as listed below: 1. Alliance Spaces Private Limited; 2. Alyssum Developers Private Limited; 3. Blackwood Developers Private Limited; 4. Bellona Hospitality Services Limited; 5. Big Apple Real Estate Private Limited; 6. Butala Farm Lands Private Limited; 7. Destiny Retail Mall Developers Private Limited 8. Enhance Holdings Private Limited; 9. Gangetic Developers Private Limited; 10. Graceworks Realty and Leisure Private Limited; 11. Insight Mall Developers Private Limited; 12. Island Star Mall Developers Private Limited; 13. Market City Management Private Limited; 14. Market City Resources Private Limited; 15. Mindstone Mall Developers Private Limited 16. Mugwort Land Holdings Private Limited; 17. Offbeat Developers Private Limited; 18. Palladium Constructions Private Limited; 19. Pallazzio Hotels and Leisure Limited; 20. Pinnacle Real Estate Development Private Limited; 21. Plutocrat Commercial Real Estate Private Limited; 22. Phoenix Hospitality Company Private Limited; 23. Rentcierge Developers Private Limited; 24. Sangam Infrabuild Corporation Private Limited; 25. Savannah Phoenix Private Limited; 26. Sparkle One Mall Developers Private Limited; 27. Sparkle Two Mall Developers Private Limited; 28. Upal Developers Private Limited; 29. Vamona Developers Private Limited; 30. SGH Realty LLP; and 31. True Value Infrabuild LLP

Term	Description
	For further details, please see the section entitled "*Organizational Structure*" on page 180.
Unaudited Consolidated Interim Condensed Financial Statements	Unaudited limited reviewed consolidated interim condensed financial statements of our Company as at and for the quarter ended June 30, 2020 (including the comparative financial statements with respect to the quarter ended June 30, 2019), prepared in accordance with the Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the IAS Rules, and other relevant provisions of the Companies Act comprising the consolidated interim condensed balance sheet, consolidated interim condensed statement of statement of profit and loss, consolidated interim statement of cash flows and consolidated interim statement of changes in equity read along with the notes

Issue Related Terms

Term	Description
"Allocated" or "Allocation"	Allocation of Equity Shares in connection with the Issue, in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
"Allotment" or "Allotted" or "Allot"	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Bidders to whom Equity Shares of our Company are issued pursuant to the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue during the Issue Period
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof
Bid(s)	Indication of an Eligible QIB's interest including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder(s)	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
"Book Running Lead Managers" or "BRLMs"	Together, CLSA India Private Limited, HSBC Securities and Capital Markets (India) Private Limited, Kotak Mahindra Capital Company Limited and UBS Securities India Private Limited
"CAN" or "Confirmation of Allocation Note"	Note, advice or intimation confirming the Allocation of Equity Shares to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●]
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPI(s)	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices.
Eligible QIBs	QIBs that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations. In relation to the Issue, this term shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs, participating through Schedule II of the FEMA Rules. Within the United States, the Equity Shares are being offered and sold only to U.S. QIBs. Further, except as provide in (ii) above, other non-resident QIBs (including FVCIs and non-resident multilateral and bilateral development financial institutions) are not permitted to participate in the Issue
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the Application Amount shall be deposited by Eligible QIBs and refunds, if any, shall be remitted to unsuccessful Bidders
Escrow Bank	Axis Bank Limited
Escrow Agreement	Agreement dated 18, 2020, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amount and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	₹ 611.31 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

Term	Description
	Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through a special resolution passed by way of a postal ballot on August 13, 2020 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue	Offer issuance and allotment of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], 2020, the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	August 18, 2020, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ [●]
Issue Size	Aggregating up to ₹ [●] million comprising up to [●] Equity Shares
Placement Agreement	Placement agreement dated August 18, 2020, by and among our Company and the Book Running Lead Managers
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document cum application form, dated August 18, 2020, issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
"QIB" or "Qualified Institutional Buyer"	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013, read with the applicable rules of the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidders pursuant to the Issue
Relevant Date	August 18, 2020, which is the date of the meeting in which the Capital Raising Committee decided to open the Issue
Successful Bidder(s)	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount and who will be Allocated Issue shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading day of the Stock Exchanges, as applicable

Conventional and General Terms / Abbreviations

Term	Description
"INR" or "Rupees" or "₹" or "Indian Rupees" or "Rs."	Indian Rupees
ADR	Average daily rate
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
BKC	Bandra Kurla Complex
CBRE	CBRE South Asia Private Limited
CDSL	Central Depository Services (India) Limited
CENVAT	Central value added tax
CEO	Chief executive officer
CEX	Customs & Central Excise duties
CGST	Central Goods and Services Tax
CIDCO	City and Industrial Development Corporation of Maharashtra
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act, 1956	The erstwhile Companies Act, 1956, as amended and the rules made thereunder

Term	Description
Companies Act, 2013 or Companies Act	The Companies Act, 2013, as amended and the rules made thereunder
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	EBITDA on a consolidated basis, is calculated after considering impact of tax, depreciation and amortization (including goodwill), finance costs, other income on profit before tax and exceptional items
EGM	Extraordinary general meeting
EHS	Environment, health and safety
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign direct investment
FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended
"Financial Year" or "Fiscal Year(s)" or "Fiscal" or" FY"	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI thereunder
GDP	Gross domestic product
GLA	Gross leasable area
Government	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
Ind AS	Indian accounting standards as notified by the MCA *vide* Companies (Indian Accounting Standards) Rule 2015, as amended
Indian GAAP	Generally accepted accounting principles in India
Income Tax Act	The Income-tax Act, 1961, as amended
IRDAI	Insurance Regulatory and Development Authority of India
MCA	The Ministry of Corporate Affairs, Government of India
MNC	Multi-national company
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
NBFC	Non-banking financial company
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit After Tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RoC	The Registrar of Companies, Maharashtra at Mumbai
Rule 144A	Rule 144A under the Securities Act
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

Term	Description
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
Securities Act	The United States Securities Act of 1933, as amended
SECC Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, as amended
SI-NBFC	Systemically important non-banking financial companies
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
U.S. GAAP	Generally accepted accounting principles in the United States of America
"U.S.$" or "U.S. dollar" or "USD"	United States Dollar, the legal currency of the United States of America
"USA" or "U.S." or "United States"	The United States of America
U.S. QIB	Qualified institutional buyers as defined in Rule 144A under the Securities Act
VCF	Venture capital fund

Technical / Industry Related Terms / Abbreviations

Term	Description
Built-up Area	Built-up Area is the total construction area of the project in accordance with the approved plans, in case of Ongoing Projects, and in accordance with the applicable Development Control Regulations, in case of Planned Projects, including permissible TDR and includes FSI area, free of FSI area, fungible FSI, premium FSI and TDRs, as applicable.
CAGR	Compounded Annual Growth Rate.
Completed Projects	Projects with respect to which our Company, Subsidiary or Associate has completed the development and the occupation/completion certificate, as applicable, has been obtained from the relevant authorities by such entity.
Consumption	Consumption is derived (consumer spending) by giving a reference to the sales numbers of our retail tenants at our malls (such sales data being provided to us by our retail tenants) over specified time periods (daily/weekly/monthly/ quarterly/annually). This enables us to aggregate Consumption at each of our malls over a specific period. For further information on Consumption data and our use of such data, please refer to the section entitled "*Presentation of Financial and Other Information*" on page 10.
CPPIB	The Canada Pension Plan Investment Board
Development Control Regulations	Development Control Regulations for Greater Bombay, 1991, as amended.
FSI	Floor space index, which means the quotient of the ratio of the combined gross floor area of all floors, excepting areas specifically exempted, to the total area of the plot.
Gross Leasable Area	Gross Leasable Area is the area for which the prospective tenant or lessee or licensee, as the case may be, is obliged to pay or for which we expect that the respective tenant or lessee or licensee, as the case may be, will pay. For further information on Gross Leasable Area and our use of such data, please refer to the section entitled "*Presentation of Financial and Other Information*" on page 10.
msf	million square feet.
Ongoing Projects	Projects in respect of which (i) all title or development rights, or other interest in the land is held either directly or indirectly by our Company, Subsidiary or Associate; (ii) the development or construction work is ongoing; and (iii) the requisite approvals for commencement of development, including the commencement certificate, have been obtained by such entity.
Permissible Area	Permissible Area is that portion of Gross Leasable Area of each mall which has been permitted to re-open pursuant to the recent orders of applicable government authorities as part of partial re-opening of businesses in India.
Planned Projects	Projects in respect of which (i) all title or development rights or other interest in the land is held either directly or indirectly by our Company, Subsidiary or Associate; (ii) development right agreements are in the process of execution; (iii) preliminary management development plans and designs are in place; (iv) requisite applications for approvals and conversion of usage, if applicable, have been made; and (v) architects have been identified and the planning has commenced.
Saleable Area	Saleable Area is the total Built-up Area of a residential unit plus proportionate share of the common amenities in a building complex. For further information on Saleable Area and our use of such data, please refer to the section entitled "*Presentation of Financial and Other Information*" on page 10.
sq. ft.	square feet.
sq. mt.	square metre.

Term	Description
TDR	Transferable development rights, which means when in certain circumstances, certain development potential of the underlying land may be separated from the underlying land and may be made available to the owner of the underlying land in the form of a transferable instrument called transferable development rights.
Trading Density	It is calculated by dividing total Consumption by the total trading carpet area of a mall (i.e. total area inside a mall) for a specific period. For further information on Trading Density and our use of such data, please refer to the section entitled "*Presentation of Financial and Other Information*" on page 10.

SUMMARY OF BUSINESS

Overview

We are one of India's leading retail asset developers, owners and operators, with the largest retail portfolio among listed companies in India *(Source: CBRE Research)*. Our retail portfolio consists of nine completed retail properties comprising approximately 6.93 million square feet and 2,086 stores, four under-development retail properties comprising approximately 4.00 million square feet and approximately 0.81 million square feet of ongoing and planned expansions, in several of India's largest cities. In addition, our portfolio includes six completed, one under-development and five under-planning commercial office projects, four completed and one under-development residential projects and two completed hotels and one hotel under planning.

For the financial years 2018, 2019 and 2020, our total income was ₹ 16,754.76 million, ₹ 20,666.95 million and ₹ 19,996.38 million, our net profit was ₹ 2,423.65 million, ₹ 4,210.18 million and ₹ 3,347.31 million, and EBITDA was ₹ 7,776.63 million, ₹ 9,931.40 million and ₹ 9,671.45 million, respectively. Over the five-year period ended March 31, 2020, our revenue from operations and net profit grew 1.19 times and 3.69 times, respectively.

Our existing real estate portfolio primarily comprises retail-led, mixed-use developments in prime locations, together with commercial office and residential developments as well as hospitality projects. Our completed and under-construction developments include retail mall, commercial offices, hotel and residential properties in Mumbai, Chennai, Bengaluru, Pune, Lucknow, Bareilly, Agra, Ahmedabad and Indore. Our operations typically encompass most aspects of real estate development, including land acquisition, planning (including liaison and approvals), execution and marketing of projects, through to the leasing, management, operations, maintenance and sales (in case of residential developments) of the completed developments.

We were one of the first real estate developers in India to transform a textile mill property into a modern, multi-use retail-led integrated development – the High Street Phoenix and Palladium mall in Lower Parel, Mumbai *(Source: CBRE Research)*. This development is comprised of a mall of approximately 0.77 million square feet of Gross Leasable Area consisting of retail, entertainment and commercial office space of approximately 0.10 million square feet of Gross Leasable Area (net of areas let out on long leases), The St. Regis hotel, Mumbai, a 395 key luxury hotel, and Phoenix Towers, residential apartment towers built in partnership by the Company, as well as parking space. We believe High Street Phoenix was among the first large-scale, retail-led, mixed-use centre developments in India.

We are a leading developer of retail led mixed-used developments in India *(Source: CBRE Research)*. Our Phoenix MarketCity projects are conceptualized as large-scale, retail-led, mixed-use, real estate developments which we believe are in prime locations and in close proximity to high-catchment areas. We own and operate several malls under the brand name "Phoenix MarketCity" in Mumbai, Chennai, Bengaluru and Pune (one mall in each city). We also own three large-scale, retail-led, mixed-use, real estate developments in each of Pune (Phoenix Millennium), Bengaluru (Phoenix Mall of Asia) and Indore (Phoenix Citadel), which are currently under construction. Our retail-led, mixed-use developments encompass retail and entertainment space, including food and beverage and multiplex facilities and outdoor space and also include one or more commercial offices, hotel or for-sale residential apartment buildings in order to attract a wide spectrum of consumers. We also operate malls under the brand name "Palladium", with one operational mall each in Mumbai and Chennai and one under construction mall in Ahmedabad. We also operate malls under the brand name "Phoenix United", with one operational mall in each of Lucknow and Bareilly. Further, on July 8, 2020, we opened our newest mall under the brand name "Phoenix Palassio" in Lucknow.

Our real estate development portfolio is comprised of four types of real estate asset classes: retail malls, commercial office, residential and hospitality. We characterize our projects as Completed, Ongoing (under development) and Planned Projects (please refer to "*Our Business - Description of our Business*" on page 165). We have a portfolio of approximately 22.69 million square feet in our Completed, Ongoing and Planned Projects, as of June 30, 2020. Our retail development portfolio consists of approximately 11.74 million square feet of Gross Leasable Area in Completed and Ongoing Projects, including ongoing and planned expansions. Our commercial office development portfolio consists of approximately 6.97 million square feet of total Saleable Area and Gross Leasable Area in Completed, Ongoing and Planned Projects (including areas sold). Our residential development portfolio consists of approximately 3.98 million square feet of total Saleable Area in Completed and Ongoing Projects, of which we have sold approximately 2.12 million square feet. Our hospitality portfolio consists of a completed hotel each in Mumbai and Agra having a total of 588 keys, and one planned hotel property in Bengaluru with an estimated 300 keys. In addition, local real estate regulations have enabled us to benefit from certain additional future development potential at some of our projects, subject to requisite planning and construction approvals. Such additional future development potential has not been accounted for in this Preliminary Placement Document.

Our Developments

Large mixed-use retail developments

Name of the Project	Location	Gross Leasable Area, as of June 30, 2020 (in million square feet)	Number of Stores, as of June 30, 2020	Company/ Project Specific Entity owning the Project	Effective shareholding of Company in the Entity as at June 30, 2020 (%)	Status of the Project	Financial Year of Occupation Certificate / Completion Certificate
High Street Phoenix ("**HSP**") and Palladium	Lower Parel, Mumbai	0.77	271	The Phoenix Mills Limited	Project directly owned by our Company	Completed	2008
HSP Densification - Phoenix House Conversion and Palladium Lower Ground Floor		0.15	NA			Ongoing	2021
HSP Densification - The Rise 1 (Retail)		0.35	NA			Planned	-
Phoenix MarketCity Bangalore[1]	Bengaluru (E)	1.00	295	Island Star Mall Developers Private Limited	51.00	Completed	2013
		0.31	NA			Planned	-
Phoenix MarketCity Pune[2]	Viman Nagar, Pune	1.19	342	Vamona Developers Private Limited	99.97	Completed	2012
Phoenix MarketCity Mumbai	Kurla, Mumbai	1.14	312	Offbeat Developers Private Limited	100.00	Completed	2011
Phoenix MarketCity Chennai[3]	Velachery, Chennai	1.00	259	Classic Mall Development Company Private Limited	50.00	Completed	2013
Phoenix United	Lucknow	0.37	127	Upal Developers Private Limited	100.00	Completed	2011
Phoenix United	Bareilly	0.34	132	Blackwood Developers Private Limited	100.00	Completed	2013
Palladium Mall[4]	Velachery, Chennai	0.22	86	Starboard Hotels Private Limited	28.47	Completed	2018
Phoenix Palassio	Lucknow	0.90	262	Destiny Retail Mall Developers Private Limited	100.00	Completed	2020
Phoenix Citadel[1]	Indore	1.00	NA	Insight Mall Developers Private Limited	51.00	Ongoing	2022 (estimated)
Palladium Mall, Ahmedabad[6]	Ahmedabad	0.70	NA	SGH Realty LLP, True Value Infrabuild LLP	50.00	Ongoing	2022 (estimated)
Phoenix Mall of Asia[1]	Hebbal, Bengaluru	1.20	NA	Sparkle One Mall Developers Private Limited	51.00	Ongoing	2024 (estimated)
Phoenix Millennium[1]	Wakad, Pune	1.10	NA	Alyssum Developers Private Limited	51.00	Ongoing	2024 (estimated)
Total		**11.74**					

Notes:

1. Our Company owns 51.00% of the outstanding equity shares of Island Star Mall Developers Private Limited. Insight Mall Developers Private Limited, Sparkle One Mall Developers Private Limited and Alyssum Developers Private Limited are wholly owned subsidiaries of Island Star Mall Developers Private Limited. The remaining shares in Island Star Mall Developers Private Limited are held by The Canadian Pension Plan Investment Board ("**CPPIB**").

2. Our Company owns 91.97% of the outstanding equity shares of Vamona Developers Private Limited and 8.00% of the outstanding equity shares are owned by Butala Farm Lands Private Limited, a wholly-owned subsidiary of our Company. As a result, the effective shareholding of our Company in Vamona Developers Private Limited is 99.97%. The remaining shares in Vamona Developers Private Limited are held by the Promoter Group companies.

3. Our Company owns 50.00% of the outstanding equity shares of Classic Mall Development Company Private Limited. The remaining shares in Classic Mall Development Company Private Limited are held by a third party investor.

4. Our Company owns 0.01% of the outstanding equity shares of Starboard Hotels Private Limited. Our Company also owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 49.99% of the outstanding equity shares of Starboard Hotels Private Limited. Accordingly, the effective shareholding of our Company in Starboard Hotels Private Limited is 28.47%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in our Company owning 50.00% of the outstanding equity shares of Starboard Hotels Private Limited. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

5. We commenced operations at Phoenix Palassio, Lucknow on July 8, 2020 and it comprises 262 stores as of such date.

6. Our Company owns immediately in excess of 50.00% of the outstanding partnership interest of SGH Realty LLP. The remaining interest in SGH Realty LLP is held by a third party investor. SGH Realty LLP owns 100.00% of the outstanding partnership interest of True Value Infrabuild LLP.

Commercial office projects

Name of the Project	Location	Saleable Area / Gross Leasable Area, as of June 30, 2020 (in million square feet)	Gross Leasable Area owned by us, as of June 30, 2020 (in million square feet)	Company/ Project Specific Entity owning the Project	Effective Shareholding of Company in the Entity as at June 30, 2020 (%)	Status of the Project	Financial Year of Occupation Certificate/Completion Certificate
Phoenix House[1]	Lower Parel, Mumbai	0.10	0.10	The Phoenix Mills Limited	Project directly owned by our Company	Completed	1995
Centrium[2]	Kurla, Mumbai	0.25	0.10	Offbeat Developers Private Limited	100.00	Completed	2013
East Court	Viman Nagar, Pune	0.25	0.01	Vamona Developers Private Limited	99.97	Completed	2011
Art Guild House[2]	Kurla, Mumbai	0.80	0.63	Offbeat Developers Private Limited	100.0	Completed	2017
Phoenix Paragon Plaza[3]	Kurla, Mumbai	0.44	0.31	Graceworks Realty & Leisure Private Limited	66.69	Completed	2015
Fountainhead Tower 1[4]	Pune	0.17	0.17	Alliance Spaces Private Limited	75.02	Completed	2018
Fountainhead Towers 2 and 3[4]	Pune	0.66	0.66	Alliance Spaces Private Limited	75.02	Ongoing	2021 (estimated)
Offices at Phoenix Mall of Asia	Hebbal, Bengaluru	1.20	1.20	Sparkle One Mall Developers Private Limited	51.00	Planned	-
The Rise 1 (Commercial)	Lower Parel, Mumbai	1.03	1.03	The Phoenix Mills Limited	Project would be directly owned by our Company	Planned	-
Offices (Towers 1-B, 1-A and 2) at Phoenix Market City, Bengaluru	Bengaluru (E)	1.05	1.05	Island Star Mall Developers Private Limited	51.00	Planned	-
Offices at Phoenix Millennium	Wakad, Pune	0.60	0.60	Alyssum Developers Private Limited	51.00	Planned	-
Office tower at Palladium[5]	Chennai	0.42	0.42	Starboard Hotels Private Limited	28.47	Planned	-
Total		**6.97**	**6.28**				

Notes:

1. Total Saleable/Gross Leasable Area of Phoenix House is net of areas let out on a long lease basis.

2. The Gross Leasable Area owned by us in this project is the combined leasable area owned by our Company and our wholly owned subsidiary, Offbeat Developers Private Limited.

3. Our Company owns 22.67% of the outstanding equity shares of Graceworks Realty & Leisure Private Limited. Our Company also owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 77.33% of the outstanding equity shares of Graceworks Realty & Leisure Private Limited. Accordingly, the effective shareholding of our Company in Graceworks Realty & Leisure Private Limited is 66.69%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in Graceworks Realty & Leisure Private Limited becoming a wholly owned subsidiary of our Company. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

4. Our Company owns 42.01% of the outstanding equity shares of Alliance Spaces Private Limited. Our Company also owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 57.99% of

the outstanding equity shares of Alliance Spaces Private Limited. Accordingly, the effective shareholding of our Company in Alliance Spaces Private Limited is 75.02%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in Alliance Spaces Private Limited becoming a wholly owned subsidiary of our Company. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

5. Our Company owns 0.01% of the outstanding equity shares of Starboard Hotels Private Limited. Our Company also owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 49.99% of the outstanding equity shares of Starboard Hotels Private Limited. Accordingly, the effective shareholding of our Company in Starboard Hotels Private Limited is 28.47%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in our Company owning 50.00% of the outstanding equity shares of Starboard Hotels Private Limited. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

Residential Projects

Name of Project	Location	Saleable Area, as of June 30, 2020 (in million square feet)	Saleable Area Unsold, as of June 30, 2020 (in million square feet)	Company/ Project Specific Entity owning the Project	Effective Shareholding of Company in the Entity as at June 30, 2020 (%)	Status of the project	Financial Year of Occupation Certificate / Completion Certificate
Phoenix Towers[1]	Lower Parel, Mumbai	Fully sold	Fully sold	The Phoenix Mills Limited	Project directly owned by our Company	Completed	Completed
Crest, Chennai (Towers A and B)[2]	Chennai	0.26	0.03	Classic Housing Projects Private Limited	50.00	Completed	2018
Crest, Chennai (Tower C)[2]	Chennai	0.28	0.04	Classic Mall Development Company Private Limited	50.00	Completed	2018
Kessaku[3]	Bengaluru	1.03	0.74	Palladium Constructions Private Limited	79.45	Completed	2019
One Bangalore West[3]	Bengaluru	2.41	1.05	Palladium Constructions Private Limited	79.45	Ongoing[4]	Towers 1 to 5: 2017 Tower 6: 2019 Tower 7: 2024 (estimated) Towers 8 and 9: 2025 (estimated)
Total		**3.98**	**1.86**				

Notes:

1. Phoenix Towers comprises residential apartments that were built in partnership by the Company. There are no revenues earned from this residential project during the periods presented in this Preliminary Placement Document.

2. Our Company owns 50.00% of the outstanding equity shares of Classic Mall Development Company Private Limited. The remaining shares in Classic Mall Development Company Private Limited are held by third party investors.

3. Our Company owns 52.29% of the outstanding equity shares of Palladium Constructions Private Limited. Our Company also owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 47.71% of the outstanding equity shares of Palladium Constructions Private Limited. Accordingly, the effective shareholding of our Company in Palladium Constructions Private Limited is 79.45%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in Palladium Constructions Private Limited becoming a wholly-owned subsidiary of our Company. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

4. This project has nine towers. We have received occupation certificates for Towers 1 to 6 of this project. The remaining Towers 7 to 9 of this project are under construction.

Hospitality

Name of Project	Location	Number of Keys, as of June 30, 2020	Company/ Project Specific Entity owning the Project	Effective Shareholding of Company in the Entity as at June 30, 2020 (%)	Status of the Project
St. Regis[1]	Lower Parel, Mumbai	395	Pallazzio Hotels & Leisure Limited	73.00	Completed
Courtyard by Marriott[2]	Agra	193	Palladium Constructions Private Limited	79.45	Completed

Grand Hyatt[3]	Bengaluru	300 (estimated)	Island Star Mall Developers Private Limited	51.00	Planned

Notes:

1. Our Company currently owns 100.00% of the outstanding equity shares of Pallazzio Hotels & Leisure Limited. .Our Company and a third party investor own CCDs which upon conversion will result in dilution of our current 100.00% stake to 73.00%. Accordingly, the effective shareholding of our Company in Pallazzio Hotels & Leisure Limited, on a fully diluted basis, is 73.00%.

2. Our Company owns 52.29% of the outstanding equity shares of Palladium Constructions Private Limited. Our Company also owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 47.71% of the outstanding equity shares) of Palladium Constructions Private Limited. Accordingly, the effective shareholding of our Company in Palladium Constructions Private Limited is 79.45%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in Palladium Constructions Private Limited becoming a wholly-owned subsidiary of our Company. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

3. Our Company owns 51.00% of the outstanding equity shares of Island Star Mall Developers Private Limited. The remaining shares in Island Star Mall Developers Private Limited are held by CPPIB.

Our Strengths

Diversified operational portfolio and several revenue streams

We are one of India's leading retail asset developers, owners and operators, with the largest retail portfolio among listed companies in India *(Source: CBRE Research)*. Our existing real estate development portfolio primarily comprises retail-led, mixed-use developments in prime locations, together with a number of other commercial office and residential developments. Our Completed and Ongoing Projects include retail mall, commercial office, hotel and residential developments in Mumbai, Chennai, Bengaluru, Pune, Lucknow, Bareilly, Agra, Ahmedabad and Indore. Our operations typically encompass most aspects of real estate development, including land acquisition, planning (including liaison and approvals), execution and marketing of projects, through to the leasing, management, operations, maintenance and sales, in case of residential developments, of the completed developments.

Our retail development portfolio consists of approximately 11.74 million square feet of Gross Leasable Area in nine Completed and four Ongoing Projects and two planned expansions. Our commercial office development portfolio consists of approximately 6.97 million square feet of total Saleable Area/Gross Leasable Area in six Completed, one Ongoing and five Planned Projects (including areas sold). Our residential development portfolio consists of approximately 3.98 million square feet of total Saleable Area in four Completed and one Ongoing Projects, of which we have sold approximately 2.12 million square feet of Saleable Area. Our hospitality portfolio consists of two Completed Projects with a total of 588 keys and one Planned Project with an estimated 300 keys. Our developments are located on freehold land owned by us or the respective project specific company that owns the project, except in the case of our High Street Phoenix and Palladium project in Lower Parel, Mumbai, where land is held by our Company in part on a freehold basis and in part on a leasehold basis (partly under a 999 year lease and partly on a perpetual lease basis). We believe our diversified portfolio provides us with stable cash flows from our completed assets and at the same time has the ability to provide significant cash flow growth as and when our under-development assets become operational.

Strategic presence in prime locations in India's largest cities with ability to enhance dominant consumption hubs

We have a track record of establishing "consumption-centres" in prime locations in several of India's largest cities, such as Mumbai, Pune, Bengaluru and Chennai. We believe that we were among the first real estate developers in India to introduce large retail-led mixed-use developments, which resulted in the creation of a large-scale, retail-led, mixed-use centre at High Street Phoenix, in turn creating location equity for Lower Parel, Mumbai. We focus on selective opportunities and believe that having projects located in prime locations of under-served micro-markets, with proximity to residential and commercial catchment areas, in India's largest cities allows us to attract high-end tenants, receive premium lease revenues and cater to large population of consumers with substantial discretionary incomes. Further, a majority of our developments are located on freehold land, owned by us or the respective project specific company that owns the project, with a clear and marketable title and initial construction approvals in place, which we believe provides us with the low-risk title advantage and high-return opportunity, as a result of appreciation of value of the underlying land over a period of time, and allows us to increase our profitability and enhance the value of our brand.

We are a leading developer of retail led mixed-used developments in India *(Source: CBRE Research)*. We believe that the business of developing and operating successful retail developments also depends on our ability to cater to the consumption pattern of target customers, including spending patterns and behaviour within a catchment area. We believe that the income earning potential of a retail property is closely linked to a property's tenant mix. We seek to leverage our long-standing relationships and presence in this market segment and believe we are able to maximize the potential of a particular catchment area by bringing together appropriate retail tenants. We also regularly evaluate the retail tenant mix at our retail developments to ensure that it caters to the evolving consumption and spending patterns of customers. As of June 30, 2020, we have four under-construction retail developments located in Bengaluru, Pune, Ahmedabad and Indore, which are expected to get completed in the next two to four years. With our strong brand and reputation, development track record and industry knowledge, we believe our under-construction assets, once operational, have the potential to become consumption hubs and a preferred choice for consumers. In addition to our retail developments, we also have a large portfolio of Grade-A commercial office developments, which have been developed to complement our mixed-use retail-led developments at strategic locations with strong tenant demand and, we believe, are consumption hubs for corporations to establish their front-end offices.

Robust execution and superior operational capabilities

We believe that our position as a successful asset developer in some of India's largest cities is largely due to our project execution capabilities, our quality of operation and our management team and superior architecture of our developments, which have enabled us to deliver over 19.27 million square feet of total Built-up Area across various geographies and categories in India. We select and partner with whom we believe to be reputed and highly qualified contractors, international architects and best-in-class equipment manufacturers, and we use quality construction materials and modern technology in our developments. We optimize the design of our projects in order to maximize utilization and benefits from the changing local development norms over time. We develop our projects in a phased manner to control over-supply in the immediate neighborhood. We have established standard operating procedures to implement project execution and have dedicated teams to oversee the design, engineering and construction phases of development, that allow us to complete our projects in a timely, cost-effective and quality-controlled manner. Over 15 years of development experience has enabled us to establish and enhance our process oriented approach and commitment to superior quality.

In addition, critical to our success at our retail and hospitality projects is the successful ongoing operation and management of our developments to provide a superior experience to our retail tenant as well as their customers. Our projects are designed to address various consumer concerns, such as adequate parking, aesthetics, comfort, safety and cleanliness, as well as the concerns of our retail tenants, such as the continuous supply of utilities and security. We believe our focus on these operation and management aspects has a significant impact on the success of our developments. We periodically upgrade our retail developments and hotels in terms of quality and facilities offered, including art installations and decor during the festival seasons and organizing concerts and events, in order to enhance visual impact and increase footfalls. We also track the revenues of our retail tenants and provide suggestions to underperforming retail tenants on how to improve revenues based on our operational experience. We believe that our focused initiatives that seek to enhance the quality and revenues of our retail tenants and our malls will lead to higher Consumption and Trading Density.

We believe the success of our developments is also attributable to our experienced, qualified and dedicated management team, many of whom have experience in diverse range of fields, including real estate development, operations and maintenance and spent over a decade working with us. As a result of our established brand name and reputation for project execution, we have been able to recruit and retain experienced senior and mid-level employees. We believe we provide our staff with competitive compensation packages and a cohesive work environment which we believe encourages responsibility, autonomy and innovation. We believe that the experience of our management team and their in-depth understanding of the real estate market in India will enable us to take advantage of both current and future market opportunities.

Strategic long-standing relationships with large retail tenants

We believe that we have an in-depth understanding of the retail market and the needs and preferences of retail consumers. We also believe that our retail developments are the preferred choice among retail tenants and consumers in the cities in which we operate and provide a platform for large retail tenants to expand their businesses with a common partner. To successfully lease out a retail development, we believe that the retail tenant's confidence in the developer is an important factor, especially in fast-growing and emerging cities where there may be few organized national developers. We continuously engage with our retail tenants to identify their individual needs, and assist in the design and layout of their stores in order to improve visual impact and increase footfall. We believe that our retail tenants have confidence in us, demonstrated by our longstanding relationships with several domestic and global retail brands, such as Zara, H&M, Mango, Armani Exchange, MAC, GAS, GAP, Steve Madden, Aldo, Sephora, Diesel, Lifestyle and PVR Cinemas, across our retail developments. Each of Zara, H&M, Mango, Armani Exchange, MAC, GAS, GAP, Steve Madden, Aldo, Sephora, Diesel, Lifestyle and PVR Cinemas, have outlets/cinemas across our several locations. We further believe that several of our global retail tenants have opened among their first few stores for their brands in India at our retail malls. We believe that such relationships may help us to secure retail tenants for our new developments and mitigate the risks that may arise from an inability to secure retail tenants for large spaces at suitable rates.

We believe we have a competitive advantage over our existing and potential competitors in cities where we are already present due to several factors, including the significant time outlay required for competitors to build and establish a profitable retail mall, our early mover advantage in large, retail-led developments in specific micro-markets, non-availability or low availability of large parcels of land in proximity to our retail developments, high entry costs for our competitors to develop similar projects in cities where our developments and projects are located, our established track record in mall management testified by various awards we have won and our established relationships with international brands. In particular, we believe that our strong market position along with our track record and the quality of our retail developments have enabled us to maximize our lease revenues by commanding a premium over market rent and achieve reduced vacancy levels as a result of established relationships with domestic and global retail tenants.

Diversified portfolio of commercial office projects and two completed luxury hotels

We have a large portfolio of commercial office developments, as part of our mixed-use retail-led developments, comprising of approximately 6.97 million square feet of total Saleable Area and Gross Leasable Area in Completed, Ongoing and Planned Projects (including areas sold). Our commercial office developments are strategically positioned in locations with strong tenant demand and have been commissioned with a focus on providing superior infrastructure and amenities to our tenants to meet their overall demands. Our commercial office developments further benefit from proximity and connectivity to major business, social and transportation hubs, making them a preferred option for corporations to establish their front-end offices. As of June 30, 2020, out of total Saleable Area of 2.01 million square feet in our commercial office Completed Projects, we have sold 0.69 million square feet, and out of the total Gross Leasable Area of 1.32 million square feet owned by us in our commercial office Completed Projects, we have leased 1.09 million square feet (including under executed letters of intent).

We are also the owner and developer of two completed luxury hotels, The St. Regis in Mumbai and the Courtyard by Marriot in Agra, comprising an aggregate of 588 keys, as of June 30, 2020. Our hotels are managed by Marriott pursuant to hotel operation and related agreements. These agreements give us access to Marriott's management expertise, industry best practices, online reservation systems, marketing strategies, systems and processes, human resources and operational know-how, which we believe has established The St. Regis as an iconic hospitality destination in Mumbai, and the only existing hotel in India to be branded as "The St. Regis" – the uber luxury brand managed by Marriott International *(Source: Hotelivate)*. Over five-year period ended March 31, 2020, the average room rate at The St. Regis has grown at a CAGR of 8.35%. The principal amount of long-term loans from banks, financial institutions and NBFCs for The St. Regis, Mumbai, have reduced from ₹ 5,720.48 million as of March 31, 2015, to ₹ 4,244.31 million as of March 31, 2020. In addition, we also have one hotel Planned Project, Grand Hyatt, Bengaluru, which is estimated to comprise 300 keys, for which we have entered into a letter of intent with Hyatt India Consultancy Private Limited on January 17, 2020 in connection with the operation and branding of the hotel.

Prudent capital structure

While we have grown our portfolio of developments, both organically and inorganically, significantly over the years, we operate under a prudent capital structure model. We believe we are appropriately leveraged to expand our portfolio as a result of our strategy of purchasing assets when acquisition costs are low and we are able to obtain financing at suitable rates. We have also added rent-generating commercial office spaces to our existing retail centres to allow us to earn a regular fee income, and have been able to reduce indebtedness of our hotel projects as a result of strong cash flow generation by our hotels. As a result, our net debt to equity ratio has declined; as of March 31, 2018, March 31, 2019, March 31, 2020 and June 30, 2020, our net debt to equity was 1.06, 0.99, 0.96 and 1.00, respectively. In addition, for our Ongoing Projects, we defer the drawdown under our financing facilities until the structure of our under-construction properties reaches above ground level and fund the initial project related costs, including purchase of land, FSI/TDI purchases and cost of approvals, excavation, foundation and basement structure, by allocating equity or from our operating cash flows.

Strategic alliance to fund growth

Our Company entered into a joint venture with the CPPIB in April 2017 to grow our portfolio of developments. The investment of ₹ 16.62 billion by CPPIB was committed within the first 12 months of the joint venture in connection with the acquisition of one brownfield and two greenfield assets, Phoenix Millennium, Pune, Phoenix Mall of Asia, Bengaluru and Phoenix Citadel, Indore, respectively. As of June 30, 2020, Island Star Mall Developers Private Limited, the project specific company that owns these projects through its wholly-owned subsidiaries, has invested ₹ 5.20 billion, ₹ 8.62 billion and ₹ 3.50 billion in Phoenix Millennium, Pune, Phoenix Mall of Asia, Bengaluru and Phoenix Citadel, Indore, respectively, with no drawdowns been made under the financing facilities for these projects as yet. After the formation of this joint venture, in the financial years 2018 and 2019, our actual EBITDA outperformed our business plan EBITDA by 3.00% to 4.00% and grew from ₹ 1,087.00 million in the financial year 2017 to ₹ 1,457.00 million in the financial year 2020. We believe our business model has resulted in efficient utilization of capital resulting in lower debt and regular fee income, allowing us to have higher return on capital employed.

Our Strategy

Our focus is also to maintain our market position in India through the implementation of the following business strategy:

Continue to focus on retail-led mixed-use projects to grow revenues

We intend to focus on developing new retail-led mixed-use projects in prime locations with development sizes similar to our existing malls, including parking and other amenities, and which feature a diverse range of retail tenants and a combination of retail developments, commercial office and residential projects. We also intend to continue to develop and expand our existing developments, where such further development potential may be permitted on the basis of existing policies, rules and regulations and/or may become permissible on the basis of any changes in the existing policies, rules and regulations, subject to the approvals of our plans for such expansion by the relevant authorities. While we have three large-scale mixed-use retail projects located at Pune, Bengaluru and Indore, which are estimated to be completed in the next two to four years, we intend to continue to seek and identify opportunities to further develop new large-scale mixed-use developments in markets/micro-markets different from where our retail malls currently exist, such as, but not limited to, Navi Mumbai, Hyderabad, Chandigarh, New Delhi and Gurugram, expand our existing mixed-use projects by acquiring and developing adjacent or proximate land parcels and explore opportunities to enter new cities such as, but not limited to Kolkata. We are seeking to acquire a land parcel in Kolkata for which our Subsidiary, Mindstone Mall Developers Private Limited has entered into a memorandum of understanding, dated January 31, 2019, with a third party seller. We plan to develop a mixed-use development of approximately 1.60 million square feet of Gross Leasable Area on this land parcel; please refer to *"Risk Factors – Internal Risks - We may be unable to complete the acquisitions or registrations of land for future projects, which may adversely affect our financial condition and results of operations."* on page 59.

Our retail malls under development may, once completed, encompass retail and entertainment space, including food and beverage and multiplex facilities and outdoor space and also include one or more of commercial offices, hotel or for-sale residential apartment buildings aimed to attract a wide spectrum of consumers. We will continue to focus on generating revenues from this range of businesses to reduce our dependence on any one such business. In addition, our mixed-use projects will also include commercial or residential properties, which we may either lease or sell. We believe this will further allow us to diversify our sources of income. For example, our Phoenix MarketCity projects located at Mumbai, Chennai and Pune, generate revenues from a combination of both retail and commercial license fees/rental income and sales revenues. This combination of revenue streams also reduces our dependence on debt, with the profits from sales collections contributing towards financing our project costs.

Explore growth opportunities through development or acquisition of standalone malls and land

As part of our ongoing growth strategy, we intend to continue to evaluate the performance of retail business in certain non-competing micro-markets, including Mumbai, Bengaluru and Chennai and other growth locations in which we currently do not have a presence, such as Navi Mumbai, Hyderabad, Chandigarh, New Delhi, and Gurugram, for prospective growth opportunities. We believe that there is significant potential in these cities for standalone malls. We are in the process of identifying several opportunities for growth in these cities, including in relation to both the acquisition of land for the development of malls and the acquisition of certain existing, standalone under-development malls or operational malls, and are seeking to acquire greenfield and brownfield standalone malls. We have a track record of acquiring and integrating assets to grow our portfolio of developments. For example, we acquired Phoenix Citadel, Indore in July 2018, which is currently under construction and is estimated to commence operations in the financial year 2022. We also acquired Phoenix Palassio, Lucknow, a brownfield asset in August 2018 and were able to complete its construction and commence its operations on July 8, 2020. We believe that the acquisition of existing, standalone under-development malls or operating malls will enable us to grow our revenues under our Phoenix brand and management. We also believe that the prevailing economic scenario should make distressed asset sale opportunities to be available to us. We believe any such acquisitions will help to further diversify our portfolio into new growth locations in India.

We believe that geographical diversification of our developments will help to reduce our reliance on specific cities and allow us to capitalize on different growth trends in other cities. We believe our strategy in expanding into new locations with growth potential will enable us to effectively capture growth opportunities in different parts of India, broaden our revenue base and reduce risks arising from volatility of market conditions. Further, we anticipate that increases in economic activity in growth regions will result in an increase in demand for real estate development in those regions and will provide us with an early mover advantage.

Explore growth opportunities for our commercial office real estate portfolio

We will continue to explore opportunities for developing new Grade-A commercial office projects. Such projects could be located either as part of our mixed-use retail-led developments or undertaken on a standalone basis. We believe that the availability of suitable land with development potential in cities such as Mumbai, Bengaluru, Pune and Hyderabad among others is one of the determining factors for prospective commercial office projects. We are also exploring potential opportunities to add Grade-A commercial office space to our existing mixed-use Ongoing and Planned Projects through the effective use of balance / further floor space index development potential as rules and regulations permit. We currently have one commercial office Ongoing and five commercial office Planned Projects, which form part of our existing mixed-use Ongoing and Planned Projects in Pune, Chennai, Mumbai and Bengaluru, with the total proposed Gross Leasable Area of approximately 4.96 million square feet. We expect to grow our commercial office portfolio from approximately 1.32 million square feet, as of June 30, 2020 to approximately 6.28 million square feet, through the development of our commercial office Ongoing and Planned Projects, such as Offices at Phoenix Mall of Asia, Bengaluru, The Rise 1, Mumbai, Offices at Phoenix Market City Bangalore, Offices at Phoenix Millennium, Pune and Office Tower at Palladium, Chennai. We believe our strategy to include both retail and commercial space within a mixed-use development provides greater value to prospective tenants for commercial space. Additionally, going forward, we intend to lease our commercial office portfolio as compared to outright sales, which we believe will provide us with greater value for commercial space and increase the value of our portfolio.

Continue to focus on effective retail management strategies to optimize rental rates

We will continue to focus on effective retail management strategies to increase our license fees / rental income upon renewal of our license or rental agreements, which generally occurs every three to five years, as applicable. We manage our retail properties with the knowledge that there is a distinct difference between property management and mall management. We believe that creating an optimal retail tenant combination along with active engagement with both retail tenants and consumers, will help to drive revenue maximization and result in higher consumer spending at our retail developments. With higher Consumption rates (which translates to higher turnover for our retail tenants), we expect to command competitive lease rates from our retail tenants. In addition, we believe that retail tenants have confidence in us due to our commitment to quality and our operational expertise, which allows us to be selective in choosing anchor retail tenants. Ensuring high operational standards of property management at each of our developments, including housekeeping, security, maintenance through an experienced team and detailed operating policies and procedures, are also part of our ongoing efforts to optimize the rental rates that retail tenants are willing to pay.

Explore opportunities to complement our retail developments with our omni-channel platform

In addition to our strategies to grow our brick and mortar retail business, we are also exploring opportunities to utilize technology to provide shopping or service options to consumers through smart phones pursuant to our under-development online services and searchable mall concept, The Phoenix App, accessible via a range of devices. Through The Phoenix App, we intend to provide our consumers with online access to our retail malls in several cities covering functionalities such as loyalty program, parking pre-booking and navigation, hands-free shopping, in-mall real time navigation, event ticket booking, contact-less food ordering and customer chat bot. We believe that The Phoenix App will enhance our understanding of consumer behaviour and allow us to enter new markets and extend the geographical reach of our existing malls.

We also intend to provide the latest in-store merchandise along with a tailored shopping experience on a digital omni-channel platform through online sales and engagement. We believe that the omni-channel platform, once operational, would allow us to reach out to and serve more shoppers of our existing malls by providing them with a 24x7 convenient shopping experience with home delivery of in-store products, ship-to-store and pick up and select in-store and get delivered at home facilities. In addition to creating value for our customers, we believe that the omni-channel platform would create value for our retail partners through easy integration with their own multi-channel, incremental reduction of customer acquisition cost, possible increase in sales and bespoke marketing and offers to customers; and for us through such possible incremental sales, increase in catchment of our malls through same day delivery and in-mall pick-ups and better understanding of customer behaviour and preferences. We intend to leverage from this strategy by further strengthening the health and safety measures undertaken by us in order to provide a safe environment to the tenants, customers and other visitors of our properties.

Please refer to "*Risk Factors – Internal Risks - If we are unsuccessful in implementing our strategies, particularly our growth strategy, our business, financial condition and results of operations may be adversely affected*" on page 61.

Recent Developments

Since the end of 2019, COVID-19 spread to a majority of countries across the world, including India. The World Health Organization declared the outbreak of COVID-19 to be a public health emergency of international concern on January 30, 2020, and a global pandemic on March 11, 2020. The COVID-19 pandemic and the preventative or protective actions that Governments around the world have taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in several countries, including India. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown from March 25, 2020 onwards. The lockdown continues to remain in force in several cities, with limited relaxations being granted such as for opening of malls, offices, hotels and shops in other cities.

We are regularly monitoring the impact of COVID-19 on all aspects of our business and operations, including its impact on our tenants and the preventative or protective actions of the central, state and local Governments on the relevant aspects of our business and operations. On account of the lockdown, our operations were significantly disrupted, particularly at our retail malls and hotels. While operations at all of our retail malls were initially suspended due to the Government orders, we have been able to resume operations at all but two of our retail malls with certain restrictions. We resumed operations at Phoenix MarketCity Bengaluru, Phoenix United Lucknow and Phoenix United Bareilly from June 8, 2020 and at High Street Phoenix and Palladium, Phoenix MarketCity Mumbai and Phoenix MarketCity Pune from August 5, 2020, with certain restrictions. We also commenced operations at Phoenix Palassio Lucknow, a new mall from July 8, 2020, with certain restrictions. However, entertainment centers (including multiplexes), spas and bars at these malls continue to remain shut as per Government orders. Further, as per the Government orders, our retail malls in Chennai continue to remain shut. In addition, while food and beverage outlets (excluding bars) at our Phoenix MarketCity Bengaluru, Phoenix Palassio Lucknow, Phoenix United Lucknow and Phoenix United Bareilly are allowed to open, the food and beverage outlets at High Street Phoenix and Palladium, Phoenix MarketCity Mumbai and Phoenix MarketCity Pune may only offer home delivery. We have proactively engaged with our retail tenants and licensees in connection with the shutdown of their operations and the resultant downturn in their business, and have provided (and are providing) waivers and moratoriums on a portion or all of minimum guarantee rentals to be paid by them to us for a portion or all of the financial year 2021, resulting in our license fees and rental income in the financial year 2021 having a lesser percentage of minimum guarantee rental payments and a higher percentage of income attributable to revenue share arrangements with our retail tenants and licensees as compared to the prior financial year. This is also because in connection with the reduction of minimum guarantee rental commitments, our retail tenants and licensees have in many cases agreed to (or are generally in the process of agreeing to) provide us a higher revenue share arrangement than as set out in our existing rental agreements with them. We continue to engage with our retail tenants and licensees to effectuate this initiative and cannot assure you that all our retail tenants and licensees will agree to such measures.

The following table provides a comparative of Permissible Area leased by us between February 29, 2020 and August 10, 2020 for certain of our retail malls which have been permitted to re-open pursuant to the recent orders of applicable Government authorities as part of partial re-opening of businesses in India. In the table below, Permissible Area is that portion of Gross Leasable Area of each mall which has been permitted to re-open pursuant to the recent orders of applicable Government authorities as part of partial re-opening of businesses in India.

Our retail mall (Area approximated to nearest second decimal in million square feet)	Permissible Area leased as of February 29, 2020*	Permissible Area leased as of Aug 10, 2020	% of Permissible Area leased as of Aug 10, 2020 as compared to February 29, 2020	Portion of such Permissible Area open for business as of August 10, 2020	% of area open for business as compared to Permissible Area leased as of August 10, 2020
HSP and Palladium	0.54	0.53	98.00%	0.50	95.00%
Phoenix MarketCity Pune	0.84	0.82	98.00%	0.76	93.00%
Phoenix MarketCity Bangalore	0.84	0.80	95.00%	0.72	91.00%
Phoenix MarketCity Mumbai	0.80	0.79	98.00%	0.74	94.00%

Note: For Gross Leasable Area for each of these retail malls, please refer to "Business – Our Developments – Large mixed-use retail developments" on page 23.
**As of February 29, 2020, all of the Gross Leasable Area in all our retail malls was permitted to be open. As such, such date has been used as the date for comparison with the Permissible Area leased as of August 10, 2020.*

Our hotel in Agra was temporarily shut starting from April 1, 2020 and has resumed operations from August 8, 2020. Further, as of August 18, 2020, restaurants at our hotel in Agra are allowed to serve guests. From April 1, 2020 to July 8, 2020, we operated the The St. Regis, Mumbai with significant restrictions as per the notification of the Maharashtra State Government permitting only stranded guests and guests requiring isolation. From July 6, 2020, we operated The St. Regis, Mumbai at a limited capacity, with current orders of applicable government authorities permitting 33% occupancy, restaurants (excluding bars) being permitted to serve resident hotel guests and hosting of certain open air events with limited persons attending.

Applicable Government orders imposed a shutdown of commercial offices from April 1, 2020, such orders were subsequently revised on May 1, 2020 to permit reopening of commercial offices but with limited occupancies at any given time. However, we did not face any significant disruptions in rental collections from our commercial office tenants for the quarter ended June 30, 2020. Operations, including sales, at our residential projects have witnessed a significant adverse effect.

We also faced interruption in construction activity at our under-construction sites during the months of April and May 2020, on account of the lockdowns enforced and constrained availability of labor, which have now gradually resumed in all of the cities with certain restrictions.

We have focused on maintaining business continuity and operational efficiencies during the lockdown and have taken several cost reduction measures to rationalize fixed costs across all our properties, including energy conservation, resource deployment and deferral of certain non-critical upgrades. We have also availed moratorium for a period of six months (until August 31, 2020) with respect to payment of interest on and repayment of principal of our outstanding indebtedness.

We have undertaken several significant initiatives at our properties in response to the pandemic and to promote the health and safety of tenants and visitors. Such initiatives include the status check through the *Aarogya Setu* application, quarantine stamp check, ultraviolet baggage disinfection machines, footwear sanitization mats, implementing and enforcing social distancing measures including compulsory wearing of masks, restricting number of customers inside a retail store at a given time and implementation of floor queue marking, conducting temperature checks, restricting the number of personnel that use elevators and common areas at any given time, installing several sanitizer stations, regulating traffic flow, reconfiguring the air-conditioning systems to enhance the number of fresh air changes as per recommended standards, encouraging digital payments, pre-booking of mall visits to avoid queues, contactless placement of orders at the food courts and disinfecting the premises. Maintenance personnel at our properties have been equipped with personal protective equipment and been trained for maintaining COVID-19 safety protocols.

We recognized total income of ₹ 1,478.36 million (including income from operations of ₹ 1,347.07 million) during the three months ended June 30, 2020, which was 76.55% lower when compared with such total income for the three months ended June 30, 2019. We are regularly monitoring the impact of the COVID-19 pandemic on our property, plant and equipment, capital work in progress, intangible assets, investments, inventories, trade receivables and other current assets. In preparation of our Unaudited Consolidated Interim Condensed Financial Statements as of and for the three months ended June 30, 2019 and 2020 and our Audited Consolidated Financial Statements as of and for the financial year 2020, we have assessed the impact and future uncertainties resulting from the COVID-19 pandemic and based on our assumptions and current estimates, we expect the carrying amount of our assets as reflected in the balance sheet as at June 30, 2020 to be recovered. In preparation of our Unaudited Consolidated Interim Condensed Financial Statements as of and for the three months ended June 30, 2019 and 2020, based on ongoing and yet to commence discussions with retail tenants and licensees for certain waivers and concessions on the rentals extended to such counterparties until March 31, 2021, the revenue accruals consider management estimates of the most likely agreeable amounts of waivers and concessions. The ultimate impact of the COVID-19 pandemic on the business and operations may, however, differ from that assessed by us due to the evolving nature of the pandemic and its response by various Government authorities. To the extent, the COVID-19 pandemic adversely affects us, it may also significantly increase the effect of other factors affecting our results of operations. Please refer to "*Risk Factors - Internal Risks – The COVID-19 pandemic adversely affects our business, financial condition, results of operations, cash flows, liquidity and performance, and it may reduce the demand for real estate in future*" on page 48.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections entitled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 48, 72, 214, 202 and 229, respectively.

Issuer	The Phoenix Mills Limited
Face Value	₹ 2 per Equity Share
Issue Price	₹ [●] per Equity Share
Floor Price	₹ 611.31 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through a special resolution passed by way of a postal ballot on August 13, 2020 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Aggregating up to ₹ [●] million comprising up to [●] Equity Shares of the Company, at a premium of ₹ [●] per Equity Share. A minimum of 10% of the Issue Size i.e. up to [●] Equity Shares, shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares should be available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs.
Date of resolutions passed by the Board and the Capital Raising Committee authorizing the Issue	June 29, 2020 and July 13, 2020, respectively
Date of shareholders' resolution authorizing the Issue	August 13, 2020
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are circulated. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered shall be determined by the Book Running Lead Managers in consultation with our Company, at its discretion. For further details, please see the section entitled "*Issue Procedure – Eligible Qualified Institutional Buyers*" on page 206.
Dividend	See the sections entitled "*Description of the Equity Shares*" and "*Dividends*" on pages 229 and 79, respectively.
Indian taxation	See the section entitled "*Taxation*" on page 233.
Equity Shares issued and outstanding immediately prior to the Issue	153,466,190 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares For details in relation to the Preferential Issue and PHCPL Amalgamation Scheme, please see the section entitled "*Capital Structure*" on page 74.
Issue Procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, please see the section entitled "*Issue Procedure*" on page 202.
Listing and trading	Our Company has obtained in-principle approvals dated August 18, 2020 in terms of Regulation 28(1)(a) of the SEBI Listing Regulations from the Stock Exchanges, for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges after Allotment to obtain final listing and trading approval for the Equity Shares after the Allotment.
Lock-up	For details in relation to lock-up, please see the section entitled "*Placement – Lock-up*" from pages 214 to 215 for a description of restrictions on our Company in relation to the Equity Shares.
Transferability restrictions	The Equity Shares to be issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, please see the section entitled "*Transfer Restrictions and Purchaser Representations*" on page 223.

Use of proceeds	The gross proceeds from the Issue will be approximately ₹ [●] million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ [●] million. Please see the section entitled "*Use of Proceeds*" on page 72 for additional information regarding the use of net proceeds from the Issue.	
Risk factors	See the section entitled "*Risk Factors*" on page 48 for a discussion of risks you should consider before participating in the Issue.	
Closing Date	The Allotment is expected to be made on or about [●], 2020.	
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including in respect of voting rights and dividends. The holders of Equity Shares (as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Equity shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For further details, please see the sections entitled "*Dividends*" and "*Description of the Equity Shares*" on pages 79 and 229, respectively.	
Security codes for the Equity Shares	ISIN	INE211B01039
	BSE Code	503100
	NSE Symbol	PHOENIXLTD

SELECTED FINANCIAL INFORMATION

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Preliminary Placement Document. We compute and disclose such financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of our business, which provides such financial measures and other statistical and operational information when reporting their results. Such financial measures and such other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies.

The following tables set out selected financial information derived from the Audited Consolidated Financial Statements and Unaudited Consolidated Interim Condensed Financial Statements, prepared in accordance with the applicable accounting standards, Companies Act, 2013 and the requirements of SEBI Listing Regulations, as applicable, and presented in "Financial Information" on page 253. For further details, please see the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information", on pages 80 and 253, respectively.

Except for the Audited Consolidated Financial Statements and the Unaudited Consolidated Interim Condensed Financial Statements, figures in this Preliminary Placement Document have been presented in million or in whole numbers where the numbers have been too small to present in million unless stated otherwise. Our Audited Consolidated Financial Statements and the Unaudited Consolidated Interim Condensed Financial Statements are prepared in lakhs and have been presented in this Preliminary Placement Document in lakhs for presentation purposes.

Summary of consolidated balance sheet derived from the Audited Consolidated Financial Statements

(₹ in Million)

Particulars		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
ASSETS				
(1)	**Non current Assets**			
	(a) Property, Plant and Equipment	60,795.47	61,488.51	52,939.31
	(b) Capital Work-In-Progress	15,340.93	8,960.39	5,025.07
	(c) Other Intangible Assets	19.30	24.93	25.24
	(d) Intangible Assets under development	1.85	2.16	0.03
	(e) Goodwill on consolidation	3,710.70	3,710.70	3,710.70
	(f) Financial Assets			
	(i) Investments	4,280.31	4,722.06	4,978.37
	(ii) Loans	121.03	121.03	63.04
	(iii) Other	1,226.23	1,060.04	943.27
	(g) Deferred Tax Asset (Net)	612.25	1,389.81	1,394.27
	(h) Other Non Current Assets	2,002.59	1,162.41	1,444.27
	Total Non-Current Assets	**88,110.66**	**82,642.04**	**70,523.57**
(2)	**Current Assets**			
	(a) Inventories	8,161.18	8,986.49	6,614.95
	(b) Financial Assets			
	(i) Investments	1,616.71	2,728.10	3,311.67
	(ii) Trade and other receivables	2,017.02	1,955.24	1,291.53
	(iii) Cash and cash equivalents	1,293.34	395.82	308.30
	(iv) Bank Balances other than above	113.69	1,523.88	97.85
	(v) Loans	97.13	212.06	316.40
	(vi) Other	1,057.24	816.78	807.04
	(c) Current Tax Assets (Net)	1,430.93	787.11	928.08
	(d) Other Current Assets	1,575.77	1,111.53	774.06
	Total Current Assets	**17,363.01**	**18,517.01**	**14,449.88**
	Total Assets	**105,473.67**	**101,159.05**	**84,973.45**
EQUITY AND LIABILITIES				
(1)	**Equity**			
	(a) Equity Share Capital	306.93	306.58	306.28
	(b) Other Equity	36,776.88	34,434.60	28,212.85
	Equity attributable to owners	**37,083.81**	**34,741.18**	**28,519.13**

Particulars		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	Non- Controlling Interest	12,787.91	12,233.02	4,661.04
	Total Equity	**49,871.72**	**46,974.20**	**33,180.17**
	LIABILITIES			
(2)	**Non-Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	34,052.80	34,319.41	31,971.92
	(ii) Trade payables	13.75	1.53	4.40
	(iii) Other financial liabilities	1,892.30	1,607.41	1,767.26
	(b) Provisions	101.70	78.06	534.82
	(c) Deferred Tax Liabilities (Net)	27.68	3.32	1.81
	(d) Other Non Current Liabilities	126.85	155.48	130.36
	Total Non-Current Liabilities	**36,215.08**	**36,165.21**	**34,410.57**
(3)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	7,022.30	5,490.95	2,537.19
	(ii) Trade payables	1,103.49	1,477.10	1,094.46
	(iii) Other financial liabilities	6,854.99	6,177.49	10,102.28
	(b) Other Current Liabilities	3,744.97	4,301.63	3,139.04
	(c) Provisions	659.17	551.88	508.45
	(d) Current Tax Liabilities (Net)	1.95	20.59	1.29
	Total Current Liabilities	**19,386.87**	**18,019.64**	**17,382.71**
	Total Liabilities	**55,601.95**	**54,184.85**	**51,793.28**
	Total Equity and Liabilities	**105,473.67**	**101,159.05**	**84,973.45**

Summary of consolidated statement of profit and loss derived from the Audited Consolidated Financial Statements

(₹ in Million)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from Operations	19,411.37	19,815.61	16,198.53
II	Other Income	585.01	851.34	556.23
III	**Total Income (I+II)**	**19,996.38**	**20,666.95**	**16,754.76**
IV	**EXPENSES**			
	Cost of Material Consumed	1,140.21	4,609.02	1,768.82
	Changes in Inventory	818.47	(2,420.07)	(449.78)
	Employee Benefits Expense	1,655.30	1,615.03	1,472.72
	Depreciation and Amortization Expense	2,076.22	2,042.32	1,982.82
	Finance Costs	3,478.17	3,505.79	3,476.07
	Other Expenses	6,125.94	6,080.23	5,630.14
	Total Expenses (IV)	**15,294.31**	**15,432.32**	**13,880.79**
V	**Profit / (Loss) Before Exceptional items and Tax (III-IV)**	4,702.07	5,234.63	2,873.97
VI	Exceptional Item	77.66	480.99	-
VII	**Profit Before Tax (V+VI)**	**4,779.73**	**5,715.62**	**2,873.97**
VIII	**Tax Expense:**			
	(a) Current Tax	421.89	1,091.12	687.22
	(b) Deferred Tax including MAT Credit entitlement	801.72	1.67	69.88
	(c) Tax Adjustments of earlier years	(2.70)	5.94	0.86
	Total	**1,220.91**	**1,098.73**	**757.96**
IX	**Profit After Tax (VII-VIII)**	**3,558.82**	**4,616.89**	**2,116.01**
X	Share of Profit from Associates	326.17	353.07	442.30
XI	**Profit for the year (IX+X)**	**3,884.99**	**4,969.96**	**2,558.31**
XII	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
	Remeasurement gain of the net defined benefit plans	5.96	(7.57)	1.68
	Gain/(Loss) on Equity Instruments at fair value through other comprehensive Income	(530.50)	(443.21)	1,089.36
	Realised Gain on Sales of Investment	-	621.81	174.17
	Associates Share in OCI	2.47	3.70	-
B	Income Tax relating to the Item that will not be reclassified to Profit & Loss A/c	0.84	(7.18)	0.17
XIII	**Total Other Comprehensive Income (XII(A) + XII(B))**	**(521.23)**	**167.55**	**1,265.38**
XIV	**Total Comprehensive Income for the year (XII+XIII)**	**3,363.76**	**5,137.51**	**3,823.69**
	Net Profit attributable to:			
	- Owners of the company	3,347.32	4,210.18	2,423.65
	- Non-controlling Interest	537.67	759.78	134.67
	Other comprehensive income attributable to:			
	- Owners of the company	(521.86)	168.96	1,264.86
	- Non-controlling Interest	0.63	(1.41)	0.52
	Total comprehensive income attributable to:			
	- Owners of the company	2,825.46	4,379.14	3,688.51
	- Non-controlling Interest	538.30	758.37	135.18
	Earning per equity shares (Face value ₹ 2 each)			

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	Basic	21.82	27.48	15.83
	Diluted	21.77	27.40	15.77

Summary of consolidated cash flow statement derived from the Audited Consolidated Financial Statements

(₹ in Million)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
A	**Cash flow from operating activities**			
	Net Profit before tax as per the Statement of Profit or Loss	4,779.73	5,715.62	2,873.97
	Adjustments for:			
	Depreciation	2,076.22	2,042.32	1,982.82
	(Profit)/Loss on Assets sold/discarded	58.96	77.45	64.47
	Balances in Debtors/Advances written of	13.16	0.76	0.69
	Allowance for Expected credit loss and Advances	96.29	26.83	46.72
	Reversal of premium on redemption of nonconvertible debentures (classified under exceptional item)	-	(480.99)	-
	Exceptional Item	(77.66)	-	-
	Interest Expenses	3,478.17	3,505.79	3,476.07
	Interest Income	(423.19)	(371.57)	(167.57)
	Dividend Income	(29.09)	(36.40)	(14.01)
	Profit on sale of Investments	(105.02)	(217.16)	(206.01)
	Net gain arising on financial assets measured at FVTPL	2.50	(97.59)	(121.96)
	Balances written back	(5.81)	(109.18)	(2.18)
	Operating Cash flow before working capital changes	**9,864.26**	**10,055.88**	**7,933.01**
	Adjustment for Working Capital changes:			
	Trade and other Receivables	(2,127.86)	(859.67)	(1,118.96)
	Inventories	825.31	(2,371.53)	2,840.01
	Trade and other Payables	318.04	(2,517.61)	5,695.72
	Cash generated from operations:	**8,879.75**	**4,307.07**	**15,349.78**
	Direct Taxes Refund / (Paid)	(1,081.65)	(804.33)	(207.75)
	Net cash generated from operating activities (A)	**7,798.10**	**3,502.74**	**15,142.03**
B	**Cash flows from investing activities**			
	Purchases of Property, Plant & Equipments	(7,803.28)	(14,645.44)	(15,014.92)
	Sale of Property, Plant & Equipments	1.94	39.34	1.56
	Inter Corporate Deposits & Loans (placed)/ refunded (Net)	32.73	104.36	49.32
	Deposit Placed with Bank other than considered in Cash and cash equivalents	1,410.19	(1,426.04)	-
	Purchase of Investments	-	(181.11)	(683.51)
	Sale of Investments	-	790.49	243.19
	Purchase of Mutual Funds	(9,134.37)	(12,953.47)	(16,883.42)
	Sale of Mutual Funds	10,839.43	13,851.79	13,911.68
	Interest received	592.97	441.87	113.37
	Dividend Received	29.09	36.40	14.01
	Net cash generated/(used) in Investing activities (B)	**(4,031.30)**	**(13,941.81)**	**(18,248.72)**
C	**Cash flow from financing activities:**			
	Proceeds from long term borrowings	9,221.30	4,204.54	16,355.66
	Repayment of long term borrowings	(9,874.53)	(1,857.05)	(16,006.77)
	Short term loans availed / (repaid)(Net)	1,531.35	2,953.76	60.80
	Interest paid	(3,256.01)	(3,329.26)	(3,516.35)
	Proceeds from non controlling shareholders	16.59	8,985.71	6,297.53
	Share application Money received	0.92	-	-
	Issue of Equity Share	45.71	49.07	24.71
	Dividend paid (including tax on Dividend)	(554.61)	(480.18)	(441.87)
	Net cash generated/(used) in Financing activities (C)	**(2,869.28)**	**10,526.59**	**2,773.71**
	NET INCREASE/(DECREASE) IN CASH AND	897.52	87.52	(332.98)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	CASH EQUIVALENTS [(A) + (B) + (C)]			
	Add: Cash and cash equivalents as at beginning of the year	395.82	308.30	641.28
	Cash and Cash Equivalents as at the end of the year	1,293.34	395.82	308.30

Summary of consolidated balance sheet derived from the Unaudited Consolidated Interim Condensed Financial Statements

(₹ in Million)

Particulars		As at June 30, 2020	As at March 31, 2020
ASSETS			
(1)	**Non current Assets**		
	(a) Property, Plant and Equipment	60,302.51	60,795.47
	(b) Capital Work-In-Progress	15,908.47	15,340.93
	(c) Other Intangible Assets	17.30	19.30
	(d) Intangible Assets under development	1.85	1.85
	(e) Goodwill on consolidation	3710.70	3,710.70
	(f) Financial Assets		
	(i) Investments	4,328.78	4,280.31
	(i) Loans	121.03	121.03
	(ii) Other	1,521.90	1,226.23
	(g) Deferred Tax Asset (Net)	642.27	612.25
	(h) Other Non Current Assets	2,051.52	2,002.59
	Total Non-Current Assets	**88,606.33**	**88,110.66**
(2)	**Current Assets**		
	(a) Inventories	8,181.04	8,161.18
	(b) Financial Assets		
	(i) Investments	817.16	1,616.71
	(ii) Trade and other receivables	2,654.32	2,017.02
	(iii) Cash and cash equivalents	2,197.65	1,293.34
	(iv) Bank Balances other than above	442.19	113.69
	(v) Loans	98.36	97.13
	(vi) Other	1,143.89	1,057.24
	(c) Current Tax Assets (Net)	1,155.73	1,430.93
	(d) Other Current Assets	1,474.89	1,575.77
	Total Current Assets	**18,165.23**	**17,363.01**
	Total Assets	**106,771.56**	**105,473.67**
EQUITY AND LIABILITIES			
(1)	**Equity**		
	(a) Equity Share Capital	306.93	306.93
	(b) Other Equity	36,419.51	36,776.88
	Equity attributable to owners	**36,726.44**	**37,083.81**
	Non- Controlling Interest	12,691.85	12,787.91
	Total Equity	**49,418.29**	**49,871.72**
	LIABILITIES		
(2)	**Non-Current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	33,268.31	34,052.80
	(ii) Trade payables	15.42	13.75
	(iii) Other financial liabilities	1,690.21	1,892.30
	(b) Provisions	109.22	101.70
	(c) Deferred Tax Liabilities (Net)	17.48	27.68
	(d) Other Non Current Liabilities	126.13	126.85
	Total Non-Current Liabilities	**35,226.77**	**36,215.08**
(3)	**Current Liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	8,308.40	7,022.30
	(ii) Trade payables	1,034.51	1,103.49
	(iii) Other financial liabilities	8,853.87	6,854.99
	(b) Other Current Liabilities	3,252.48	3,744.97
	(c) Provisions	670.83	659.17
	(d) Current Tax Liabilities (Net)	6.41	1.95
	Total Current Liabilities	**22,126.50**	**19,386.87**

Particulars		As at June 30, 2020	As at March 31, 2020
	Total Liabilities	**57,353.27**	**55,601.95**
	Total Equity and Liabilities	**106,771.56**	**105,473.67**

Summary of consolidated statement of profit and loss derived from the Unaudited Consolidated Interim Condensed Financial Statements

(₹ in Million)

	Particulars	For the quarter ended June 30, 2020	For the quarter ended June 30, 2019
I	Revenue from Operations	1,347.07	6,150.43
II	Other Income	131.29	153.76
III	**Total Income (I+II)**	**1,478.36**	**6,304.19**
IV	**EXPENSES**		
	Cost of Material Consumed	11.77	483.06
	Changes in Inventory	(19.86)	874.51
	Employee Benefits Expense	203.66	381.97
	Depreciation and Amortization Expense	502.43	507.02
	Finance Costs	869.34	871.24
	Other Expenses	448.74	1,483.46
	Total Expenses (IV)	**2,016.08**	**4,601.26**
V	**Profit / (Loss) Before Tax (III-IV)**	**(537.72)**	**1,702.93**
VI	**Tax Expense:**		
	(a) Current Tax	9.96	305.93
	(b) Deferred Tax including MAT Credit entitlement	(40.24)	(70.49)
	(c) Tax Adjustments of earlier years	(2.29)	(1.24)
	Total	**(32.57)**	**234.20**
VII	**Profit/(Loss) After Tax (V-VI)**	**(505.15)**	**1,468.73**
VIII	Share of Profit from Associates	(15.03)	68.43
IX	**Profit/(Loss) for the Period (VII+VIII)**	**(520.18)**	**1,537.16**
X	**Other Comprehensive Income**		
A	Items that will not be reclassified to profit or loss		
	Gain/(Loss) on Equity Instruments at fair value through other comprehensive Income	62.52	(227.18)
B	Income Tax relating to the Item that will not be reclassified to Profit & Loss A/c	-	-
XI	**Total Other Comprehensive Income (X(A) + X(B))**	62.52	(227.18)
XII	**Total Comprehensive Income for the period (IX+XI)**	**(457.66)**	**1,309.98**
	Net Profit attributable to:		
	- Owners of the company	(424.12)	1,303.84
	- Non-controlling Interest	(96.06)	233.32
	Other comprehensive income attributable to:		
	- Owners of the company	62.52	(227.18)
	- Non-controlling Interest	-	-
	Total comprehensive income attributable to:		
	- Owners of the company	(361.60)	1,076.66
	- Non-controlling Interest	(96.06)	233.32
	Earning per equity shares (Face value ₹ 2 each)		
	Basic	(2.76)	8.50
	Diluted	(2.76)	8.48

Summary of consolidated cash flow statement derived from the Unaudited Consolidated Interim Condensed Financial Statements

(₹ in Million)

	Particulars	For the quarter ended June 30, 2020	For the quarter ended June 30, 2019
A	**Cash flow from operating activities**		
	Net Profit before tax as per the Statement of Profit or Loss	**(537.72)**	**1,702.95**
	Adjustments for:		
	Depreciation	502.43	507.02
	(Profit)/Loss on Assets sold/discarded	0.06	13.36
	Allowance for Expected credit loss and Advances	10.84	10.77
	Interest Expenses	869.34	871.24
	Interest Income	(118.73)	(81.70)
	Profit on sale of Investments	-	(23.22)
	Net gain arising on financial assets measured at FVTPL	(7.44)	(20.07)
	Balances written back	-	(0.06)
	Operating Cash flow before working capital changes	**718.79**	**2,980.28**
	Adjustment for Working Capital changes:		
	Trade and other Receivables	(937.10)	(1,608.68)
	Inventories	(19.86)	881.98
	Trade and other Payables	(394.33)	(582.65)
	Cash generated from operations:	**(632.50)**	**1,670.93**
	Direct Taxes Refund / (Paid)	272.00	(292.78)
	Net cash generated from operating activities (A)	**(360.50)**	**1,378.15**
B	**Cash flows from investing activities**		
	Purchases of Property, Plant & Equipments	(604.89)	(1,582.07)
	Sale of Property, Plant & Equipments	-	0.82
	Inter Corporate Deposits & Loans (placed)/ refunded (Net)	-	124.39
	Deposit placed with Bank other than considered in Cash & Cash Equivalents	(328.50)	-
	Purchase of Investments	-	(1.40)
	Purchase of Mutual Funds	(1,599.94)	(1,526.77)
	Sale of Mutual Funds	2,405.26	2,539.80
	Interest received	105.88	129.69
	Net cash generated/(used) in Investing activities (B)	**(22.20)**	**(315.53)**
C	**Cash flow from financing activities:**		
	Proceeds from long term borrowings	-	1,058.39
	Repayment of long term borrowings	-	(2,759.22)
	Short term loans availed / (repaid)(Net)	1,286.10	1,381.94
	Interest paid	-	(791.43)
	Issue of Equity Share	0.91	15.54
	Net cash generated/(used) in Financing activities (C)	**1,287.01**	**(1,094.78)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**904.31**	**(32.16)**
	Add: Cash and cash equivalents as at beginning of the period	1,293.34	395.82
	Cash and Cash Equivalents as at the end of the period	**2,197.65**	**363.66**

EBITDA calculation and Definition

(₹ in Million)

Particulars	For the quarter ended June 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
EBITDA				
Profit Before Tax and Exceptional Item	(537.72)	4,702.07	5,234.63	2,873.97
Add / (Less):				
Finance Costs	869.34	3,478.17	3,505.79	3,476.07
Depreciation and Amortization (including Goodwill)	502.43	2,076.22	2,042.32	1,982.82
Other Income	(131.29)	(585.01)	(851.34)	(556.23)
Total	**702.76**	**9,671.45**	**9,931.40**	**7,776.63**

Notes:

1 EBITDA is calculated after considering impact of tax, depreciation and amortization (including goodwill), finance costs, other income on profit/(loss) before tax and exceptional items.

2 EBITDA is a non-GAAP financial measure. The table above sets forth a reconciliation of EBITDA to our Profit before tax calculated in accordance with Ind AS. The use and calculation of EBITDA may vary from similarly titled measures used by other companies in the real estate development industry. EBITDA should not be considered as an alternative to net income, income before income taxes or net cash flows provided by operating activities or any other performance measure determined in accordance with Ind AS. EBITDA has important limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under Ind AS. Some of the limitations with EBITDA are listed below:

- does not reflect cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, working capital needs;
- does not reflect certain tax payments that may represent reductions in cash available;
- does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future; and
- does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on indebtedness.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with Ind AS. We compensate for these limitations by relying primarily on our Ind AS results. You are cautioned not to place undue reliance on EBITDA.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) the quarter ended June 30, 2020, (ii) Fiscal 2020; (iii) Fiscal 2019; and (iv) Fiscal 2018, as per the requirements under Ind AS 24, as notified under Section 133 of the Companies Act, read with Ind AS Rules, as amended, please see the section entitled "*Financial Information – Unaudited limited reviewed consolidated interim condensed financial statements of our Company as at and for the quarter ended June 30, 2020 – Note 35*", "*Financial Information – Audited consolidated financial statements for Fiscal 2020 – Note 40*", "*Financial Information – Audited consolidated financial statements for Fiscal 2019 – Note 40*" and "*Financial Information – Audited consolidated financial statements for Fiscal 2018 – Note 40*" on pages 286, 341, 418 and 481, respectively.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all the information set forth in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. To obtain a complete understanding, you should read this section in conjunction with the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", as well as the other financial and statistical information contained in this Preliminary Placement Document. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. These risks and additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business, prospects, financial condition, cash flows and results of operations, the trading price of, and the value of your investment in our Equity Shares could decline or fall significantly and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of the Company and the terms of this Issue, including the merits and risks involved.

This Preliminary Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results of operations could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Preliminary Placement Document.

Unless otherwise stated, the financial information used in this section is derived from our Audited Consolidated Financial Statements and our Unaudited Consolidated Interim Condensed Financial Statements; please refer to section entitled "Financial Information" on page 253.

Internal Risks

The COVID-19 pandemic adversely affects our business, financial condition, results of operations, cash flows, liquidity and performance, and it may reduce the demand for real estate in future.

Since the end of 2019, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have reacted by taking measures, including in markets where our developments are located, such as closing malls, offices, hotels, shops, restaurants and F&B outlets, prohibiting people from assembling, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting various types of businesses that may continue to operate, among others. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown from March 25, 2020 onwards. The lockdown remains in force in several cities, with limited relaxations being granted such as opening of malls, offices, hotels and shops in other cities. Factors related to the COVID-19 pandemic that have had, or could have, an adverse effect on our financial condition, results of operations and cash flows, include:

- a complete or partial closure of, or other operational issues at, one or more of our developments, including retail malls, commercial office and hospitality projects, resulting from government or tenant action or otherwise; while operations at seven out of our nine retail malls were suspended due to the government directives, we have been able to resume operations at majority of our retail malls with certain restrictions;

- tenants' inability to pay rent on their leases, in part or full, or our inability to re-lease space that is or becomes vacant, which inability, if material, could cause our results of operations and cash flows to be adversely affected and we be unable to meet our obligations to lenders, which could cause us to lose title to the properties securing such financing, trigger cross-default provisions, or could cause us to be unable to meet covenants in our financing agreements;

- requests from tenants/licensees to seek termination of or modifications of their obligations under the lease/leave and license agreements, including rent concessions, deferrals or abatements; we have provided waivers and moratoriums on minimum guarantee rentals to certain of our retail tenants and licensees from the month of April 2020 until re-opening of the respective malls. We have also received termination notices from some of our tenants;

- a decrease in sales and revenue of our retail tenants/licensees could result in decrease in rentals receivable by us from such tenants/licensees, as a result of the waivers provided by us on the minimum guarantee rentals as well as our revenue share business model, wherein our revenues are proportional to the sales and revenues of our retail tenants/licensees;

- tenants'/licensee's inability, due to deterioration in their financial health or any other reason whatsoever, to pay their agreed rentals/license fee, including the reduced minimum guarantee rentals;

- slowdown in getting lease commitments for new or vacated spaces at our properties due to economic slowdown and cost pressure faced by corporations globally, could affect the financial returns of our assets;

- our inability to restructure or amend leases with certain of our tenants/licensees on terms acceptable to us, or at all;

- changes in the consumer demand and shopping patterns resulting in increased online shopping and lower footfalls in our retail developments;

- adaptions made by businesses in response to "stay-at-home" orders and future limitations on in-person work environments or recalibration of space requirement could lead to a sustained shift away from collective in-person work environments and adversely affect the overall demand for office space and footfalls across our portfolio over the long term;

- the impact of prolonged restrictions on freedom of movement and business operations, such as travel bans, business closures and "stay-at-home" orders have had, and are expected to continue to have, an adverse effect on our hotels and F&B outlets, which negatively affects our revenues and may also result in a decrease in demand for hotel stays even after the travel bans and other restrictions are lifted; our hotel in Agra was temporarily shut from April 1, 2020 and has resumed operations from August 8, 2020 and we continue to operate The St. Regis, Mumbai at a limited capacity, which could adversely affect our results of operations and financial condition;

- an increase in operational costs as a result of additional measures that we have and will continue to undertake at our retail mall and commercial office projects for the health and safety of our tenants and visitors to our properties;

- COVID-19 has caused a material decline in general business activity and demand for real estate transactions, and if this persists, it could adversely affect our ability to execute sales of units in our residential developments;

- the extent of construction delays on our under-construction properties due to delay in approvals being granted, work-stoppage orders, disruptions in the supply of materials, shortage of labour, delays in inspections, or other factors could result in our failure to meet the development milestones set forth in any applicable lease agreement, if any, delay the completion of construction and our anticipated lease-up plans for a development or our overall development pipeline, including recognizing revenue for new leases, that may increase the costs of construction of projects, any of which could adversely affect our investment returns, profitability or our future growth;

- our inability to access debt and equity capital on acceptable terms, or at all;

- our inability to comply with the covenants in our financing agreements could result in events of default and the acceleration of indebtedness, which could negatively impact our financial condition, results of operations and our ability to obtain additional borrowings; we have availed moratorium for a period of six months i.e. the months of March to August 2020 with respect to our financial commitments to maintain sufficient liquidity;

- increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware and impersonation tactics, resulting from the increase in numbers of individuals working from home;

- our inability to seek protection under our existing insurance coverage for liabilities and expenses that may arise due to the effect of COVID-19 on our business and operations;

- the efforts by local, state, central and industry groups to enact laws and regulations may restrict the ability of landlords, such as us, to collect rent, enforce remedies for the failure to pay rent, or otherwise enforce the terms of the lease agreements, such as a rent freeze for tenants/licensees or a suspension of a landlord's ability to enforce evictions; and

- the potential negative effect on the health of our personnel, particularly if a significant number of them are, or if any key managerial employee is, afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

The COVID-19 pandemic has adversely affected our business and results of operations for the quarter ended June 30, 2020; please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting Our Results of Operations — The COVID-19 Pandemic*", "*Financial Information*" and "*Our Business – Recent Developments*" on pages 84, 253 and 163, respectively.

We are closely monitoring the impact of the COVID-19 pandemic on our developments, trade receivables and other current assets. In preparation of our Unaudited Consolidated Interim Condensed Financial Statements, we have assessed the impact and future uncertainties resulting from the COVID-19 pandemic and based on our assumptions and current estimates, we expect the carrying amount of our assets as reflected in the balance sheet as at June 30, 2020 to be recovered. The ultimate effect of the COVID-19 pandemic on the business and operations may, however, differ from that assessed by us due to the evolving nature of the pandemic and its response by various government authorities and, therefore, we will continue to monitor developments to identify significant uncertainties in future periods that may have an effect on our business and operations.

Further, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "*Risk Factors*" section.

Low occupancy levels of our licensed/leased retail mall and commercial office space may adversely affect our revenues, results of operations and financial condition.

A substantial portion of our income is derived from the leave and license/lease of our retail mall and commercial office Completed Projects. The amount that we receive in license fee/rental income is based upon the amount of space we have licensed/leased, the minimum guaranteed amount we charge for that licensed/leased space (in case of retail mall space) and our share of revenues from the licensees/tenants to whom we have licensed/leased such space. The occupancy, revenue share and minimum guaranteed amount depend on various factors including the location and design of the project, the retail tenant mix (in case of retail mall space), prevailing economic conditions and competition. Minimum guarantee rentals and revenue share from our retail tenants was materially affected during the quarter ended June 30, 2020, and may get affected in the future, due to the closure of our retail projects as a result of the COVID-19 pandemic. Our inability to maintain and attract tenants to license/lease our retail mall and commercial office Completed Projects may have an adverse effect on our revenues, results of operations and financial condition.

Our inability to sell our residential Completed and Ongoing Projects at expected prices could adversely affect our future revenues and profitability.

We have four Completed Projects and one Ongoing Project in Mumbai, Chennai and Bengaluru in our residential portfolio. For further details regarding our projects, please refer to the section entitled "*Our Business*" on page 155. Consequently, our business, financial condition and results of operations have been and will continue to be heavily dependent upon the performance and prevailing conditions affecting the real estate markets in the cities in which we have residential projects. Factors affecting the real estate market in India generally may be beyond our control, including prevailing local and economic conditions, changes in the supply and demand for properties comparable to those we develop, changes in the applicable governmental regulations, demographic trends, employment and income levels, interest rates and outbreak of the COVID-19 pandemic, among others. These factors may contribute to fluctuations in real estate prices and could also adversely affect the demand for and valuation of our residential projects. Any such risk may be further exacerbated by the illiquid nature of many real estate assets. Our inability to sell our residential Completed and Ongoing Projects in the future at expected prices may adversely affect our future revenues and earnings.

Our Ongoing and Planned Projects are exposed to a number of risks and uncertainties which may adversely affect our business, financial condition and results of operations.

As of June 30, 2020, we have approximately 10.67 million square feet of Gross Leasable Area of Ongoing and Planned Projects, including ongoing and planned expansions. In addition, we have certain future development area. The development of these projects involves various risks including regulatory risks, financing risks and the risk that these projects may ultimately prove to be unprofitable. These projects may pose significant challenges to our management, administrative, financial and operational resources. We cannot assure you that we will succeed in any of these projects or that we will recover our investments. Any delay or failure in the development, financing or operation of any of our Ongoing and Planned Projects, including ongoing and planned expansions, as well as future development area or increase in their costs of development may adversely affect our business, financial condition and results of operations. Risks related to the development of these projects include:

- the contractors hired to complete the projects may not be able to complete the construction of the project on time, within budget or to the required specifications and standards;

- delays in completion and commercial operation could increase the financing and other costs associated with the construction and cause our forecasted budget to be exceeded;

- we may be unable to obtain adequate capital or other financing at competitive rates to complete construction of and commence operations of these projects;

- our lack of knowledge and experience regarding the development of, and regulations applicable to, projects undertaken in new geographic areas;

- change in local development regulations;

- we may be unable to recover the amounts already invested in these projects if the assumptions contained in the feasibility studies for these projects do not materialize; and

- we may be unable to obtain necessary approvals and consents, including, without limitation, planning permissions and/or regulatory permits, required in order to commence or complete construction and development of our project. For example, construction approvals relating to certain of our Ongoing Projects may be available to the extent of ongoing construction only, but may not be currently available for completing the entire construction of the Ongoing Project, for which further construction approvals may be required to be obtained by us from relevant statutory authorities in line with the progress in construction.

In addition, our Ongoing Projects and Planned Projects, including ongoing and planned expansions, as well as our future development area may undergo changes during the planning, launch, construction and completion phases which may result in actual Saleable and/or Gross Leasable Areas at such projects being lower than projected. Such changes may result from planning changes, construction requirements and/or other matters outside of our control. In addition, in relation to our Planned Projects, our current architectural plans are subject to statutory approvals and hence may need to be amended prior to commencement of construction to be in accordance with the construction approvals obtained by us from relevant statutory authorities. Any reduction in actual Saleable and/or Gross Leasable Area at our Ongoing and Planned Projects, including ongoing and planned expansions, as well as our future development area, may affect their commercial viability, which may have an adverse effect on our business, financial condition and results of operations. Please refer to "—*If our estimated Gross Leasable and Saleable Area data for our Completed, Ongoing and Planned Projects proves to be greater than our actual Gross Leasable and Saleable Area for such projects, our results may fail to meet expectations and our business and results of operations may be adversely affected*" on page 59.

While contractors for such projects typically provide certain customary guarantees and indemnities as to timely completion and cost overruns in the relevant construction contracts, these guarantees and indemnities may not cover the entire amount of any cost overruns and we and/or our project-specific companies may not be able to recover any or all amounts under such guarantees and indemnities. In addition, any delays in completing our projects as scheduled could result in dissatisfaction among our customers, resulting in negative publicity and reduced confidence for our projects. Additionally, we may not achieve the economic benefits expected of such projects. In the event there are any delays in the completion of such projects, our relevant approvals and leases may be terminated. In addition, while we take out insurance policies to cover natural disaster risks and other insurable risks, we cannot assure you that any cost overruns or additional liabilities would be adequately covered by such insurance policies. As a result, we cannot assure you that our Ongoing or Planned Projects, including ongoing and planned expansions, will be completed in a timely manner, within budget or at all.

We cannot assure you that we will be able to complete all our Ongoing or Planned Projects, including ongoing and planned expansions, within the stipulated budget and time schedule. Further, there may be a lag between the time we acquire land and the time we construct and develop a project and sell or lease our inventories. The actual timing of the completion of a project may be different from its forecasted schedule. Given that the property market is relatively illiquid, there may be high transaction costs as well as little or insufficient demand for properties at the expected lease income or sale price, which may limit our ability to respond promptly to market events, such as changes in the prices of the raw materials we utilize in our projects. The risk of owning undeveloped land and unsold inventories can be substantial and the market value of the same can fluctuate significantly as a result of changing economic and market conditions.

Our projects and revenues are geographically concentrated in the States of Maharashtra, Karnataka, Tamil Nadu and Uttar Pradesh, Gujarat and Madhya Pradesh. Consequently, we are exposed to certain risks emanating from these states which we may not be able to successfully manage and in turn may have an adverse effect on our revenues, profits and financial condition.

Our projects and revenues are geographically concentrated in the State of Maharashtra, with projects also in other northern, western, southern and central states including the States of Karnataka, Tamil Nadu, Uttar Pradesh, Gujarat and Madhya Pradesh. Our business is therefore significantly dependent on the general economic condition and activity in the states in which we operate, in particular the State of Maharashtra, and Central, State and local government policies relating to real estate projects. Although investment in the real estate sector in the geographic areas in which we operate has been encouraged, we cannot assure you that this will continue. Should there be a regional slowdown in construction activity or economic activity, including as a result of COVID-19, in these areas or states or any developments that make construction and real estate projects economically less beneficial, the growth of our business, our financial condition and results of operations in the future could suffer.

Risk of lower footfalls in our retail malls may adversely affect our revenues, business and results of operations.

The success of our business is highly dependent on the number and profile of customers that visit our retail malls. Various factors may affect customer profile and footfalls in our existing retail malls and any new retails malls we acquire or develop, including location and floor layout, prevailing local and economic conditions in the states in which we operate and changes in consumer demand and shopping patterns, due to factors including the outbreak of COVID-19, resulting in increased online shopping. Some of these factors affecting customer profile and footfalls are beyond our control and therefore we cannot assure you that we will be able to maintain and attract the desired numbers of, or profile of customer footfalls in all our retail malls, which may in turn adversely affect our revenues, business and results of operations.

In addition, we believe that to successfully operate our retail developments, we need to have the ability to forecast demand, as well as enter into operating and branding relationships with popular retail tenants. Further, we believe that in order to draw consumers away from traditional shopping environments, such as small local retail stores or markets, as well as from competing malls, we need to create demand for our retail properties where consumers can take advantage of a variety of consumer and retail options and amenities, such as large department stores, designer stores, comprehensive entertainment facilities (including multiplexes), restaurants, bars, air conditioning and ample parking. Further, to help ensure the success of our retail properties, we must secure suitable retail tenants that play a key role in generating consumer traffic. A decline in consumer and retail spending or a decrease in the popularity of the retail tenants' business could cause retail tenants to cease operations or experience significant financial difficulties that could harm our ability to continue to attract successful retail tenants and visitors to our retail developments, which would adversely affect our business, results of operations and financial condition.

Our inability to find new retail mall or commercial office tenants or renew leases for our retail and commercial office properties, may adversely affect our results of operations, financial condition and the value of our real estate.

We own and lease retail mall and commercial office properties. General economic conditions and other factors may affect the financial stability and business prospects of our current and prospective retail and commercial tenants, especially in the recent time due to the outbreak of the COVID-19 pandemic. In the event of a default or termination of a lease by a retail or commercial tenant prior to its expiry, we would suffer a rental shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. Further, we also face competition from other owners or developers of retail and commercial office properties who may be able to offer more competitive lease terms to our existing or potential retail or commercial tenants, which may reduce the likelihood of finding new retail or commercial tenants for our properties or renewing our existing lease agreements on terms favourable to us or at all. If we are unable to find new retail and/or commercial tenants or renew our retail and commercial leases promptly, or if the rentals upon such renewals or re-leasing are lower than our expected value or reserves, our results of operations, financial condition and the value of our real estate could be adversely affected.

Certain of our Subsidiaries and Associates may not be in compliance with specific obligations under their financing agreements, each of which has the potential to trigger cross defaults under other financing agreements that the relevant Subsidiary or Associate and, in certain cases, our other Subsidiaries have entered into. Our Subsidiaries and Associates may not be able to meet their obligations to their lenders if any such defaults lead to acceleration of repayment obligations or termination of one or more of our Subsidiaries' or Associates' financing agreements, which may adversely affect our cash flows, business, results of operations and financial condition.

Certain of our Subsidiaries and Associates may not be in compliance with specific financial and other covenants, which constitute events of default under the respective financing agreement of the relevant Subsidiary or Associate and can also, with the operation of the relevant agreements, trigger cross default provisions under certain other financing agreements that such Subsidiary or Associate and, in certain cases, our other Subsidiaries have entered into. In the event of such non-compliance, we cannot assure you that the lenders to our borrower Subsidiaries and Associates, or any of our Company's, our Subsidiaries' or Associates' other lenders (if applicable), will not seek to terminate their financing agreements with our Company or our Subsidiaries or Associates, accelerate our Company's or our Subsidiaries' or Associates' obligations under such financing agreements or seek to invoke or enforce their security interest in respect of the borrowings made under such financing agreements.

We cannot assure you that our Company, or our Subsidiaries or Associates, will be in compliance with our or their obligations under such financing agreements, including with respect to maintenance of certain financial ratios. In the event that our Company, or our Subsidiaries or Associates, are unable to remedy defaults or obtain necessary waivers for any future non-compliances, in time or at all, one or more of our Company's or our Subsidiaries' or Associates' lenders may have the ability to terminate their financing agreements, accelerate our Company's or our Subsidiaries' or Associates' obligations under the financing agreements or seek to invoke or enforce their security interest in respect of such borrowings. Moreover, acceleration of loans by one or more lenders may trigger cross acceleration and cross default provisions in other financing agreements which may result in our Subsidiaries being required to repay their outstanding indebtedness. Our Company or our Subsidiaries or Associates may not be able to meet their obligations to their lenders if such lenders accelerate the loans, which may adversely affect our cash flows, business, financial condition and results of operations.

The effect of the COVID-19 pandemic on our future results of operations, cash flows and financial condition could further adversely affect our compliance with the covenants in our financing agreements and could result in subsequent events of default and the acceleration of indebtedness, which could negatively affect our financial condition, results of operations and our ability to obtain additional borrowings. We have availed moratorium for a period of six months, i.e., the months of March to August 2020 with respect to our financial commitments to maintain sufficient liquidity.

There are outstanding legal proceedings involving our Company, Subsidiaries, Associates, Directors and Promoter, which if decided against us may adversely affect our business, financial condition and results of operations.

There are certain outstanding proceedings involving our Company, Subsidiaries, Associates, Directors and Promoter. For further details, please refer to the section entitled "*Legal Proceedings*" on page 242.

We cannot assure you that these proceedings will be decided in favor of our Company, Subsidiaries, Associates, Directors or our Promoter involved therein. Further, we cannot assure you that the provisions we have made for such proceedings and other litigation will be sufficient. Such proceedings and litigation could divert management time and attention and consume financial resources in their defense or prosecution. In addition, should any new developments arise such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. An adverse outcome in such proceedings could have an adverse effect on the ability of our Directors or our Promoter, who are involved in the above proceedings, to serve our Company, and may also have an adverse effect on our reputation, business, prospects, financial condition and results of operations.

Risks relating to title to the properties owned by us or our project-specific companies may adversely affect our business, financial condition and results of operations.

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. While we conduct due diligence and assessment exercises prior to acquiring land and undertaking a project, including seeking title reports , issuance of public notices and conducting searches at local land registry offices, we may be unable to assess or identify all of the risks and liabilities associated with the land, such as faulty or disputed title and there can be no assurance that our title to such properties is absolute and will not be subject to challenge or adverse or conflicting claims. In this regard, a portion of the existing land which we or our project-specific companies own may have irregularities of title, including due to non-publication of public notices at the time of, or prior to, the acquisition of such land, which irregularities may invite claims in the nature of encumbrances or disputed title. In relation to the Issue, we have undertaken fresh title searches/obtained supplements to existing title search reports in relation to our properties. However, no public notices were issued in relation to these title searches. While publication of public notice is not a statutory requirement or conclusive proof of title, such public notices support the contention that we are purchasers for value without notice of any claim and help in the discovery of claims or interests which are not known or disclosed by the vendor of the relevant land. Failure to publish such public notices may lead to adverse claims of title to the properties on which our projects are situated that could result in litigation, which could adversely affect our business, financial condition and results of operations.

The uncertainty of title to land makes the acquisition and development process more complicated and may impede the transfer of title and expose us to legal disputes. Legal disputes in respect of land title can last for several years and require considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the owners of the land on which a project is to be developed are unable to resolve such disputes with claimants, we and our project-specific companies may lose the interests in the land. The failure to obtain good title to a particular plot of land may prejudice the success of a development for which that plot is a critical part which, could adversely affect our business, financial condition and results of operations.

We are unable to obtain title insurance guaranteeing title or land development rights.

Title insurance is not commercially available in India to guarantee title or development rights in respect of land. The absence of title insurance, coupled with difficulties in verifying title to land, may increase our exposure to third parties claiming title to the property. This could result in our sale of the property or even in a loss of our title to the property, thereby affecting valuations of the property, or otherwise materially prejudicing the development of the property. This could in turn have an adverse effect on our business, financial condition or results of operations.

We have entered into, and may in the future enter into, certain related party transactions. We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties or that we will be able to recover the amounts due from related parties.

We have entered into transactions with affiliates or related parties, including our Promoter and companies forming part of our Promoter Group. These transactions include rent and other recoveries, interest received, remuneration paid to our key managerial personnel, administration and other expenses, and loans and advances, among others. Please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Related Party Transactions*" on page 110. We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties or that we will be able to recover the amounts due from related parties.

If our project-specific companies fail to perform as expected, our financial condition may be adversely affected.

All of our projects except for High Street Phoenix and Palladium (incorporating our Phoenix House commercial office project and our Phoenix Towers residential project) are operated through project-specific companies which are either our Subsidiaries or our Associates. For further details, please refer to the section entitled "*Our Business*" on page 155. As a result, although we generate revenues from our High Street Phoenix and Palladium projects, our financial condition may be adversely affected in the event of inadequate performance of our project-specific companies or if losses are incurred by them.

Our Subsidiaries, Pallazzio Hotels & Leisure Limited and Palladium Constructions Private Limited have entered into agreements with the hotel operator for the operation of the hotels owned by such companies. If such hotel operator decides to terminate or not renew its agreements with our Subsidiaries, our business, financial condition and results of operations may be adversely affected.

Our two completed hotels are operated by Marriott Hotels India Private Limited and its affiliates (collectively, "**Marriott**"). Our Subsidiaries, Pallazzio Hotels & Leisure Limited and Palladium Constructions Private Limited have entered into hotel operating agreements and other related agreements with Marriot for the operation of our St. Regis hotel, Mumbai and our Courtyard by Marriott hotel in Agra. Pursuant to the agreements which we have entered into in relation to these hotels, we are required to comply with certain terms, including maintaining all applicable licenses and approvals, providing prior notice to the operator in case of sale of hotel and maintaining good and marketable title in the freehold property and hotel building, free and clear of any and all liens, encumbrances, or other charges (except as already provided in such agreements). We cannot assure you that we will be able to fully comply with all the terms of such agreements. In the event that any agreement for our hotels is terminated due to our non-compliance with its terms or for any other reason, we may be subject to certain damages and may be unable to replace the operator within a reasonable time or may be required to operate the hotel on our own. We are therefore subject to risks associated with the operating arrangements with Marriott for these two hotels. We may be unable to generate profit from the relevant hotel or the hotel operator may decide to terminate or not renew such agreements. In the event an agreement is terminated prior to its tenure, or if it is not renewed, for any reason whatsoever, our business, financial condition and results of operations may be adversely affected.

If our equity partners and investors in our project-specific companies take certain actions or terminate any agreements entered into with us in connection with such project-specific companies, our business and results of operations may be adversely affected.

Some of our projects are operated by project-specific companies that are not our wholly-owned subsidiaries. We have entered into shareholder and investment agreements with a number of different equity partners, including CPPIB, and/or investors who provide financial resources in connection with the development of our projects but who are generally not involved in the management or development of any such project. Although shareholders' agreements, if any, or other agreements may legally obligate our equity partners and investors to cooperate with us, we cannot assure you that they will comply with the terms of such agreements or that they will not take affirmative actions that may affect the relevant project-specific company, including in relation to, for example, shareholder decision making. In addition, termination of such agreements, pursuant to the terms of such agreements, due to reasons including non-compliance with the applicable conditions and breach of the representation and warranties, could adversely affect our business, financial condition and results of operations.

Further, in certain circumstances, we may only own a minority interest in our Associates that are developing and/or operating our projects and over which our equity partners and other investors may be able to exercise corporate control. Any such control may limit our flexibility to make decisions relating to these project-specific companies, which may adversely affect our business, financial condition and results of operations.

We face certain risks relating to our reliance on several contractors and third parties in developing our Ongoing and Planned Projects that may adversely affect our reputation, business, financial condition and results of operations.

Our Ongoing and Planned Projects, including ongoing and planned expansions, require the services of contractors and other parties, including architects, engineers and suppliers of labour and materials. The timing and quality of the construction of the projects we develop depends on the availability and skill of these parties, as well as contingencies affecting them, including labour and raw material shortages and industrial action such as strikes and lockouts. We cannot assure you that contractors or other skilled third parties will continue to be available at reasonable costs or at all. As a result, we may be required to make additional investments to ensure the adequate performance and delivery of contracted services and any delay in project execution could adversely affect our business and financial condition. Moreover, as we do not exercise control over our contractors, we face the risk that they may not perform their obligations as agreed and within the quality stipulations we provide, and as a result we may incur additional costs or even liabilities or claims from third parties. Additionally, certain of our contracts provide or may provide that we compensate our contractors for increases in prices of raw materials. Moreover, under the laws of the jurisdictions in which we operate, we may be required to make monetary contributions to state authorities and obtain registration in connection with the use of contract labour. In addition, as we expand geographically, we will be required to use contractors with whom we are not familiar, which may increase the risk of cost overruns, construction defects and failures to meet scheduled completion dates. If our contractors or third parties do not complete their obligations in a timely and satisfactory manner, our costs could increase and our reputation, business, financial condition and results of operations could be adversely affected.

Our failure to obtain various approvals, licences or permits in a timely manner, or at all and failure to comply with the terms of any of these approvals, licences or permits or applicable laws could adversely affect our business, financial condition, results of operations and prospects.

Each of our projects are subject to extensive regulatory requirements, which vary widely in each state where we operate. We are required to obtain various approvals, licences or permits necessary to launch new projects or to operate our business, which can be time consuming and expensive and our inability to obtain these in a timely and cost effective manner, or at all could materially and adversely affect our business, financial condition, results of operations and prospects. Furthermore, our government approvals, licences or permits may be subject to numerous conditions, some of which are onerous and may require us to undertake substantial expenditure. Breach or non-compliance (including being held to be in non-compliance) with any of the terms and conditions under any of these approvals, licences or permits or any applicable laws or regulations (including those under which we obtained these approvals, licences or permits), or an allegation by an authority that we have not complied with the same may result in their suspension, withdrawal or termination, expose us to regulatory proceedings as also the imposition of penalties. Additionally, we would need to apply for certain approvals, including renewal of approvals that may expire from time to time, as and when required in the ordinary course of our business.

Certain of our approvals, licences or permits required for our business or operations have expired and we have sought, or are in the processing of applying for, renewal of such approvals, licences and permits. We cannot assure you that we will be able to apply for such approvals, licences or permits in the future in a timely manner, or at all, or that we would receive such approvals, licences or permits or any renewals thereof, in a timely manner, or at all. Further, the approvals, licences or permits may be renewed with conditions which may not be acceptable to us, or which may prejudicially affect our operations. Any suspension, withdrawal, termination or refusal to grant or extend our business approvals, licences or permits could prevent us from launching new products or require us to cease production of all or some of our existing products, which could adversely affect our business, financial condition, results of operations and prospects.

We have significant financing requirements and if we are unable to meet our financing requirements, our growth, business,

financial condition and results of operations may be adversely affected.

Our operations and growth strategy require access to significant amounts of capital on acceptable terms for the success of our strategy of developing or acquiring, as the case may be, among others, a large portfolio of mixed-used projects, other standalone malls, commercial office and residential projects. We cannot assure you that market conditions and other factors will permit us to secure future debt or equity on terms acceptable to us or at all.

Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, investor confidence, our results of operations and cash flows, the amount and terms of our existing indebtedness, our credit ratings, the continued success of our operational developments and Ongoing Projects and laws that are conducive to raising debt and equity. The actual amount, timing and nature of our future capital requirements, is determined by the nature of the projects we undertake as well as our implementation strategy, planned capital investments and customer advances received, among others. These may also differ from our estimates as a result of, among other things, unforeseen delays or cost overruns in developing our projects, changes in business plans due to prevailing economic conditions including our product mix and development timelines, unanticipated expenses, regulatory changes, and engineering design changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. There may be limited availability of financing for real estate projects due to volatile financial market conditions and restrictive regulations. At times, our attempts to obtain future financings may be unsuccessful, or result in obtaining financing on unfavorable terms. Failure to obtain financing on terms favorable to us or at all could have an adverse effect on our growth, business, financial condition and results of operations. Please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Condition, Liquidity and Capital Resources*" on page 104.

Further, our ability to meet our financing requirements is also affected by changes in interest rates in India. Lower interest rates may assist us in procuring borrowings at attractive terms for the purchase of land or development of our projects. Rising interest rates could discourage our customers from borrowing to finance real estate purchases as well as companies, such as us, from incurring indebtedness to purchase land or develop projects.

In addition, adverse changes in the global and Indian financial markets may significantly diminish the availability of credit and lead to an increase in the cost of financing. The international and domestic financial markets may exert downward pressure on the availability of liquidity and credit capacity. We may need liquidity for future growth and development of our business and may have difficulty accessing the financial markets, which could make it more difficult or expensive to obtain financing in the future. Without sufficient liquidity, we may not be able to continue the development of our Ongoing Projects, commence construction of our Planned Projects or purchase additional land or develop new projects, which would adversely affect our results of operations.

Additionally, stricter provisioning and risk weightage norms imposed by the RBI in relation to real estate loans by banks and financial institutions could reduce the attractiveness of property or developer financing and the RBI or the government may take further measures designed to reduce or have the effect of reducing credit to the real estate sector. In the event of any change in fiscal, monetary or other policy of the government and a consequent withdrawal of income tax benefits, our business, financial condition and results of operations may be adversely affected.

Our inability to obtain funding on acceptable terms, or at all, could affect our ability to develop our Ongoing and Planned Projects, including ongoing and planned expansions, and would have an adverse effect on our growth, business, financial condition and results of operations.

Our audit and limited review report includes certain matter of emphasis paragraphs with respect to our Company and certain of our Subsidiaries.

For the financial year 2020 and the quarter ended June 30, 2020, our Auditors have included certain matters of emphasis in their reports; please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Matters of Emphasis in Auditor's Reports*" and "*Financial Information*" on pages 108 and 253, respectively.

We cannot assure you that our Auditors reports for any future periods will not contain qualifications, remarks, comments or emphasis of matter or that such qualifications, remarks, comments or emphasis of matter will not require any adjustment in our financial statements for such future periods or otherwise affect our results of operations in such future periods.

We are subject to restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets.

There are certain restrictive covenants in the financing agreements that our Company, our Subsidiaries and Associates have entered into with banks and financial institutions for borrowings, including, but not limited to, requirements that our Company, our Subsidiaries and Associates (as applicable) obtain consent from the lenders prior to:

- effecting any change in the nature or scope of its business;
- effecting any change in capital structure (including shareholding pattern);
- undertaking any corporate restructuring, reorganization or recapitalization, including, but not limited to, mergers,

- demergers, buy-back, capital reduction and liquidation;

- acquiring assets, shares, debentures or partnership or similar interests;

- making certain payments (including payment of management fees, interest on unsecured loans, deposits, advances and guarantees);

- creation of or disposing off interest in secured properties;

- incurrence of other indebtedness;

- entering into any expansion or joint ventures;

- removal of any person exercising substantial powers of management over the affairs of or effecting any change in the management control of our Company, Subsidiaries or Associates;

- declaring dividend (interim or final);

- amending the constitutional documents;

- undertaking new projects or making investments; and

- providing guarantees on behalf of any other companies, associates or affiliates.

Such restrictive covenants may also affect some of the rights of our Company's shareholders and our ability to pay dividends if we are in breach of our obligations under the applicable financing agreements. Please refer to "– *Certain of our Subsidiaries and Associates may not be in compliance with specific obligations under their financing agreements, each of which has the potential to trigger cross defaults under other financing agreements that the relevant Subsidiary or Associate and, in certain cases, our other Subsidiaries have entered into. Our Subsidiaries and Associates may not be able to meet their obligations to their lenders if any such defaults lead to acceleration of repayment obligations or termination of one or more of our Subsidiaries' or Associates' financing agreements, which may adversely affect our cash flows, business, results of operations and financial condition*" on page 52. Such financing agreements may also require our Company, our Subsidiaries and our Associates to maintain certain financial ratios. Certain financing agreements also provide the banks and financial institutions with the right to convert any outstanding amounts into equity shares of the borrower in the case of default in accordance with the terms of the relevant financing agreements. Certain of these banks and financial institutions also have a right to appoint nominee directors under these financing agreements. Pursuant to the provisions of certain loan facilities availed of by our Company, our Subsidiaries and Associates, the lenders may be entitled to recall the loan at any time on demand or call notice requiring the borrower to repay (either in full or in part) the amount outstanding on any particular day. Such restrictive covenants may restrict our ability, and the ability of our Subsidiaries and Associates, to conduct business, which may in turn adversely affect our cash flows, results of operations and financial condition.

Our indebtedness and the conditions and restrictions imposed by our financing agreements may adversely affect our business and financial condition.

As of June 30, 2020, our consolidated total indebtedness was ₹ 44,771.95 million. We may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of the cash flow of our Company, Subsidiaries and Associates may be used towards payment of principal of, and interest on, existing and future debt of our Company or such other entity, as applicable, which would reduce the availability of cash flow to fund working capital, capital expenditures and other requirements of the Company or such other entity, as applicable;

- the ability of our Company, Subsidiaries and Associates to obtain additional financing in the future on reasonable terms may be restricted;

- fluctuations in market interest rates may affect the cost of the borrowings of our Company, Subsidiaries and Associates as some of such indebtedness may be at variable interest rates;

- there could be an adverse effect on our business and financial condition if we are unable to service the indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and

- we may be more vulnerable to economic downturns, including as a result of COVID-19, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

The occurrence of any or all of the above may adversely affect our cash flows, business, financial condition and results of operation. We may, in the future, be required to provide guarantees as collateral security for amounts borrowed under certain of our financing agreements. We have also provided and may in the future provide certain financial undertakings to lenders of our Subsidiaries in respect of our projects, including undertakings to contribute to construction costs in the event of a failure to do so by the relevant Subsidiary. We cannot assure you that we will pay or be able to pay the entire amount called under any such collateral security or undertakings in the event that we are required to do so.

Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Most of our borrowings are, and are expected to continue to be, at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and consequently our net income would decrease.

We operate in a highly regulated environment, and existing and new laws, regulations and government policies affecting the sectors in which we operate could adversely affect our business, financial condition and results of operations.

The real estate industry in India is heavily regulated by the central, state and local governmental authorities. We must comply with extensive and complex regulations affecting the processes of construction and land development. These regulations impose on us additional costs and delays, which may adversely affect our business, financial condition and results of operations. In particular, we are required to obtain the approval of numerous central, state and local governmental authorities regulating matters such as permitted land uses, levels of density, the installation of utility services, zoning and building standards. Non-compliance with any regulation may lead to penalties, revocation of our permits or licenses or litigation, which could adversely affect our business, financial condition and results of operations.

The regulatory framework in India, particularly with regard to the real estate industry, is evolving. Future government policies and changes in laws and regulations in India may adversely affect our business and restrict our ability to do business in our existing and target markets. The timing and content of any new law or regulation is not in our control and such new law or regulation could have an adverse effect on our business, financial condition and results of operations.

We require regulatory approvals, licenses, registrations and permissions to operate our businesses, particularly to develop and construct our projects. These approvals, licenses, registrations and permissions are required from a range of central and state governments and their agencies. In addition, some of the regulatory approvals, licenses, registrations and permissions required for operating our businesses expire from time to time. We generally apply for renewals of such regulatory approvals, licenses, registrations and permissions prior to or upon their expiry. There have been instances in the past where, as a result of delays experienced in receiving requisite regulatory approvals, licenses, registrations and permissions have impacted the conduct of our day to day business activities. We cannot assure you that we will obtain all regulatory approvals, licenses, registrations and permissions that we may require in the future, or receive renewals of existing or future approvals, licenses, registrations and permissions in the time frames required for our operations or at all, which could adversely affect our business, financial condition and results of operations.

Our residential business is subject to the Real Estate (Regulation and Development) Act, 2016 (the "RERA").

The Central Government had notified the RERA in the official gazette on March 26, 2016. The RERA was introduced to regulate the real estate industry and to ensure, amongst others, imposition of certain responsibilities on residential real estate developers and accountability towards customers and protection of their interest. The RERA has imposed certain obligations on residential real estate developers, including us, such as mandatory registration of residential real estate projects, not issuing any advertisements or accepting advances unless real estate projects are registered under RERA, maintenance of a separate escrow account for amounts realized from each real estate project and restrictions on withdrawal of amounts from such escrow accounts and taking customer approval for major changes in sanction plan. Any non-compliance of the provisions of RERA or the applicable state specific legislations may result in punishments (including penalties and/ or imprisonment), blacklisting of promoters and revocation of registration of our Ongoing Projects which may have an adverse effect on our business, results of operations and financial condition.

Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect project development, our cash flows, business, financial condition and results of operations.

As a real estate development company, we are required to comply with various laws and regulations relating to the environment, health and safety. Our project operations are subject to local environmental laws and regulations including the Environment (Protection) Act, 1986, Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states. We may incur substantial costs in complying with environmental laws and regulations. We cannot assure you that compliance with such laws and regulations will not result in completion delays or material increases in our costs or otherwise have an adverse effect on our financial condition and results of operations.

We believe that the environmental regulations in India will become more stringent in the future and the scope and extent of any new environmental, health and safety regulations, including their effect on our operations and cash flows, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures that we would need to implement in order to comply with these new laws and regulations may not be deemed sufficient by Government authorities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental, health and safety requirements, we may also be subject to administrative, civil and criminal proceedings by Government authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as orders that could limit or halt our operations. We cannot assure you that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future. Clean-up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, could adversely affect our cash flows, business, financial condition and results of operations.

Some of our Company's corporate records relating to the allotment of the equity shares by our Company are not traceable.

Our Company is unable to locate certain corporate records in relation to allotments of certain of its equity shares. These corporate records include: (i) resolutions and forms filed by our Company with the registrar of companies in relation to certain allotments of equity shares made by our Company since our incorporation until December 15, 1966 and for allotment made on September 6, 1975; (ii) shareholders' resolutions for the allotment made on March 17, 1970; and (iii)forms filed by our Company with the registrar of companies in relation to allotments of equity shares made by our Company on December 16, 1966 and March 17, 1970. While our Company believes that these resolutions and forms were duly filed with the appropriate authority, we have been unable to locate copies of these documents in its records or obtain copies of the same from the appropriate authorities.

We cannot assure you that all or any of such filings were in fact made in a timely manner or at all, that these filings will be available in the future or that we will not be subject to any penalties imposed by the competent regulatory authority in connection with these filings. As a result of the unavailability of corporate records in relation to certain allotments of equity shares, we have been unable to provide a complete disclosure of the details of the existing share capital of Company, as is required to be disclosed under the Companies Act, 2013 read with applicable rules. We cannot assure you that we, our Directors and our Promoter, will not be subject to penalties by competent regulatory authorities for such non-compliance with disclosure requirements, in accordance with applicable law. Any such regulatory action may have a material adverse effect on our business and reputation and may require us to divert substantial resources, including our management's attention and time to defend such actions.

Inadequate project management could reduce the attractiveness of our retail, commercial office and residential projects and as a result, adversely affect our business, financial condition and results of operations.

Our business depends on the proper and timely management of our projects. For example, our retail mall and commercial office tenants and buyers of residential projects depend upon the timely completion, quality of construction and effective management of the properties leased or sold to them, as applicable. Effective management includes the day-to-day operation of the project, including activities such as regulation of traffic, cleanliness and security, availability of utilities and parking facilities. Although we focus on project management in a number of ways, including by appointing project managers and management teams at each of our projects, ineffective or inefficient project management could adversely affect the attractiveness of our projects and as a result, adversely affect our business, financial condition and results of operations.

If we are unable to identify or acquire properties for our projects in appropriate locations to attract suitable tenants and customers, our business, growth prospects and results of operations may be adversely affected.

Our ability to identify suitable projects and locations for such projects is fundamental to our growth strategy and involves certain risks. In identifying new projects, we need to take into account land use regulations, the land's location, including transportation access and neighborhood characteristics, the land's proximity to resources such as water and electricity and the availability and competence of third parties such as architects, surveyors, engineers and contractors. We also need to identify the preferences and respond to the needs of our retail, residential and commercial office tenants and anticipate national, regional and local trends in India. We may not be as successful in identifying suitable projects that meet market demand in the future. Any failure to identify suitable projects or develop properties that meet tenant demand in a timely manner could result in lost or reduced profits, reduce the number of projects we undertake and slow our growth, which in turn could adversely affect our business and growth prospects.

Moreover, our ability to identify and acquire suitable locations for our projects are dependent on factors that are beyond our control. These factors include the price and availability of suitable land, the willingness of land-owners to sell land on terms acceptable to us, our ability to acquire contiguous parcels of land, our ability to obtain and complete an agreement to sell from all the owners where the land has multiple owners, the availability and cost of financing, encumbrances on targeted land, government directives on land use and the obtaining of permits as well as consents and approvals for land acquisition and development. The failure to acquire targeted land may cause us to modify, delay or abandon entire projects, which in turn could adversely affect our business, financial condition and results of operations.

If we are unable to identify or acquire existing under-development or operational malls in appropriate locations and profitably develop and operate such malls, our business, growth prospects and results of operations may be adversely affected.

As part of our growth strategy, we intend to identify for acquisition suitable existing under-development or operational malls in certain non-competing micro markets, including Mumbai, Bengaluru and Chennai, and other growth locations in which we currently do not have a presence, such as Navi Mumbai, Hyderabad, Chandigarh and Gurugram. We believe that the acquisition of existing under-development malls or operational malls will enable us to grow our revenues under our brand and management. In identifying malls for acquisition, we need to take into account numerous factors including the mall's location, local consumer demand and preferences, local retail tenant demand and local and regional trends. We may not be successful in identifying suitable malls for acquisition that meet the necessary criteria to help grow our business. Moreover, our ability to identify and acquire suitable locations for our projects is dependent on factors that are beyond our control such as the price and availability of suitable existing malls, the willingness of owners of identified malls to sell on terms acceptable to us, the availability and cost of financing, the terms of the existing leases of retail tenants leasing space within such malls, as well as consents and approvals for acquisition and development of malls under our brand.

In addition, the acquisition and development of existing under-development malls or operational malls, and the integration and ongoing operation of such malls under our brand, may be both capital and time intensive and may require the diversion of significant financial resources and management time from our existing business to our expansion projects. We cannot assure you that we will be successful in developing malls that we acquire or that such malls will generate the returns we anticipate. The failure to identify and acquire suitable existing malls to expand our project portfolio or successfully develop and integrate malls after we have acquired them, may effect on our cash flows and levels of available cash resources which may in turn affect the progress of other growth or development plans that we are seeking to implement. Such factors may adversely affect our business, financial condition and results of operations.

If we are unable to attract and retain retail mall and commercial office tenants who are willing and able to pay rent at suitable levels, our business, financial condition and results of operations would be adversely affected.

Our retail mall and commercial office business has historically targeted, and will continue to target, select industries and tenants. Our growth and success therefore depends on the provision of high quality space to attract retail mall and commercial office tenants who are willing and able to pay rent at suitable levels and on our ability to retain such retail mall and commercial office tenants by anticipating their future needs and expansion plans. In order to attract and retain retail mall and commercial office tenants, we incur significant costs for the integration of modern fittings, contemporary architecture and landscaping in our projects. As such, if we are unable to attract and retain retail mall and commercial office tenants who are willing and able to pay rent at suitable levels through such efforts, our business, financial condition and results of operations would be adversely affected.

If our estimated Gross Leasable and Saleable Area data for our Completed, Ongoing and Planned Projects proves to be greater than our actual Gross Leasable and Saleable Area for such projects, our results may fail to meet expectations and our business and results of operations may be adversely affected.

The estimated total Gross Leasable and Saleable Area data presented in this Preliminary Placement Document with respect to our Completed, Ongoing and Planned Projects, including ongoing and planned expansions, as well as future development area have been estimated by us generally on a best-case basis, based on the occurrence of certain events, such as regulatory approvals and negotiations with tenants, and our estimation of certain favorable conditions that we expect to occur, but over which we do not have control. Any change in these events, conditions, regulations or plans may lead to changes in the estimated Gross Leasable and Saleable Areas of our Completed, Ongoing and Planned Projects, including ongoing and planned expansions, as well as future development area, including a reduction in such areas, which could adversely affect our business and results of operations. In addition, our estimates with respect to such area data necessarily contain assumptions that may not prove to be correct. If our estimated Gross Leasable and Saleable Area data for our Completed, Ongoing and Planned Projects, including ongoing and planned expansions, as well as future development area prove to be greater than our actual Gross Leasable and Saleable Area data, our results may fail to meet expectations and our business and results of operations may be adversely affected.

We may be unable to complete the acquisitions or registrations of land for future projects, which may adversely affect our financial condition and results of operations.

We may enter into term sheets or agreements to purchase land from third parties, the completion of which may stipulate time frames within which title to land must be conveyed or full purchase price must be paid, or provide that all or a part of the advance monies paid to these third parties may be forfeited, due to our inability to fulfill certain agreed obligations within the agreed timeline, in the event that the acquisition process is not completed within the agreed time frames. In certain situations, agreements to purchase land may expire or contain irregularities that may invalidate them. As a result, we cannot assure you that we will be successful in acquiring or registering these properties, and consequently, development of such properties may not be possible, which could have an adverse effect on our financial condition and results of operations. For example, our Subsidiary, Mindstone Mall Developers Private Limited has entered into a memorandum of understanding with respect to the purchase of a land parcel in Kolkata for a total consideration of approximately ₹ 3.00 billion, and any inability to acquire such land parcel, due to reasons beyond our control may result in forfeiture of all or portion of the advance money paid by us, which in turn could adversely affect our financial condition and results of operations. For further details, please refer to the section entitled "*Legal Proceedings*" on page 242.

We also cannot assure you that any properties identified by us will be acquired at competitive prices or at all. In the event that the prices are increased by the land owners, we may be unable to acquire these properties or proceed with the developments, which may adversely affect our financial condition and results of operations.

If we are subject to losses that are not covered in whole or in part by existing insurance coverage, our financial condition may be adversely affected.

We maintain insurance coverage for a wide variety of risks, including for fire, loss of business, natural disasters resulting in damage/destruction of our properties, breakdown of machinery and certain other eventualities. We also maintain directors' and officers' liability insurance. In addition, we generally carry workers' compensation for certain of our employees. We do not carry any key-man insurance. We cannot assure you, that other types of risks and losses, for which we may not be insured, will not occur, and if they do, we could incur financial liabilities and losses, while remaining obligated for any indebtedness or other financial obligations related to our business. As a result, any such loss could result in an adverse effect to our financial condition.

While we believe that we have industry standard insurance for our portfolio, if a fire or natural disaster substantially damages or destroys some or all of our assets in the portfolio, the proceeds of any insurance claim may be insufficient to cover any expenses faced by us, including rebuilding costs.

If we are unable to compete effectively, our business, financial condition and results of operations may be adversely affected.

We operate our businesses in an intensely competitive and highly fragmented environment. We face significant competition in our business from a large number of Indian residential real estate development, retail and commercial real estate and hospitality companies; please refer to "*Our Business – Competition*" on page 178. In our retail mall business, we and certain of our retail tenants compete with other retail distribution channels, including department stores and other retail properties, in attracting customers. The extent of the competition we face in a potential project depends on a number of factors, such as the sector, the size and type of project, the complexity and location of the project and our reputation. Increasing competition could result in price and supply volatility, which could cause our business, financial condition and results of operations to be adversely affected.

Our hotels business compete for guests with other hotels in a highly competitive industry. Our success is dependent on our ability to compete in areas such as room rates, quality of accommodation, service levels and brand recognition, among others. We cannot assure you that new or existing competitors will not significantly lower their rates or offer greater convenience, services or amenities than those which we would be able to provide. Such developments would affect our ability to compete with them and have an adverse effect on our business, financial condition and results of operations.

Given the fragmented nature of the Indian real estate development industry, we often do not have adequate information about the projects our competitors are developing and accordingly, we may underestimate supply in the market. As we seek to diversify our regional focus, we face the risk that some of our competitors, who are also engaged in real estate development, may be better known in other markets and enjoy better relationships with corporate customers and retail tenants.

Some of our competitors in the commercial office and residential real estate development business are larger than us and may have a greater land bank and financial resources. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated projects. We cannot assure you that we will compete effectively with our competitors in the future, and any failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. Also, in the hotel development business, we may be unable to compete effectively with our competitors, some of whom may have greater breadth of experience and qualifications.

Our inability to compete effectively in the online retail market may lead to a loss in market share and customers, which may in turn adversely affect our business, financial condition and results of operations.

Consumers in India are increasingly purchasing goods from e-commerce platforms instead of physical retail shops, with an increasing number of e-commerce platforms servicing the Indian online retail market. Although we are exploring opportunities to provide shopping options to consumers through The Phoenix App and omni-channel, e-commerce platforms, we cannot assure you that we will be able to effectively enter and compete in the online retail market. Our current or future competitors may have longer operating histories, greater brand recognition, better supplier relationships, larger customer bases, more cost-effective fulfillment capabilities or greater financial, technical or marketing resources than we do. Competitors may leverage their brand recognition, experience and resources to compete with us in a variety of ways, including making acquisitions for the expansion of their products and services. Some of our competitors may be able to secure more favorable terms from suppliers, devote greater resources to marketing and promotional campaigns, adopt more aggressive pricing or inventory policies and devote substantially more resources to their website and system development than us. In addition, new and enhanced technologies may increase the competition in the online retail market. Increased competition may reduce our profitability, market share, customer base and brand recognition. We cannot assure you that we will be able to compete successfully against current or future competitors, and such competitive pressures may have an adverse effect on our business, financial condition and results of operations.

If we are unsuccessful in implementing our strategies, particularly our growth strategy, our business, financial condition and results of operations may be adversely affected.

The success of our business depends greatly on our ability to effectively implement our strategies, particularly our growth strategy; please refer to "*Our Business – Our Strategy*" on page 162. Even if we have successfully executed our business strategies in the past, we cannot assure you that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls as well as technology systems. We may be unable to sustain such growth in revenues and profits or maintain a similar rate of growth in the future. Further, as we grow and diversify, we may be unable to execute our projects efficiently, which could result in delays, increased costs and diminished quality and may adversely affect our reputation. If we are unable to implement our growth strategy effectively, our business, financial condition and results of operations may be adversely affected.

Our operating results may differ significantly from period to period which may adversely affect our business and financial condition.

Our consolidated operating results may differ significantly from period to period due to factors such as the commencement of development or operations of new projects, project delays or difficulties in enhancing our developed properties, increase in our equity interest in certain project-specific companies, our revenue recognition model, changes to the real estate market and inaccurate estimates of the resources and time required to complete Ongoing and Planned Projects or maintain and operate Completed Projects. Due to the foregoing factors, it is possible that in some future financial periods our operating results may be significantly below the expectations of the market, analysts and investors and/or different from those in previous periods.

We depend on our senior management and certain key employees for our business and operations. If we are unable to retain or recruit qualified and experienced senior management or key personnel, our business may be adversely affected.

Our senior management and key personnel, many of whom have decades of experience with us or in the industries in which we operate, are difficult to replace. Any loss or interruption of the services of such senior management or key personnel, or our inability to recruit qualified additional or replacement personnel, could adversely affect our business by triggering a shortage of personnel, increasing the workload handled by existing personnel and/or increasing our personnel costs. We generally employ our senior management and key personnel pursuant to an appointment letter, which requires the employee to serve three months' notice. Moreover, we do not hold key person insurance with respect to our senior management or key personnel.

Some of the marks used by us are pending registration and the inability to use any such mark could adversely affect our business and results of operations.

Some of the marks used by us including "High Street," "Phoenix," "Phoenix Paragon Plaza", "High Street Phoenix A day well spent", "The Mall of Asia" and "Phoenix Festival" are pending renewal, due to opposition or otherwise, or registration with the Trade Marks Registry, Government of India. As a result, third parties could attempt to stop us from using such marks or claim damages for any alleged infringement by us of such marks. Further, if our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek remedies for infringement of such trademarks by third parties other than relief against passing-off by other entities. The inability to use any such mark, or the failure to renew any of our registered marks, could adversely affect our business, financial condition and results of operations.

Our Promoter Group will continue to exercise significant influence over us and their interests in our business may be different than those of other shareholders, which may adversely affect our business.

As of August 14, 2020, 59.11 % of our issued and outstanding Equity Shares were owned by our Promoter and members of our Promoter Group. Immediately following this Issue, but assuming no other changes in shareholding, our Promoter and members of our Promoter Group will own [●]% of our issued and outstanding Equity Shares. For details in relation to the future changes in the shareholding of our Promoter and members of the Promoter, please refer to "— *Any future issuance of Equity Shares or equity-linked securities by us or sales of our Equity Shares by any of our significant shareholders may lead to a dilution of your stake and may adversely affect the trading price of our Equity Shares*" on page 68. As such, our Promoter and members of our Promoter Group exercise significant influence over our business, policies and affairs and all matters requiring a shareholders' vote. This concentration of ownership also may delay, defer or prevent a merger, acquisition or change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders, which may adversely affect our business. We cannot assure you that the interests of our Promoter and members of our Promoter Group will not conflict with the interests of other shareholders.

We have certain contingent liabilities, which, if materialized, may adversely affect our financial condition and results of operations.

As of June 30, 2020, we had contingent liabilities in the following amounts, as disclosed in our Unaudited Consolidated Interim Condensed Financial Statements:

(*in ₹ million*)

Particulars	As of June 30, 2020
Income tax	715.09
Service tax	771.01
Value added tax	247.43
Property tax	108.60
Luxury tax	4.46

If any of these liabilities materialize, our financial condition and results of operations may be adversely affected. For details, please refer to section entitled "*Financial Information*" on page 253.

We may experience difficulties in expanding our business into additional geographic markets within India and any failure to carry out such expansion may have an adverse effect on our revenues, earnings and financial condition.

We have limited experience in conducting business outside the States of Maharashtra, Karnataka, Tamil Nadu and Uttar Pradesh and may not be able to leverage our experience in these regions to expand into cities in other regions. We currently have retail Ongoing Projects in the States of Gujarat and Madhya Pradesh and we also plan to expand in other states, including the National Capital Region, Telangana and Chandigarh. Factors such as brand recognition, competition, culture, regulatory regimes, business practices and customs, customer tastes, behavior and preferences in other cities where we plan to expand our operations may differ from those in the regions in which we currently operate, and our experience may not be applicable to other cities. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national developers, but also local developers who have an established local presence, are more familiar with local regulations, business practices and customs, have stronger relationships with local contractors, suppliers, relevant government authorities, and who have access to existing land reserves or are in a stronger financial position than us, all of which may give them a competitive advantage over us. We may not be able to assemble and manage resources in case we take up new projects, at such locations and also in case if we need to accelerate construction at any of the existing project sites. In expanding our geographic footprint, our business will be exposed to various additional challenges, including adjusting our construction methods to different terrains; obtaining necessary governmental approvals and building permits under unfamiliar regulatory regimes; identifying and collaborating with local business partners, construction contractors and suppliers with whom we may have no previous working relationship; successfully gauging market conditions in local real estate markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographic areas of India; and adapting our marketing strategy and operations to different regions of India in which other languages are spoken.

We cannot assure you that we will be successful in expanding our business to include other geographic markets in India. Any failure by us to successfully carry out our plan to geographically diversify our business could have a material adverse effect on our revenues, earnings and financial condition.

Corrupt practices or improper conduct may delay the development of a project and affect our business, financial condition and results of operations.

The real estate development and construction industries in India and elsewhere are not immune to the risks of corrupt practices. Large construction projects in all parts of the world provide opportunities for corruption. Such corruption may include bribery, deliberate poor workmanship or the deliberate supply of low quality materials. If we, or any other person involved in any of the projects is the victim of or involved in any such corruption, our ability to complete the relevant projects as planned may be disrupted or we may be subject to penalties or sanctions thereby materially affecting our business, financial condition and result of operations.

Certain information in this Preliminary Placement Document is based on management estimates and information provided by our retail tenants, especially Consumption data. Other statistical and financial data contained in this Preliminary Placement Document may be incomplete or unreliable.

Certain information contained in this Preliminary Placement Document, including our Consumption and average Trading Density data, estimated construction planning, commencement and completion dates, estimated construction costs, our funding requirements and our intended use of proceeds of the Issue, is based on management estimates, our business plan and data provided by our retail tenants and has not been appraised by any bank, financial institution or independent agency. Consumption and total area of property that is ultimately developed and the actual total Saleable Area or Gross Leasable Area may differ from the descriptions or the estimates presented herein and a particular project may not be completely booked, sold, leased or developed until a date subsequent to the expected completion date.

We may also have to revise our funding estimates, development plans (including the type of proposed development) and the estimated construction commencement and completion dates of our projects depending on future contingencies and events, including, among others:

- changes in laws and regulations;
- competition;
- receipt of statutory and regulatory approvals and permits;
- irregularities or claims with respect to title to land or agreements related to the acquisition of land;
- the ability of third parties to complete their services on schedule and on budget;
- delays, cost overruns or modifications to our ongoing and planned projects;
- commencement of new projects and new initiatives; and
- changes in our business plans due to prevailing economic conditions.

Any or all of the above events may have an adverse effect on our business, financial condition and results of operations.

If the Indian real estate market weakens, our business, financial condition and results of operations may be adversely affected.

Our business is heavily dependent on the performance of the real estate market in India, particularly in the regions in which we operate or intend to operate in and could be adversely affected if real estate prices or market conditions deteriorate. Real estate markets are cyclical in nature, and a recession, slowdown or downturn in the real estate market as well as in specific sectors where our tenants are concentrated, increase in property taxes, changes in development regulations and zoning laws, availability of financing, rising interest rates, increasing competition and outbreak of infectious disease such as COVID-19, among others, may lead to a decline in demand for our properties, which may adversely affect our business, financial condition and results of operations. We cannot assure you that real estate prices will increase or that real estate prices in the areas where we operate or intend to operate in or in India in general, will not adversely fluctuate. As we generate most of our revenues from the lease or sale of our projects, a decrease in rental or selling prices of real estate could adversely affect our business, financial condition and results of operations. Our projects require a substantial amount of time to develop, and we could incur losses if we purchase land at high prices and sell or lease the developed projects during weaker economic periods. Further, the real estate market, both for land and developed properties, is relatively illiquid, which may limit our ability to respond promptly to market events.

Taxes and other levies imposed by the central and state governments in India, as well as other financial policies and regulations, may have an adverse effect on our business, financial condition and results of operations.

We are subject to a number of taxes and other levies imposed by the central and state governments in India, particularly, GST on lease of properties, as well as certain other taxes, duties or surcharges introduced on a permanent or temporary basis. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments in India may adversely affect our business, financial condition and results of operations.

There can be no assurance that we will not be a PFIC for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. investors that hold Equity Shares.

For U.S. federal income tax purposes, we will be a passive foreign investment company ("**PFIC**") for any taxable year in which, after the application of certain look-through rules with respect to subsidiaries, either (i) at least 75% of our gross income consists of passive income or (ii) at least 50% of the average quarterly value of our assets consists of assets that produce, or are held for the production of, passive income. Passive income generally includes dividends, interest, rents, royalties, and certain capital gains. Based on the current and projected composition of our income and assets, and the valuation of our assets, we do not expect to be a PFIC for the current taxable year or the foreseeable future. However, because PFIC status is determined on an annual basis, and therefore our PFIC status for the current taxable year and any future taxable year will depend upon the future composition of our income and assets, there can be no assurance that we will not be a PFIC for any taxable year.

If we are a PFIC for any taxable year during which a U.S. investor holds Equity Shares, we generally would continue to be treated as a PFIC with respect to that U.S. investor for all succeeding years during which the U.S. investor holds such Equity Shares, even if we ceased to meet the threshold requirements for PFIC status. Such a U.S. investor may be subject to adverse U.S. federal income tax consequences, including (i) the treatment of all or a portion of any gain on disposition as ordinary income, (ii) the application of a deferred interest charge on such gain and the receipt of certain dividends and (iii) compliance with certain reporting requirements. We do not intend to provide the information that would enable investors to make a qualified electing fund election that could mitigate the adverse U.S. federal income tax consequences should we be classified as a PFIC. You are urged to consult your tax advisor concerning the U.S. federal income tax consequences of owning and disposing of Equity Shares if we are to become classified as a PFIC.

For further details, please refer to "*Taxation — Certain U.S. Federal Income Tax Considerations*" on page 237 in this Preliminary

Placement Document.

The government may exercise rights of compulsory purchase or eminent domain in respect of our land, which would adversely affect our business.

The Land Acquisition Act, 1894 allows the central and state government to exercise rights of compulsory purchase, or eminent domain, for purposes of development of infrastructure projects in India such as roads, airports and railways, which, if used in respect of our land, could require us to relinquish land with compensation. Moreover, we cannot assure you that any compensation we receive would be adequate to cover our investment in such land. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads, airports and railways. Any such action in respect of one or more of our projects could adversely affect our business.

We have not independently verified certain data in this Preliminary Placement Document and third party statistical and financial data in this Preliminary Placement Document may be incomplete or unreliable.

We have not independently verified data from government and industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from other industry publications or comparable information compiled with regard to other countries. Further, we have also relied on the data by CBRE India, "2019 Indian Hospitality Trends and Opportunities" by Hotelivate, "Rebirth of Retail Malls: New, Improved & Revitalized" by Anarock and other industry sources for industry related data in this Preliminary Placement Document in relation to the Issue. Neither we, nor any of the Book Running Lead Managers have independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Preliminary Placement Document in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

External Risks

Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar.

Our financial statements included in this Preliminary Placement Document are prepared and presented in conformity with Ind AS. Ind AS differs from accounting principles with which persons from other countries may be familiar, such as IFRS and U.S. GAAP. We have not attempted to quantify the effect of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which our financial statements included in this Preliminary Placement Document provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. In addition, as the transition to Ind AS is recent, there is no significant body of established practice from which we can draw on, in forming judgments regarding the implementation and application of Ind AS, as compared to other established principles generally, or in respect of specific industries, such as the industry in which we operate.

We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.

The Competition Act, 2002, as amended (the "**Competition Act**"), was enacted for the purpose of preventing practices that have or are likely to have an appreciable adverse effect on competition in India, and has mandated the Competition Commission of India (the "**CCI**") to regulate such anti-competitive practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition in the relevant market in India and is considered void. The Competition Act prohibits the abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished. If we or any of our employees is penalized under the Competition Act, our business may be adversely affected.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the "**Combination Regulation Provisions**") with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, which sets out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India.

However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We do not have any outstanding notices in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business.

Changes in legislation or the rules relating to tax regimes could an adversely affect our business, prospects and results of operations.

New or revised policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations. The Government of India has implemented two major reforms in Indian tax laws, namely the goods and services tax and provisions relating to General Anti-Avoidance Rules ("**GAAR**"). The GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit, among other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to us, it may have an adverse tax effect on us. Tax authorities in India may also introduce additional or new regulations applicable to our business, which could adversely affect our business, prospects and results of operations.

The Finance Act, 2019 (the "**Finance Act**") has made various amendments. The Finance Act stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

In addition, tax laws and regulations are subject to differing interpretations by tax authorities. Differing interpretations of tax and other fiscal laws and regulations may exist within governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action, including by retrospective legislation, by the governmental or tax authorities, may result in tax risks in the states in which we operate being significantly higher than expected.

It may not be possible for you to enforce any judgment obtained outside India against us, our management or any of our respective affiliates in India, except by way of a suit in India on such judgment.

We are incorporated under the laws of India and all our Directors and executive officers reside in India. All our assets, and the majority of assets of our Directors and officers, are also located in India. As a result, you may be unable to:

- effect service of process outside of India upon us and such other persons or entities; or
- enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

If the Indian economy or the global economy further deteriorates, our business, financial condition and results of operations may be adversely affected.

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. In the past, economic slowdowns have harmed industries including the real estate sector. Further, in recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the cost of transportation, wages, utilities, raw materials or any other expenses. If this trend continues or in the event of a future slowdown in the Indian economy, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be adversely affected.

Our performance is linked to the stability of policies and the political situation in India.

The central and state governments have traditionally exercised, and continue to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of the Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive Governments have pursued policies of economic liberalisation and financial sector reforms. However, we cannot assure you that such policies will be continued and a significant change in the Government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, financial condition and results of operations.

Any political instability or military conflict in India, including increased tensions on the Indian borders, or in countries in the region or globally, including in India's neighboring countries, may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of the Equity Shares. Any political instability could delay the reform of the Indian economy and could have an adverse effect on the market for the Equity Shares. The rate of economic liberalisation could change, and specific laws and policies affecting companies in the real estate sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world has affected the Indian economy in the past. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability could also have a negative effect on the Indian economy, and in turn could adversely affect our results of operations and financial condition.

Our ability to raise foreign capital may be constrained by Indian law and a lack of access thereto may have an adverse effect on our business growth, financial condition and results of operations.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

A company based in India may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditions prescribed in the FEMA Rules. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. Further, in accordance with Press Note 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated August 28, 2017. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could in turn adversely affect our financial condition and results of operations.

A decline in India's foreign exchange reserves could affect liquidity and result in higher interest rates in the Indian economy, which could adversely affect our business, our future financial performance, our shareholders' funds and the price of our Equity Shares.

Trade deficits could adversely affect our business and the price of our Equity Shares.

India's trade relations with other countries and trade deficit is driven, to a major extent, by global crude oil prices. If trade deficits increase or are no longer manageable because of the rise in global crude oil prices or otherwise, the Indian economy, and therefore our business, financial performance, our shareholders' funds and the price of our Equity Shares could be adversely affected.

Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our ability to obtain financing and, in turn, our business and financial performance.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. For example, India's credit rating has recently been reduced to Baa3 with a negative outlook by Moody's. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

- A natural or man-made disaster could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.
- Pandemic disease, caused by a virus such as COVID-19, H5N1, the "avian flu" virus, the Ebola virus, or H1N1, the "swine flu" virus, could have a severe adverse effect on our business.
- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or effect investor confidence.

Risks relating to the Issue

After this Issue, our Equity Shares may experience price and volume fluctuations.

The Issue Price will be determined by us in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

An investor will not be able to sell any of our Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of Equity Shares in this Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an effect on the price and liquidity of the Equity Shares.

Any future issuance of Equity Shares or equity-linked securities by us or sales of our Equity Shares by any of our significant shareholders may lead to a dilution of your stake and may adversely affect the trading price of our Equity Shares.

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future issuance of Equity Shares (including by way of preferential allotment) or equity-linked securities by us could dilute your shareholding. Any such future issuance of Equity Shares or equity-linked securities, or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could affect our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or equity-linked securities, or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

Pursuant to the resolution dated June 29, 2020 passed by the Board, the Capital Raising Committee has, pursuant to its resolution dated July 13, 2020, approved the Preferential Issue of up to 1,562,500 equity warrants convertible into a maximum of 1,562,500 Equity Shares at a premium of ₹ 638 per Equity Share, aggregating to ₹ 1,000 million, to Ashok Apparels Private Limited, our Promoter Group entity, in compliance with the provisions of Sections 23, 42 and 62 of the Companies Act, the SEBI ICDR Regulations, and other provisions of applicable law. The Shareholders approved the Preferential Issue through a special resolution passed by way of a postal ballot on August 13, 2020. The issue and allotment of equity warrants pursuant to the Preferential Issue may be undertaken post the consummation of the Issue and is subject to certain other terms and conditions to be agreed. In accordance with Regulation 170 of the SEBI ICDR Regulations, the allotment of equity warrants pursuant to the Preferential Issue must be completed within a period of 15 days from the date of passing of the special resolution by the Shareholders, i.e. August 13, 2020, failing which, the authorisation from Shareholders will lapse.

Further, pursuant to the provisions of the PHCPL Amalgamation Scheme, on the PHCPL Amalgamation Scheme becoming effective and in consideration of the transfer of all assets and liabilities of PHCPL to our Company, we shall issue and allot to the shareholders of PHCPL (other than our Company), 627 Equity Shares for every 100 fully paid-up equity shares of face value of ₹ 10 each held by the shareholders of PHCPL (other than our Company), i.e. Ruia International Holding Company Private Limited, our Promoter Group entity as on the record date. Accordingly, the shareholding of our Promoter and Promoter Group will increase in our Company.

For further information in relation to the Preferential Issue and the PHCPL Amalgamation Scheme, please refer to the section entitled "*Capital Structure*" on page 74. The Preferential Issue and/or the PHCPL Amalgamation Scheme may significantly affect the trading price of our Equity Shares.

Further, the higher of 12.5 million Equity Shares or 7% of the post Issue Equity Shares held by our Promoter and members of our Promoter Group are not subject to the contractual lock-up with the BRLMs and may be sold in one or more tranches within 60 days of the completion of this Issue. If a significant portion of such Equity Shares were sold within a short period of time, such sales have the potential to adversely affect the market price of our Equity Shares.

Information and rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our constitutional documents and various provisions of Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights and disclosure standards under Indian law may not be as extensive as under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as our shareholder than as a shareholder of a corporation in another jurisdiction. Please refer to the section entitled "*Description of the Equity Shares*" on page 229.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless the company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in us would be reduced.

Currency exchange rate fluctuations may affect the value of our Equity Shares, independent of our results of operations.

Our Equity Shares are quoted in Rupees on the Stock Exchanges. The exchange rate between the Rupee and other foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. If you purchase Rupees to purchase our Equity Shares, fluctuations in the exchange rate between the Rupee and the foreign currency with which you purchased the Rupees may affect the value of your investment in our Equity Shares, including, specifically, such foreign currency equivalent of:

- the Rupee trading price of our Equity Shares in India;
- the proceeds that you would receive upon the sale in India of any of our Equity Shares; and
- cash dividends, if any, on our Equity Shares, which will be paid only in Rupees.

For information on certain historical exchange rates between the Rupee and the U.S. Dollar, please refer to "*Exchange Rate*

Information" on page 15.

Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The IT Act levies taxes on such long-term capital gains exceeding ₹ 100,000 per financial year arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

MARKET PRICE INFORMATION

The Equity Shares are listed on BSE and NSE since January 2, 1962 and April 23, 2007, respectively. As on the date of this Preliminary Placement Document, 153,466,190 Equity Shares are issued, subscribed and fully paid up.

On August 18, 2020, the closing price of the Equity Shares on BSE and NSE was ₹ 646.25 and ₹ 646.20 per Equity Share, respectively.

Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for the Fiscals 2020, 2019 and 2018:

BSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total volume of Equity Shares traded in the fiscals (in number)	Total turnover of Equity Shares traded in the fiscals (₹ in million)
2020	936.10	February 25, 2020	14,698	13.73	539.75	March 30, 2020	2,071	1.14	712.17	7,738,201	5,323.52
2019	719.25	May 22, 2018	5,952	4.26	515.10	October 9, 2018	1,276	0.64	611.88	4,201,840	2,604.39
2018	702.00	March 8, 2018	18,584	12.85	395.50	April 19, 2017	2,447	0.96	519.44	3,445,602	1,727.40

(Source: www.bseindia.com)
(1) High, low and average prices are based on the daily closing prices.
(2) In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

NSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total volume of Equity Shares traded in the fiscals (in number)	Total turnover of Equity Shares traded in the fiscals (₹ in million)
2020	933.85	February 25, 2020	280,682	261.97	538.50	March 30, 2020	233,822	128.53	712.34	29,177,517	20,740.64
2019	721.05	May 28, 2018	103,525	74.60	513.30	October 9, 2018	68,770	34.35	611.55	24,099,170	14,719.17
2018	701.20	March 8, 2018	235,085	161.16	393.20	April 19, 2017	21,100	8.30	519.87	31,493,736	16,899.48

(Source: www.nseindia.com)
(1) High, low and average prices are based on the daily closing prices.
(2) In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

The following tables set out the reported high and low closing prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

BSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	Total turnover of Equity Shares traded in the month (₹ in million)
										Volume	
July 2020	616.50	July 31, 2020	2,233	1.37	548.85	July 2, 2020	9,257	5.09	585.13	72,828	42.69
June 2020	628.20	June 5, 2020	14,360	9.22	568.65	June 17, 2020	2,860	1.64	594.40	125,402	74.87
May 2020	544.15	May 4, 2020	2,337	1.28	484.35	May 18, 2020	3,752	1.86	512.62	186,566	93.27
April 2020	566.20	April 20, 2020	1,912	1.05	488.30	April 13, 2020	5,946	2.93	532.77	2,893,052	1,491.29
March, 2020	864.35	March 4, 2020	1,672	1.41	539.75	March 30, 2020	2,071	1.14	687.39	345,898	255.31
February 2020	936.10	February 25, 2020	14,698	13.73	829.95	February 3, 2020	665	0.56	872.63	62,641	55.80

(Source: www.bseindia.com)
(1) High, low and average prices are based on the daily closing prices.
(2) In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
(3) In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	Total turnover of Equity Shares traded in the month (₹ in million)
										Volume	
July 2020	617.00	July 31, 2020	117,026	72.27	550.05	July 2, 2020	405,137	223.49	585.35	2,739,258	1,601.46
June 2020	629.65	June 5, 2020	483,453	306.32	567.20	July 17, 2020	51,764	29.71	594.50	2,690,013	1,628.91
May 2020	542.65	May 4, 2020	159,033	87.22	484.40	May 18, 2020	432,194	218.70	512.03	2,758,283	1,390.43
April 2020	561.35	April 20, 2020	174,039	95.32	488.85	April 13, 2020	806,032	396.69	533.12	4,835,026	2,526.65
March 2020	864.25	March 4, 2020	142,383	119.10	538.50	March 30, 2020	233,822	128.53	687.10	4,371,680	2,945.70
February 2020	933.85	February 25, 2020	280,682	261.97	828.35	February 3, 2020	332,098	281.00	873.93	3,640,321	3,193.94

(Source: www.nseindia.com)
(1) High, low and average prices are based on the daily closing prices.
(2) In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
(3) In case of two days with the same high or low price, the date with the higher volume has been chosen.

B. The following table sets forth the market price on the Stock Exchanges on June 30, 2020, the first Working Day following the approval of our Board for the Issue:

BSE						NSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in million) (₹)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in million) (₹)
585.00	606.15	572.55	584.30	9,041	5.30	580.30	608.95	570.00	584.95	1,24,986	73.23

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue shall be approximately ₹ [●] million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue amounting to approximately ₹ [●] million, will be approximately ₹ [●] million (the "**Net Proceeds**").

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds towards funding growth opportunities including investing in existing and proposed business ventures, proposed acquisitions, debt service obligations including but not limited to servicing debt interest obligations, capital expenditure and working capital requirements, operations, and general corporate purposes and for such other purposes as may be permitted by applicable laws.

In accordance with the policies approved by the Board and as permissible under applicable laws and government policies, our management will have flexibility in deploying the Net Proceeds. Pending utilisation for the purposes described above, we intend to temporarily invest Net Proceeds in creditworthy instruments, including money market mutual funds and deposits with banks and corporates. Such investments would be in accordance with the investment policies as approved by the Board from time to time and all applicable laws and regulations.

As on the date of this Preliminary Placement Document, neither the Promoter nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, and the final listing and trading approvals are received from each of the Stock Exchanges.

Since the Net Proceeds of the Issue are proposed to be utilized towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project; (ii) means of financing such project; and (iii) proposed deployment status of the proceeds at each stage of the project.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at June 30, 2020, on a consolidated basis extracted from the Unaudited Consolidated Interim Condensed Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with the sections entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 80 and 253, respectively:

(in ₹ million)

Particulars	As at June 30, 2020	As adjusted for the Issue*^
Short term borrowings:		
Secured borrowings	5,796.62	[●]
Unsecured borrowings	2,271.78	[●]
Long term borrowings:		
Secured borrowings (*including current portion*)	33,502.74	[●]
Unsecured borrowings	3,200.81	[●]
Total indebtedness (A)	44,771.95	[●]
Shareholders' funds:		
Share capital	306.93	[●]
Reserves and surplus	36,419.51	[●]
Total Shareholders' funds (B)	36,726.44	[●]
Total capitalization (A+B)	81,498.40	[●]
Debt/ Equity ratio (A/B)	0.55	[●]

** Will be finalized upon determination of the Issue Price. Adjustments do not include Issue related expenses.*

^ As adjusted to reflect the number of Equity Share issued pursuant to the Issue.

On August 2, 2020, the Company has allotted 1,000 Equity Shares to the grantees upon the exercise of stock options pursuant to ESOP 2007.

Pursuant to the resolution dated June 29, 2020, passed by the Board, the Capital Raising Committee has, *vide* its resolution dated July 13, 2020, approved the Preferential Issue of up to 1,562,500 equity warrants convertible into a maximum of 1,562,500 Equity Shares at a premium of ₹ 638 per Equity Share, aggregating to ₹ 1,000 million, to Ashok Apparels Private Limited, our Promoter Group entity, in compliance with the provisions of Sections 23, 42 and 62 of the Companies Act, the SEBI ICDR Regulations, and other provisions of applicable law. The Shareholders approved the Preferential Issue through a special resolution passed by way of a postal ballot on August 13, 2020. The issue and allotment of equity warrants pursuant to the Preferential Issue may be undertaken post the consummation of the Issue and is subject to certain other terms and conditions to be agreed. In accordance with Regulation 170 of the SEBI ICDR Regulations, the allotment of equity warrants pursuant to the Preferential Issue must be completed within a period of 15 days from the date of passing of the special resolution by the Shareholders, i.e. August 13, 2020, failing which, the authorisation from Shareholders will lapse. For further information in relation to the Preferential Issue, please see the section entitled "*Capital Structure*" on page 74.

Pursuant to the provisions of the PHCPL Amalgamation Scheme, on the PHCPL Amalgamation Scheme becoming effective and the allotment of Equity Shares based on the Share Exchange Ratio, the shareholding of our Promoter and Promoter Group will accordingly increase in our Company. For details in relation to the PHCPL Amalgamation Scheme, please see the section entitled "*Capital Structure*" on page 74.

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(₹ in million except share data)

		Aggregate Value at Face Value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	225,000,000 Equity Shares	450.00
	Total	**450.00**
B	**ISSUED SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE[1]**	
	153,466,190 Equity Shares	306.93
	Total	**306.93**
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT[2]**	
	Up to [●] Equity Shares[3]	[●]
D	**ISSUED SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares[2]	[●]
F	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	13,585.43
	After the Issue[2 4]	[●]

(1) As on the date of this Preliminary Placement Document, there are 1,995,556 stock options granted out of which 1,345,556 stock options are valid under the ESOP 2007.
(2) To be determined upon finalization of the Issue Price
(3) The Issue was approved by the Board of Directors on June 29, 2020, and the Capital Raising Committee on July 13, 2020. Subsequently, our Shareholders through a special resolution passed by way of a postal ballot approved the Issue on August 13, 2020.
(4) The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue.

Equity Share Capital History of our Company

The history of the equity share capital of our Company is set forth below:

Date of allotment	Number of equity shares allotted	Face Value (₹)[1]	Issue Price per equity share (₹)	Consideration
Between January 27, 1905 till December 15, 1966	Between January 27, 1905 till December 15, 1966, our Company issued and allotted 48,000 equity shares of face value of ₹ 100 each. The dates of allotment have not been specified since records for such allotments are not available on the records of the registrar of companies or our Company. For further details, please see "*Risk Factors – Some of our Company's corporate records relating to the allotment of the equity shares by our Company are not traceable",* on page 58".			
December 16, 1966	16,000	100	Not applicable	Other than cash[2]
March 17, 1970	8,000	100	Not applicable	Other than cash[3]
September 6, 1975	48,000	100	Not applicable	Other than cash[4]
March 9, 1996	125,000	100	100	Cash
September 30, 2005[5]	The authorised share capital of our Company was sub-divided into 30,000,000 equity shares of face value of ₹ 10 each and the issued, subscribed and paid up capital of our Company was sub-divided into 2,450,000 equity shares of face value of ₹ 10 each			
December 17, 2005	9,800,000	10	Not applicable	Other than cash[6]
June 9, 2007	1,985,756	10	1,600	Cash
August 6, 2007	4,900,000	10	2,000	Cash
October 6, 2007	8,000,000	10	Not applicable	Other than for cash[7]
January 31, 2008[8]	The authorised share capital of our Company was sub-divided into 150,000,000 equity shares of face value of ₹ 2 each and the issued, subscribed and paid up capital of our Company was sub-divided into 135,678,780 equity shares of face value of ₹ 2 each			
August 4, 2008	9,166,665	2	Not applicable	Other than for cash[9]
September 8, 2014	60,000	2	270	Cash[10]
March 18, 2015	51,250	2	270	Cash[10]

Date of allotment	Number of equity shares allotted	Face Value (₹)[1]	Issue Price per equity share (₹)	Consideration
May 21, 2015	15,250	2	270	Cash[10]
June 5, 2015	25,000	2	270	Cash[10]
July 17, 2015	7,991,907	2	353.60	Cash[11]
June 7, 2016	67,500	2	270	Cash[10]
September 12, 2016	10,555	2	316.80	Cash[10]
September 13, 2017	15,833	2	316.80	Cash[10]
November 8, 2017	8,000	2	333.90	Cash[10]
December 5, 2017	18,250	2	333.90	Cash[10]
January 29, 2018	6,000	2	333.90	Cash[10]
February 27, 2018	9,350	2	333.90	Cash[10]
March 16, 2018	3,000	2	333.90	Cash[10]
March 27, 2018	14,400	2	333.90	Cash[10]
April 9, 2018	21,111	2	316.80	Cash[10]
	7,500		333.90	
April 25, 2018	10,000	2	333.90	Cash[10]
May 31, 2018	3,000	2	333.90	Cash[10]
June 19 , 2018	6,000	2	333.90	Cash[10]
July 9, 2018	2,000	2	333.90	Cash[10]
September 3, 2018	2,000	2	333.90	Cash[10]
October 19, 2018	4,000	2	333.90	Cash[10]
November 5, 2018	40,250	2	333.90	Cash[10]
November 17, 2018	4,000	2	333.90	Cash[10]
November 30, 2018	1,000	2	333.90	Cash[10]
December 17, 2018	29,250	2	333.90	Cash[10]
January 10, 2019	10,000	2	333.90	Cash[10]
January 18, 2019	4,750	2	333.90	Cash[10]
February 15, 2019	500	2	333.90	Cash[10]
March 20, 2019	2,700	2	333.90	Cash[10]
April 10, 2019	2,500	2	333.90	Cash[10]
	26,389	2	316.80	Cash[10]
April 29, 2019	500	2	333.90	Cash[10]
May 14, 2019	7,000	2	333.90	Cash[10]
May 17, 2019	10,500	2	333.90	Cash[10]
June 27, 2019	1,000	2	333.90	Cash[10]
July 15, 2019	6,000	2	333.90	Cash[10]
September 6, 2019	2,000	2	333.90	Cash[10]
September 13, 2019	3,000	2	333.90	Cash[10]
October 18, 2019	3,000	2	333.90	Cash[10]
November 11, 2019	30,000	2	333.90	Cash[10]
November 15, 2019	10,000	2	333.90	Cash[10]
December 6, 2019	500	2	333.90	Cash[10]
December 24, 2019	7,500	2	333.90	Cash[10]
January 3, 2020	14,750	2	333.90	Cash[10]
January 17, 2020	14,500	2	333.90	Cash[10]
February 3, 2020	8,000	2	333.90	Cash[10]
February 14, 2020	12,500	2	333.90	Cash[10]
March 13, 2020	13,000	2	333.90	Cash[10]
May 11, 2020	2,750	2	333.90	Cash[10]
August 2, 2020	1,000	2	333.90	Cash[10]
Total	**153,466,190**			

[1] *On December 17, 2005, the authorised share capital of our Company was sub-divided into 30,000,000 equity shares of face value of ₹ 10 each. Further, on February 21, 2008, the authorised share capital of our Company was sub-divided into 150,000,000 equity shares of face value of ₹ 2 each.*
[2] *Bonus issue in the ratio of 1:3.*
[3] *Bonus issue in the ratio of 1:8.*
[4] *Bonus issue in the ratio of 2:3.*
[5] *Pursuant to a special resolution passed by the Shareholders at their AGM held on September 30, 2005, the face value of one equity of ₹ 100 was sub-divided into ten equity shares of face value of ₹ 10 each. The record date for the sub-division was December 16, 2005.*

[6] *Bonus issue in the ratio of 4:1.*
[7] *Pursuant to an approval by the Bombay High Court of a scheme of amalgamation between Ashok Ruia Enterprises Private Limited and our Company.*
[8] *Pursuant to a special resolution passed by the Shareholders by postal ballot, results of which were declared on January 31, 2008, the face value of one equity share of ₹ 10 was sub-divided into five equity shares of face value of ₹ 2 each. The record date for the sub-division was February 20, 2008.*
[9] *Pursuant to an approval by the Bombay High Court of a scheme of arrangement between Ruia Real Estate Development Company Private Limited and our Company.*
[10] *Pursuant to exercise of stock options granted under the ESOP 2007.*
[11] *Pursuant to a qualified institutions placement.*

ESOP 2007

The ESOP 2007 has been adopted by the Board by a resolution passed at its meeting held on December 19, 2007 and approved by the Shareholders through a special resolution passed by way of a postal ballot pursuant to a postal ballot notice dated December 19, 2007, the results of which were announced on January 31, 2008. The aggregate number of stock options that may be granted under this scheme shall not exceed 3,390,000 Equity Shares subject to adjustment as may be required due to any corporate action or change in capital structure. The aforementioned 3,390,000 Equity Shares have been adjusted for sub-division of one equity share of ₹ 10 each into five equity shares of ₹ 2 each, on February 21, 2008. ESOP 2007 shall remain in effect for a period of 10 (ten) years i.e. January 30, 2018, and thereafter no grants shall be made under ESOP 2007. As on the date of this Preliminary Placement Document, the details of options pursuant to ESOP 2007 are as follows:

Particulars	Number of stock options
Total number of stock options	3,390,000
Stock options granted	1,995,556
Total number of stock options valid	1,345,556
Stock options vested and remain unexercised	125,050
Stock options exercised	663,006
Stock options lapsed / forfeited/ cancelled	675,000
Total stock options outstanding	657,550

ESOP 2018

The ESOP 2018 has been adopted by the Board by a resolution passed at its meeting held on April 5, 2018, and approved by the Shareholders through a special resolution passed by way of a postal ballot pursuant to a postal ballot notice dated April 5, 2018, the results of which were announced on May 11, 2018. The aggregate number of stock options that may be granted under this scheme shall not exceed 3,100,000 Equity Shares subject to adjustment as may be required due to any corporate action or change in capital structure. ESOP 2018 shall remain in effect for a period of 10 (ten) years i.e. May 10, 2028, and thereafter no grants shall be made under ESOP 2018. As on the date of this Preliminary Placement Document, no stock options have been granted under ESOP 2018.

Pre-Issue and post-Issue shareholding pattern of Company

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below:

#	Category	Pre-Issue as of August 14, 2020		Post-Issue (for Institutional Investors) (As of [●], 2020 for all other categories)*#	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
A. Promoters' holding##					
1.	Indian				
	Individual	4,505,525	2.94	[●]	[●]
	Body Corporates	86,208,962	56.17	[●]	[●]
	Sub-total	**90,714,487**	**59.11**	[●]	[●]
2.	Foreign Promoters	0	0.00	[●]	[●]
	Sub-total (A)	**90,714,487**	**59.11**	[●]	[●]
B. Non-Promoter Holding					
1.	Institutional Investors	56,820,607	37.02	[●]	[●]
2.	Non-Institutional Investors	5,931,096	3.86	[●]	[●]
	Private Corporate Bodies	851,638	0.55	[●]	[●]

#	Category	Pre-Issue as of August 14, 2020		Post-Issue (for Institutional Investors) (As of [●], 2020 for all other categories)*#	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
	Directors and relatives	79,301	0.05	[●]	[●]
	Indian public	3,591,719	2.34	[●]	[●]
	Others including Non resident Indians (NRIs)	1,408,438	0.92	[●]	[●]
3.	Non Promoter Non-public	0	0.00	[●]	[●]
	Sub-total (B)	**62,751,703**	**40.89**	[●]	[●]
	Grand Total (A+B)	**153,466,190**	**100.00**	[●]	[●]

**The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue, and reflects the shareholding of all other categories as of [●], 2020.*
 # Note: The post-Issue shareholding pattern will be filled-in before filing of the Placement Document with the Stock Exchanges.
Includes the shareholding of the members forming part of Promoter Group.

Preferential Issue

Pursuant to the resolution dated June 29, 2020 passed by the Board, the Capital Raising Committee has, *vide* its resolution dated July 13, 2020, approved the Preferential Issue of up to 1,562,500 equity warrants convertible into a maximum of 1,562,500 Equity Shares at a premium of ₹ 638 per Equity Share, aggregating to ₹ 1,000 million, to Ashok Apparels Private Limited, our Promoter Group entity, in compliance with the provisions of Sections 23, 42 and 62 of the Companies Act, the SEBI ICDR Regulations, and other provisions of applicable law. The Shareholders approved the Preferential Issue through a special resolution passed by way of a postal ballot on August 13, 2020. The issue and allotment of equity warrants pursuant to the Preferential Issue may be undertaken post the consummation of the Issue and is subject to certain other terms and conditions to be agreed. In accordance with Regulation 170 of the SEBI ICDR Regulations, the allotment of equity warrants pursuant to the Preferential Issue must be completed within a period of 15 days from the date of passing of the special resolution by the Shareholders, i.e. August 13, 2020, failing which, the authorisation from Shareholders will lapse.

Pursuant to the Preferential Issue, each equity warrant would be convertible into one Equity Share, and the conversion option can be exercised at any time during the period of eighteen months from the date of allotment of such equity warrants, on such other terms and conditions as applicable. Further, an amount equivalent to 25% of the issue price of the equity warrant shall be payable at the time of subscription and allotment of each equity warrant, and the balance 75% of the issue price of the equity warrant shall be payable by the warrant holder against each equity warrant at the time of allotment of Equity Shares pursuant to exercise of the conversion option attached to the equity warrants. The amount paid against the equity warrants shall be adjusted / set-off against the issue price for the resultant Equity Shares.

The scheme of amalgamation amongst our Company and PHCPL

Our Board, pursuant to their resolution dated August 7, 2019, has approved a scheme of amalgamation between our Company and one of our Subsidiaries, Phoenix Hospitality Company Private Limited ("**PHCPL**"), in terms of Sections 230 to 232 of the Companies Act, 2013 ("**PHCPL Amalgamation Scheme**"), and the Company filed applications dated August 30, 2019, with the Stock Exchanges (along with the PHCPL Amalgamation Scheme) for obtaining their no-objection/observation letters, in accordance with Regulation 37 of the SEBI Listing Regulations. In response to the same, the Stock Exchanges provided their no-objection vide letters each dated November 4, 2019. Thereafter, our Company filed the PHCPL Amalgamation Scheme before the National Company Law Tribunal, Mumbai Bench ("**NCLT**") on December 17, 2019. The NCLT, *vide* its order dated May 4, 2020, admitted the PHCPL Amalgamation Scheme and directed that the Shareholders' meeting be held on July 17, 2020, for the purpose of approving the PHCPL Amalgamation Scheme. Subsequently, the Company filed an application dated July 8, 2020, with the NCLT, seeking an extension for holding the Shareholders' meeting. The matter is currently pending.

The salient features of the PHCPL Amalgamation Scheme are as follows:

(i) The entire business and the whole undertaking of PHCPL, including all its properties and assets of whatsoever nature, such as licenses, lease, tenancy rights, if any, and all other rights, title, interest, contracts, powers or benefits of every kind and description, will be transferred and vested in our Company so as to become the business and undertaking of our Company.

(ii) In respect of such assets of PHCPL as are movable in nature or are otherwise capable of transfer by manual delivery, the same shall be physically handed over by manual delivery or endorsement and delivery, and shall become the property of our Company.

(iii) Any pending suits, actions and proceedings of whatsoever nature (hereinafter referred to as the "**Proceedings**") by or against PHCPL shall not abate or be discontinued nor in any way be prejudicially affected by reason of the amalgamation of PHCPL with our Company or anything contained in the PHCPL Amalgamation Scheme, and the Proceedings may be continued and enforced by or against our Company.

(iv) With respect to the deposits, obligations or balances outstanding between PHCPL and our Company, the obligations in respect thereof shall come to an end, and there shall be no liability in that behalf. Further, corresponding effect shall be given in the books of accounts and records of our Company for the reduction of such assets or liabilities, as the case may be.

(v) All contracts, deeds, bonds, agreements, arrangements, incentives, licences, engagements, registrations, transactions, actions, authorizations and other instruments of whatsoever nature to which PHCPL is a party or is subsisting, would continue to be in full force and effect against or in favour of our Company and may be enforced by or against our Company as if it was a party.

(vi) Our Company shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of the PHCPL Amalgamation Scheme.

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

(viii) On the PHCPL Amalgamation Scheme becoming effective and in consideration of the transfer of all assets and liabilities of PHCPL to our Company: a) 1,321,400 equity shares of PHCPL held by our Company shall stand automatically cancelled and there will not be any issue or allotment of shares to our Company; and b) our Company shall issue and allot to the shareholders of PHCPL (other than our Company), 627 Equity Shares for every 100 fully paid-up equity shares of face value of ₹ 10 each held by the shareholders of PHCPL (other than our Company), i.e. Ruia International Holding Company Private Limited as on the record date ("**Share Exchange Ratio**").

(ix) On the PHCPL Amalgamation Scheme becoming effective, to the extent that there are inter-corporate loans/advances or balances between PHCPL and our Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of PHCPL and our Company for the reduction of any assets or liabilities, as the case may be.

(x) In case of any differences in the accounting policy between PHCPL and our Company, the impact of the same till the amalgamation will be quantified and adjusted in statement of profit and loss of our Company to ensure that the financial statements our Company reflects the financial position on the basis of consistent accounting policy.

(xi) All employees of PHCPL will become the employees of our Company without any break or interruptions in their service and upon the terms and conditions not less favorable than those on which such employees were engaged by PHCPL.

Pursuant to the provisions of the PHCPL Amalgamation Scheme as detailed above, on the PHCPL Amalgamation Scheme becoming effective and the allotment of Equity Shares based on the Share Exchange Ratio, the shareholding of our Promoter and Promoter Group will accordingly increase in our Company.

Other confirmations

Our Company has not allotted securities on preferential basis or private placement or by way of rights issue in the last one year preceding the date of this Preliminary Placement Document.

Our Company has not made any allotments for consideration other than cash, in the last one year preceding the date of this Preliminary Placement Document.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of postal ballot notice dated July 13, 2020, to the Shareholders for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

DIVIDENDS

The declaration and payment of final dividend, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. Our Board may also, from time to time, declare interim dividends. Our Board has approved and adopted a formal dividend distribution policy on February 14, 2017, in terms of Regulation 43A of the SEBI Listing Regulations.

The following table details the dividend paid or payable by our Company on the Equity Shares in respect of the quarter ended June 30, 2020 and Fiscals 2020, 2019 and 2018:

Particulars	Quarter ended June 30, 2020	Fiscal 2020	Fiscal 2019**	Fiscal 2018***
Face value of Equity Shares (₹ per Equity Share)	2	2	2	2
Dividend per share (₹ per Equity Share)*	-	-	3.00	2.60
Dividend rate (%)	-	-	150	130
Dividend distribution tax (in ₹ million)	-	-	45.23	3.35
Total dividend on Equity Shares (in ₹ million)	-	-	460.05	398.30

** Excludes dividend distribution tax.*
*** Dividend of Fiscal 2019 has been paid in Fiscal 2020*
**** Dividend of Fiscal 2018 has been paid in Fiscal 2019*

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the financial performance including profits earned (both standalone and consolidated), available distributable reserves, etc., working capital requirement, capital expenditure requirement, cash flow required to meet contingencies and unforeseen events, macroeconomic and business conditions in general, stipulations / covenants of loan agreements and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted. For further information, please see the section entitled "*Description of the Equity Shares*" on page 229.

Also please see the sections entitled "*Taxation*" and "*Risk Factors*" on pages 233 and 48, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Unaudited Consolidated Interim Condensed Financial Statements as of and for the three months ended June 30, 2020 and 2019 and our Audited Consolidated Financial Statements as of and for the financial years 2020, 2019 and 2018, including the related annexures.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12 month period ended March 31 of that year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections "Forward-Looking Statements" and "Risk Factors".

Overview

We are one of India's leading retail asset developers, owners and operators, with the largest retail portfolio among listed companies in India *(Source: CBRE Research)*. Our retail portfolio consists of nine completed retail properties comprising approximately 6.93 million square feet and 2,086 stores, four under-development retail properties comprising approximately 4.00 million square feet and approximately 0.81 million square feet of ongoing and planned expansions, in several of India's largest cities. In addition, our portfolio includes six completed, one under-development and five under-planning commercial office projects, four completed and one under-development residential projects and two completed hotels and one hotel under planning.

For the financial years 2018, 2019 and 2020, our total income was ₹ 16,754.76 million, ₹ 20,666.95 million and ₹ 19,996.38 million, our net profit was ₹ 2,423.65 million, ₹ 4,210.18 million and ₹ 3,347.31 million, and EBITDA was ₹ 7,776.63 million, ₹ 9,931.40 million and ₹ 9,671.45 million, respectively. Over the five-year period ended March 31, 2020, our revenue from operations and net profit grew 1.19 times and 3.69 times, respectively.

Our existing real estate portfolio primarily comprises retail-led, mixed-use developments in prime locations, together with commercial office and residential developments as well as hospitality projects. Our completed and under-construction developments include retail mall, commercial offices, hotel and residential properties in Mumbai, Chennai, Bengaluru, Pune, Lucknow, Bareilly, Agra, Ahmedabad and Indore. Our operations typically encompass most aspects of real estate development, including land acquisition, planning (including liaison and approvals), execution and marketing of projects, through to the leasing, management, operations, maintenance and sales (in case of residential developments) of the completed developments.

We were one of the first real estate developers in India to transform a textile mill property into a modern, multi-use retail-led integrated development – the High Street Phoenix and Palladium mall in Lower Parel, Mumbai *(Source: CBRE Research)*. This development is comprised of a mall of approximately 0.77 million square feet of Gross Leasable Area consisting of retail, entertainment and commercial office space of approximately 0.10 million square feet of Gross Leasable Area (net of areas let out on long leases), The St. Regis hotel, Mumbai, a 395 key luxury hotel, and Phoenix Towers, residential apartment towers built in partnership by the Company, as well as parking space. We believe High Street Phoenix was among the first large-scale, retail-led, mixed-use centre developments in India.

We are a leading developer of retail led mixed-used developments in India *(Source: CBRE Research)*. Our Phoenix MarketCity projects are conceptualized as large-scale, retail-led, mixed-use, real estate developments which we believe are in prime locations and in close proximity to high-catchment areas. We own and operate several malls under the brand name "Phoenix MarketCity" in Mumbai, Chennai, Bengaluru and Pune (one mall in each city). We also own three large-scale, retail-led, mixed-use, real estate developments in each of Pune (Phoenix Millennium), Bengaluru (Phoenix Mall of Asia) and Indore (Phoenix Citadel), which are currently under construction. Our retail-led, mixed-use developments encompass retail and entertainment space, including food and beverage and multiplex facilities and outdoor space and also include one or more commercial offices, hotel or for-sale residential apartment buildings in order to attract a wide spectrum of consumers. We also operate malls under the brand name "Palladium", with one operational mall each in Mumbai and Chennai and one under construction mall in Ahmedabad. We also operate malls under the brand name "Phoenix United", with one operational mall in each of Lucknow and Bareilly. Further, on July 8, 2020, we opened our newest mall under the brand name "Phoenix Palassio" in Lucknow.

Our real estate development portfolio is comprised of four types of real estate asset classes: retail malls, commercial office, residential and hospitality. We characterize our projects as Completed, Ongoing (under development) and Planned Projects (please refer to "*Our Business - Description of our Business*" on page 165). We have a portfolio of approximately 22.69 million square feet in our Completed, Ongoing and Planned Projects, as of June 30, 2020. Our retail development portfolio consists of approximately 11.74 million square feet of Gross Leasable Area in Completed and Ongoing Projects, including ongoing and planned expansions. Our commercial office development portfolio consists of approximately 6.97 million square feet of total Saleable Area and Gross Leasable Area in Completed, Ongoing and Planned Projects (including areas sold). Our residential development portfolio consists of approximately 3.98 million square feet of total Saleable Area in Completed and Ongoing Projects, of which we have sold approximately 2.12 million square feet. Our hospitality portfolio consists of a completed hotel each in Mumbai and Agra having a total of 588 keys, and one planned hotel property in Bengaluru with an estimated 300 keys. In addition, local real estate regulations have enabled us to benefit from certain additional future development potential at some of our projects, subject to requisite planning and construction approvals. Such additional future development potential has not been accounted for in this Preliminary Placement Document.

Recent Developments

Since the end of 2019, COVID-19 spread to a majority of countries across the world, including India. The World Health Organization declared the outbreak of COVID-19 to be a public health emergency of international concern on January 30, 2020, and a global pandemic on March 11, 2020. The COVID-19 pandemic and the preventative or protective actions that Governments around the world have taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in several countries, including India. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown from March 25, 2020 onwards. The lockdown continues to remain in force in several cities, with limited relaxations being granted such as for opening of malls, offices, hotels and shops in other cities.

We are regularly monitoring the impact of COVID-19 on all aspects of our business and operations, including its impact on our tenants and the preventative or protective actions of the central, state and local Governments on the relevant aspects of our business and operations. On account of the lockdown, our operations were significantly disrupted, particularly at our retail malls and hotels. While operations at all of our retail malls were initially suspended due to the Government orders, we have been able to resume operations at all but two of our retail malls with certain restrictions. We resumed operations at Phoenix MarketCity Bengaluru, Phoenix United Lucknow and Phoenix United Bareilly from June 8, 2020 and at High Street Phoenix and Palladium, Phoenix MarketCity Mumbai and Phoenix MarketCity Pune from August 5, 2020, with certain restrictions. We also commenced operations at Phoenix Palassio Lucknow, a new mall from July 8, 2020, with certain restrictions. However, entertainment centers (including multiplexes), spas and bars at these malls continue to remain shut as per Government orders. Further, as per the Government orders, our retail malls in Chennai continue to remain shut. In addition, while food and beverage outlets (excluding bars) at our Phoenix MarketCity Bengaluru, Phoenix Palassio Lucknow, Phoenix United Lucknow and Phoenix United Bareilly are allowed to open, the food and beverage outlets at High Street Phoenix and Palladium, Phoenix MarketCity Mumbai and Phoenix MarketCity Pune may only offer home delivery. We have proactively engaged with our retail tenants and licensees in connection with the shutdown of their operations and the resultant downturn in their business, and have provided (and are providing) waivers and moratoriums on a portion or all of minimum guarantee rentals to be paid by them to us for a portion or all of the financial year 2021, resulting in our license fees and rental income in the financial year 2021 having a lesser percentage of minimum guarantee rental payments and a higher percentage of income attributable to revenue share arrangements with our retail tenants and licensees as compared to the prior financial year. This is also because in connection with the reduction of minimum guarantee rental commitments, our retail tenants and licensees have in many cases agreed to (or are generally in the process of agreeing to) provide us a higher revenue share arrangement than as set out in our existing rental agreements with them. We continue to engage with our retail tenants and licensees to effectuate this initiative and cannot assure you that all our retail tenants and licensees will agree to such measures.

The following table provides a comparative of Permissible Area leased by us between February 29, 2020 and August 10, 2020 for certain of our retail malls which have been permitted to re-open pursuant to the recent orders of applicable Government authorities as part of partial re-opening of businesses in India. In the table below, Permissible Area is that portion of Gross Leasable Area of each mall which has been permitted to re-open pursuant to the recent orders of applicable Government authorities as part of partial re-opening of businesses in India.

Our retail mall (Area approximated to nearest second decimal in million square feet)	Permissible Area leased as of February 29, 2020*	Permissible Area leased as of Aug 10, 2020	% of Permissible Area leased as of Aug 10, 2020 as compared to February 29, 2020	Portion of such Permissible Area open for business as of August 10, 2020	% of area open for business as compared to Permissible Area leased as of August 10, 2020
HSP and Palladium	0.54	0.53	98.00%	0.50	95.00%
Phoenix MarketCity Pune	0.84	0.82	98.00%	0.76	93.00%
Phoenix MarketCity Bangalore	0.84	0.80	95.00%	0.72	91.00%

Our retail mall (Area approximated to nearest second decimal in million square feet)	Permissible Area leased as of February 29, 2020*	Permissible Area leased as of Aug 10, 2020	% of Permissible Area leased as of Aug 10, 2020 as compared to February 29, 2020	Portion of such Permissible Area open for business as of August 10, 2020	% of area open for business as compared to Permissible Area leased as of August 10, 2020
Phoenix MarketCity Mumbai	0.80	0.79	98.00%	0.74	94.00%

Note: For Gross Leasable Area for each of these retail malls, please refer to "Business – Our Developments – Large mixed-use retail developments" on page 23.
**As of February 29, 2020, all of the Gross Leasable Area in all our retail malls was permitted to be open. As such, such date has been used as the date for comparison with the Permissible Area leased as of August 10, 2020.*

Our hotel in Agra was temporarily shut starting from April 1, 2020 and has resumed operations from August 8, 2020. Further, as of August 18, 2020, restaurants at our hotel in Agra are allowed to serve guests. From April 1, 2020 to July 8, 2020, we operated the The St. Regis, Mumbai with significant restrictions as per the notification of the Maharashtra State Government permitting only stranded guests and guests requiring isolation. From July 6, 2020, we operated The St. Regis, Mumbai at a limited capacity, with current orders of applicable government authorities permitting 33% occupancy, restaurants (excluding bars) being permitted to serve resident hotel guests and hosting of certain open air events with limited persons attending.

Applicable Government orders imposed a shutdown of commercial offices from April 1, 2020, such orders were subsequently revised on May 1, 2020 to permit reopening of commercial offices but with limited occupancies at any given time. However, we did not face any significant disruptions in rental collections from our commercial office tenants for the quarter ended June 30, 2020. Operations, including sales, at our residential projects have witnessed a significant adverse effect.

We also faced interruption in construction activity at our under-construction sites during the months of April and May 2020, on account of the lockdowns enforced and constrained availability of labor, which have now gradually resumed in all of the cities with certain restrictions.

We have focused on maintaining business continuity and operational efficiencies during the lockdown and have taken several cost reduction measures to rationalize fixed costs across all our properties, including energy conservation, resource deployment and deferral of certain non-critical upgrades. We have also availed moratorium for a period of six months (until August 31, 2020) with respect to payment of interest on and repayment of principal of our outstanding indebtedness.

We have undertaken several significant initiatives at our properties in response to the pandemic and to promote the health and safety of tenants and visitors. Such initiatives include the status check through the *Aarogya Setu* application, quarantine stamp check, ultraviolet baggage disinfection machines, footwear sanitization mats, implementing and enforcing social distancing measures including compulsory wearing of masks, restricting number of customers inside a retail store at a given time and implementation of floor queue marking, conducting temperature checks, restricting the number of personnel that use elevators and common areas at any given time, installing several sanitizer stations, regulating traffic flow, reconfiguring the air-conditioning systems to enhance the number of fresh air changes as per recommended standards, encouraging digital payments, pre-booking of mall visits to avoid queues, contactless placement of orders at the food courts and disinfecting the premises. Maintenance personnel at our properties have been equipped with personal protective equipment and been trained for maintaining COVID-19 safety protocols.

We recognized total income of ₹ 1,478.36 million (including income from operations of ₹ 1,347.07 million) during the three months ended June 30, 2020, which was 76.55% lower when compared with such total income for the three months ended June 30, 2019. We are regularly monitoring the impact of the COVID-19 pandemic on our property, plant and equipment, capital work in progress, intangible assets, investments, inventories, trade receivables and other current assets. In preparation of our Unaudited Consolidated Interim Condensed Financial Statements as of and for the three months ended June 30, 2019 and 2020 and our Audited Consolidated Financial Statements as of and for the financial year 2020, we have assessed the impact and future uncertainties resulting from the COVID-19 pandemic and based on our assumptions and current estimates, we expect the carrying amount of our assets as reflected in the balance sheet as at June 30, 2020 to be recovered. In preparation of our Unaudited Consolidated Interim Condensed Financial Statements as of and for the three months ended June 30, 2019 and 2020, based on ongoing and yet to commence discussions with retail tenants and licensees for certain waivers and concessions on the rentals extended to such counterparties until March 31, 2021, the revenue accruals consider management estimates of the most likely agreeable amounts of waivers and concessions. The ultimate impact of the COVID-19 pandemic on the business and operations may, however, differ from that assessed by us due to the evolving nature of the pandemic and its response by various Government authorities. To the extent, the COVID-19 pandemic adversely affects us, it may also significantly increase the effect of other factors affecting our results of operations. Please refer to "*Risk Factors - Internal Risks – The COVID-19 pandemic adversely affects our business, financial condition, results of operations, cash flows, liquidity and performance, and it may reduce the demand for real estate in future*" on page 48.

Significant Factors Affecting Our Results of Operations

Our business, prospects, results of operations and financial condition are affected by a number of factors, including the following key factors:

The COVID-19 pandemic

The COVID-19 pandemic has affected and is expected to continue to affect our business and results of operations in the near future; please refer to "– *Recent Developments*" on page 163.

Occupancy levels of our leased retail and commercial office space

A substantial portion of our income for the financial year 2020 and the three months ended June 30, 2020 was derived from leases of our retail mall Completed Projects, High Street Phoenix and Palladium in Mumbai and Phoenix MarketCity projects in Bengaluru, Chennai, Pune and Mumbai. The amount that we receive in rental income is based upon the amount of space we have leased and the rate per square foot we charge (being the higher of minimum guaranteed amounts/fixed fee or a percentage of revenue share) for that leased space. The occupancy of the project and rates we charge depend on various factors including the location and design of the project, the client mix, the sales revenue of the retail clients, prevailing economic conditions and competition.

Fluctuations in rentals and sales prices for our developments

Our total income is primarily affected by lease rentals charged at our retail and commercial office projects, sales prices of our residential projects and room rates charged for our hotel rooms, which may be affected by prevailing market conditions in the real estate and hospitality sectors in India (including market forces of supply and demand), the nature and location of our retail malls, residential and commercial office projects and hotels, the timing of lease or license expiry and renewals and other factors such as our brand and reputation and the design of our projects. The demand of retail and entertainment, commercial, hospitality, residential and other properties are affected by various factors outside our control, including prevailing local economic, income and demographic conditions, supply of quality and similarly located properties and the outbreak of the COVID-19 pandemic. During times of a real estate economic downturn, buyers may become cautious, rentals of retail malls and commercial office space may face downward pressure, and consumer sentiment and market spending may be adversely affected.

Macroeconomic factors and regulatory framework

We lease retail space in our projects either on a fixed license fee or a minimum guarantee amount and percentage of revenue generated by the retail client, whichever is higher, and in certain cases, we lease retail space in our projects solely on a revenue share basis. Therefore, generally, the more consumers spend at stores in our retail projects, the more lease income we will receive from retail projects. The amount of money spent by consumers at these stores is dependent on numerous factors including prevailing economic conditions, disposable income of consumers, increasing urbanization and consumerism and competition from other shopping malls and stores. Further, all of our revenues are generated in India. Therefore, macroeconomic factors, including the growth of the Indian economy, interest rates, as well as the Indian political and economic environment, would have an impact on our business and results of operations going forward as our business continues to grow.

Further, the Indian real estate sector is regulated by central, state and local governmental authorities. Regulations applicable to our operations include standards regarding land acquisition, the ratio of built-up area to land area, land usage, the suitability of building sites, road access, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply, environmental suitability and size of the project. Approval of development plans is conditioned on, among other things, completion of the acquisition of the project site and compliance with relevant conditions. Approvals must be obtained at both the state and local levels, and our results of operations are expected to continue to be affected by the nature and extent of the regulation of our business, including the relative time and cost involved in procuring approvals for each new project, which can vary from project to project.

Rate of progress of construction and development for our retail Ongoing Projects

As of June 30, 2020, our retail development portfolio consists of approximately 4.0 million square feet of Leasable Area in Ongoing Projects. Construction progress depends on a variety of factors, including the availability of labour and raw materials, the actual cost of construction (which is particularly affected by fluctuations in the market price for construction material), the competence of our contractors, the receipt of approvals and regulatory clearances, access to utilities such as electricity and water, absence of contingencies such as litigation and adverse weather conditions, outbreak of the COVID-19 pandemic and other unforeseeable circumstances. Any of these factors may lead to delays in, or prevent, the completion of our Ongoing

Projects, which could affect our business, reputation, financial condition and results of operations.

Cost of land and construction

The growth of our business is dependent on our cost of acquiring land and the availability of land in areas where we intend to develop projects. The cost of acquiring land, which includes the amounts paid for freehold rights, the cost of registration and stamp duty, represents a substantial part of our project cost.

Our cost of construction comprises primarily the cost of raw materials (in particular cement and steel), contractors, architects and other consultants, and construction materials and finishing.

Cost of third party contractors, architects and consultants. We outsource the design and construction of our projects. We engage international and domestic architects and third-party contractors under fixed price contracts. The progress and quality of construction of the projects we develop depends on the availability and skill of our architects, contractors and consultants, as well as contingencies affecting them, including labor and industrial actions. As a result, any increase in prices resulting from higher construction costs could adversely affect our profit margins, and the relative affordability of our projects as compared to our competitors' projects, if we increase the sales or rental prices of our projects.

Cost of raw materials, construction materials and finishings. Our cost of construction is also affected by price fluctuations in raw materials (in particular cement and steel), bricks and glass, electrical accessories, plumbing materials, tiles and paints, lifts and escalators. These and other construction materials and finishing form a significant portion of our cost of construction. Raw materials prices may be affected by shortages in supply and price volatility caused by various factors beyond our control, including general economic conditions, competition, production levels, transportation costs and changes in import restrictions. In addition, our supply chain may be periodically interrupted by circumstances beyond our control, including work stoppages and labour disputes affecting our suppliers, their distributors, or the transporters of our supplies.

Acquisition of shopping malls

As part of our ongoing growth strategy and evaluation of growth opportunities, we may, in the future, acquire existing, standalone under-development or operational retail malls in certain key micro-markets of India. Our strategy is dependent on the availability of suitable existing retail malls which we believe present opportunities to generate revenues under the Phoenix brand and management. The acquisition and development of existing standalone, under-development retail malls or operating retail malls, and the integration and ongoing operation of such malls under our Phoenix brand, would be both capital and time intensive and would require the diversion of significant financial resources and management time from our existing business to these expansion projects. In addition, acquired retail malls may not generate the returns we anticipate and/or may require capital expenditure in excess of budgeted amounts. These factors may have an impact on our cash flows and levels of available cash resources which may in turn affect the progress of other growth or development plans that we are seeking to implement.

Availability of cost-effective financing

One of the factors that may significantly affect our business is the availability of cost-effective financing for our projects, each of which we generally finance individually. We seek equity as well as debt financing for our projects and cost of financing affects our results of operations. Our finance costs were ₹ 3,476.07 million, ₹ 3,505.79 million, ₹ 3,478.17 million and ₹ 869.34 million for the financial years 2018, 2019 and 2020 and the three months ended June 30, 2020, respectively. We expect our finance costs to continue to increase in the future as we incur additional indebtedness to develop other projects. Interest rates in India have generally been volatile in the recent past. On May 22, 2020, the RBI reduced the repo rate from 4.40% to 4.00%. Our inability to raise cost-effective financing may affect our results of operations and business prospects.

Significant Accounting Policies

Basis of Measurement

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except following which have been measured at fair value:

- Defined benefit plans – plan assets measured at fair value
- Certain financial assets and liabilities that is measured at fair value
- Share based payments measured at fair value

The consolidated financial statements are presented in Indian Rupees ("in lakhs"), which is our functional currency and all amounts are rounded to the nearest rupees in lakhs.

Basis of consolidation

Our consolidated financial statements incorporate the financial statements of our Company and its subsidiaries and associates. Our Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when we have less than a majority of the voting or similar rights of an investee, we consider all relevant facts and circumstances in assessing whether we have power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, our voting rights and potential voting rights and the size of our holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders. Our Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Property, Plant and Equipment

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes the costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Leasehold land is amortized over the period of lease. Depreciation on other fixed assets (excluding land and lease land in perpetuity) is provided on written down value method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period. In some of the subsidiaries, the depreciation is provided on the straight line method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein.

High end operating supplies acquired prior to commencement of the hotel operations and opening of new restaurants / outlets are considered as a part of fixed assets and are depreciated over a period of three years on straight line method.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

Intangible Assets

Identifiable intangible assets are recognized a) when we control the asset, b) it is probable that future economic benefits attributed to the asset will flow to us, and c) the cost of the asset can be reliably measured.

Intangible assets comprising computer software, license and franchise and acquired goodwill are amortised over the period not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

Initial recognition and measurement:

At initial recognition, we measure a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on our business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

- Debt instrument at amortised cost:

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Debt instrument at fair value through other comprehensive income ("**FVOCI**"):

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Debt instrument at fair value through profit and loss ("**FVTPL**"):

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- Equity instruments:

  All equity instruments other than in associates are initially measured at fair value. Any subsequent fair value gain /loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

- Investment in Associates:

  We have accounted for its Investment in associates at cost.

Derecognition:

A financial asset is primarily derecognised i.e. removed from our financial statements when:

- The rights to receive cash flows from asset have expired, or

- We have transferred our right to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

  a) We have transferred substantially all the risks and rewards of the assets,

  b) We have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When we have transferred our rights to receive cash flows from an asset or have entered into a pass-through arrangement, we evaluate if and to what extent we have retained the risks and rewards of ownership. When we have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, we continue to recognise the transferred asset to the extent of our continuing involvement. In that case, we also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that we could be required to repay.

Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at fair value less provision for impairment. For some trade receivables, we may obtain security in the form of security deposit which can be called upon if the counterparty is in default under the terms of the agreement.

Financial Liabilities:

- Initial recognition and measurement:

  All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

  Our financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

- Subsequent measurement:

  The measurement of financial liabilities depends on their classification, as described below:

  Financial liabilities at fair value through profit and loss

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

  Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

- Loans and Borrowings (for financial years 2020 and 2019) / financial liabilities at amortised cost (for financial year 2018):

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- Trade and other payables:

These amounts represent liabilities for goods and services provided to us prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

- Derecognition**:**

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of Assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).

Impairment of Goodwill

For the purposes of impairment testing, goodwill is allocated to each of our cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Non – Financial Asset:

We assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, our Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of Financial asset:

We assess impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;

- Financial asset measured at FVOCI debt instruments.

We follow 'simplified approach' for recognition of impairment loss allowance on

- Trade receivables or contract revenue receivables.

The application of simplified approach does not require us to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

We use a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, our Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, we combine financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

Cost of realty construction / development includes all costs directly related to the project and other expenditure as identified by the management which are incurred for the purpose of executing and securing the completion of the project (net off incidental recoveries/receipts).

Stock of food, beverages, stores and operating supplies are valued at lower of cost (computed on weighted average basis) and net realizable value.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Classification of assets and liabilities as current and non – current:

We present assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Revenue recognition

For the financial year 2020:

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Ministry of Corporate Affairs has notified the Ind AS 116 'Leases' effective from April 1, 2019. Ind AS 116 has replaced the existing leases standard IndAS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Application of above standard does not have any significant impact on the financial statements.

For the financial years 2019 and 2018:

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from license fees and other operating services

For the financial year 2020:

Revenue from license fees are recognised on a straight line basis over the license terms.

Revenue from operating services is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration our Company expects to receive in exchange for those services, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-30 days from the delivery of services.

For the financial year 2019:

Revenue from license fees are recognised on a straight line basis over the license terms, except where the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary operating cost increases.

Revenue from operating services is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration our Company expects to receive in exchange for those services, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-30 days from the delivery of services.

For the financial year 2018:

Revenue from license fees and other operating services are recognised on a straight line basis over the license terms, except where the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary operating cost increases.

Revenue from sale of properties

For the financial years 2020 and 2019:

Our Company develops and sells residential properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

Our Company invoices the customers for construction contracts based on achieving performance-related milestones.

For the financial year 2018:

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method subject to transfer of significant risk and rewards to the buyer and outcome of the real estate project can be estimated reliably. Percentage of completion is determined with reference to the entire project cost incurred versus total estimated project cost determined based upon the judgment of management. Accordingly, cost of construction / development is charged to Statement of Profit and Loss in proportion to the revenue recognized during the year and balance costs are carried as part of 'Project Work in Progress' under inventories. Amounts receivable/received are reflected as Debtors/Advances from Customers, respectively, after considering income recognized in the aforesaid manner. The estimates of saleable area and costs are revised periodically by the management and are considered as change in estimate accordingly, the effect of such changes to estimates is recognized in the year when such changes are determined.

Revenue from sale of completed properties (Finished Realty Stock) is recognised upon the transfer of significant risks and rewards to the buyer.

Revenue from Sale of land and other rights

For the financial year 2020:

Revenue from Sale of land and other rights is generally a single performance obligation and our Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements.

Revenue from hotel component of sale of rooms, foods and beverages

For the financial years 2020 and 2019:

Revenue from hotel component of sale of rooms, banquets, foods and beverages, allied services relating to hotel operations are recognized upon rendering of the services. Sales and services are recorded inclusive of excise duty (wherever applicable) and net of sales tax, service tax and luxury tax. Revenue yet to be billed is recognised as unbilled revenue. Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits. Annual membership fees are recognised as income on time proportion basis. Contribution to customer loyalty programs calculated as per agreed percentages of qualifying revenues are accounted on accrual basis and the same is reduced from the revenue.

For the financial year 2018:

Revenue from hotel component of sale of rooms, banquets, foods and beverages, allied services relating to hotel operations are recognized upon rendering of the services. Sales and services are recorded inclusive of excise duty (wherever applicable) and net of sales tax, service tax, goods and service tax and luxury tax. Revenue yet to be billed is recognised as unbilled revenue. Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits. Annual membership fees are recognised as income on time proportion basis. Contribution to customer loyalty programs calculated as per agreed percentages of qualifying revenues are accounted on accrual basis and the same is reduced from the revenue.

Contract Assets

For financial years 2020 and 2019:

A contract asset (Trade receivable) is the right to consideration in exchange for goods or services transferred to the customer. If our Company performs part of its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on our Company's future performance.

Contract Liability

For the financial year 2020:

A contract liability is the obligation to transfer goods or services to a customer for which our Company has received consideration from the customer. If a customer pays consideration before our Company transfers goods or services to the customer, a contract liability is recognised when the payment is received. Contract liabilities are recognised as revenue when our Company performs under the contract.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, our Company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

Employee Benefits

Short-term Employee benefits:

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

Post-employment benefits

- <u>Defined Contribution Plan</u>

  The defined contribution plan is post-employment benefit plan under which we contribute fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. Our defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. Our contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

- <u>Defined benefit plan</u>

  We have defined benefit plans comprising of gratuity. Our obligation towards gratuity liability is funded and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

The expected return on plan assets is our expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

For financial years 2020 and 2018, the interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost. For financial year 2019, the interest cost on defined benefit obligation and expected return on plan assets is recognised under employee benefit expense.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

Other long-term benefits

Our employees have other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit and loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

Share-based payments

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, we revise our estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. We recognise the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to other equity.

Provisions and contingencies

Provisions are recognised when our Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities' interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of our Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Use of significant accounting estimates, judgments and assumptions

In the process of applying our accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statements:

Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on our historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

Investment Property

Management has assessed applicability of Ind AS 40- Investment property to the property held to earn income from licensee fees. In assessing such applicability, management has considered the ownership of assets, terms of license agreement, various services provided to the licensee etc. We consider these other services as significant in addition to the License fees charged. Based on such assessment, the management has considered the mall property as owner-occupied property and hence classified as Property, Plant and Equipment.

Recoverability of trade receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. We use a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Defined Benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Treatment of security deposit for lease rentals

For financial year 2018:

In assessing the applicability of Ind AS 32-Financial Instruments to security deposits received, the management has considered the substance of the transactions, terms and conditions of agreement and historical experience to conclude whether such security deposits meet the criteria of a financial liability. These deposits are primarily intended to secure compliance of the licensees' obligations under the agreement and have no bearing on the license fees charged. Further, there is no contractual obligation to deliver cash or other financial asset to the licensees and can be adjusted against the dues, if any and therefore these have been treated as non- financial liability.

Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. We use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on our past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Additionally, for financial years 2019 and 2018:

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on us and that are believed to be reasonable under the circumstances. They are continuously evaluated.

Fair Value measurement

For financial years 2020 and 2018:

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

For financial year 2019:

We measure financial instrument e.g. investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by us.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Recent Changes in Accounting Policies

There have been no changes in our Company's accounting policies during the last three financial years and three months ended June 30, 2020, except as stated below:

Application of IndAS 115 – Revenue from Contracts with Customers ("IndAS 115"):

The Ministry of Corporate Affairs made IndAS 115 mandatorily applicable from April 1, 2018. We applied the modified retrospective approach as provided under IndAS 115 to contracts that were not completed as on April 1, 2018 and the cumulative effect of applying this standard was recognised on April 1, 2018, the date of initial application as an adjustment to the opening balance of our Retained Earnings, but only to contracts that were not completed as on such date. The transitional adjustment of ₹ 1,132.33 million (net of deferred tax) was adjusted against opening Retained Earnings based on the requirements of the IndAS 115 pertaining to recognition of revenue based on satisfaction of performance obligation (at a point in time).

For sales of property under development that were recognised in the financial year 2018 based on the percentage of completion accounting policy, we determined that such transactions generally do not meet the criteria for recognising revenue over time under IndAS 115 owing to the unilateral right of cancellation of the contract available to the customers and therefore the revenue was recognised at a point in time.

Due to the application of IndAS 115 for the full financial year 2019, Income from Sale of Property for such year was higher by

₹ 970.40 million, Cost of Sales was higher by ₹ 408.32 million, Profit after Tax was higher by ₹ 562.08 million. These changes are due to recognition of revenue based on satisfaction of performance obligation (at a point in time), as opposed to the previously permitted percentage of completion method. The consolidated financial statements as of and for the financial year 2018 were not restated and hence are not comparable with those of the subsequent year. There was no material impact on our Cash Flows from Operations as we continued to collects from our customers based on existing payment plans. Additionally, there was no material impact on Other Comprehensive Income for such year.

Application of IndAS 116 – Leases ("IndAS 116"):

Effective April 1, 2019, we have adopted IndAS 116 "Leases". Ind AS 116 substantially carries forward the lessor accounting requirements of Ind AS 17, thereby application of this standard does not have any significant impact on the financial statements.

Amendment to IndAS 12 – Income Taxes ("IndAS 12"):

The Ministry of Corporate Affairs has notified limited amendments to IndAS 12 'Income Taxes' with effect from April 1, 2019. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Since Dividend Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the financial statements.

Appendix C to IndAS 12, Uncertainty over Income Tax Treatments:

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to IndAS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in IndAS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in IndAS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. Our Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to IndAS 19 'Employee Benefits':

The Ministry of Corporate Affairs has notified limited amendments to IndAS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019. Our Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

Segment Reporting

We have two reportable business segments – property and related services and hospitality. Our operations are broadly divided into the following financial segments:

- property and related services, including retail mall, commercial office and residential real estate projects;
- hospitality related services for our hotels and restaurants in operation; and
- unallocated segment, which include our interest income, dividend income, profit on sale of investments and assets.

Segment revenue, segment expenses, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts are allocated thereunder on a reasonable basis. Revenue and expenses which are not directly attributable to any business segment are shown under unallocated segment. Assets and liabilities that cannot be allocated between the two segments are shown as a part of unallocated assets and liabilities, respectively.

The following table sets out our segment-wise revenue and results (profit after tax) for the periods indicated:

Particulars		Three months ended June 30,		Financial Year		
		2020	2019	2020	2019	2018
		(₹ in million)				
Property and Related Services	Total Revenue	1,266.77	5,369.32	15,911.69	16,223.54	12,759.94
	Segment Results	445.90	2,347.11	7,039.11	7,012.43	5,450.88
Hospitality Services	Total Revenue	80.31	781.11	3,499.68	3,592.06	3,438.59
	Segment Results	(245.56)	73.31	633.78	1,357.64	342.93
Unallocated	Total Revenue	131.29	153.76	585.01	851.34	556.23
	Segment Results	(720.50)	(883.23)	(3,787.91)	(3,400.12)	(3,235.50)
Total	**Total Revenue**	**1,478.37**	**6,304.19**	**19,996.38**	**20,666.94**	**16,754.76**
	Segment Results	**(520.16)**	**1,537.19**	**3,884.98**	**4,969.95**	**2,558.31**

For further information on our segment information, see "*Audited Consolidated Financial Statements – Note 39*" and "*Unaudited Consolidated Interim Condensed Financial Statements – Note 34*".

Principal Components of our Statement of Profit and Loss

Total Income. Our total income consists of revenue from operations and other income.

Revenue from Operations. Our revenue from operations includes revenue from realty sales, license fees and rental income from retail malls and commercial office operations, service charges in the nature of common area maintenance and other charges as well as other operating income derived from our commercial office projects and retail projects, room rent income, food, beverage and banquet income derived from our hospitality/hotel operations.

Other Income. Our other income comprises interest income, dividend income, profit on sale of financial assets, financial assets measured at FVTPL, profit on sale of assets, project technical services/professional fees, foreign exchange (gain)/loss, miscellaneous receipts and balance/(provisions) written back.

Total Expenses. Our total expenses include cost of materials consumed, change in inventory, employee benefits expenses, depreciation and amortisation, finance costs and other expenses.

Cost of Materials Consumed. Our cost of materials consumed primarily includes construction and other related costs as well as cost of purchase of food and beverages for our restaurants and banquet facilities.

Change in Inventory. Our expense line item due to change in inventory comprises of inventories for finished goods and work-in-progress with respect to realty sales and stock in trade with respect to food and beverage consumed at our hotels.

Employee Benefits Expenses. Our employee benefits expenses include salaries, wages and bonus paid to employees, contribution towards provident fund and other funds, staff welfare expenses and share based payments cost.

Depreciation and Amortisation. Our depreciation and amortisation expense comprise of depreciation of property, plant and equipment and amortization of intangible assets such as software, licenses and franchises.

Finance Costs. Our finance costs include interest expenses for financial liabilities, premium on non-convertible debentures and other borrowing costs such as credit card commission and bank charges.

Other Expenses. Our other expenses include several costs such as electricity, repairs and maintenance, foreign exchange (gain)/loss, insurance, stores and operating supplies, rent, rates and taxes, property tax, water charges, communication expenses, postage and courier, printing and stationary expenses, legal and professional charges, travelling expenses, auditors' remuneration, directors' sitting fees and commission, compensation, donation, loss on assets sold/discarded, loss on sale of investment, advertisement and sales promotion, bank charges, brokerage, rebate and settlement, bad debts and sundry balances written off, provision for expected credit loss and advances, parking expenses, office expenses, management fee, security charges, housekeeping expenses, general expenses, miscellaneous expenses and share of loss from a partnership firm.

Our Results of Operations

Three Months ended June 30, 2020 compared to Three Months ended June 30, 2019

The following table sets forth select financial data from our unaudited consolidated interim condensed statement of profit and loss for the three months ended June 30, 2020 and June 30, 2019, the components of which are also expressed as a percentage of total income for such periods:

Particulars	For the Three Months Ended			
	June 30, 2020		June 30, 2019	
	(₹ in million)	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*
Income				
Revenue from Operations	1,347.07	91.12	6,150.43	97.56
Other Income	131.29	8.88	153.76	2.44
Total Income	**1,478.36**	**100.00**	**6,304.19**	**100.00**
Expenditure				
Change in Inventory	(19.86)	(1.34)	874.51	13.87
Cost of Materials Consumed	11.77	0.80	483.06	7.66
Employee Benefits Expenses	203.66	13.78	381.97	6.06
Depreciation and Amortisation	502.43	33.99	507.02	8.04
Finance Costs	869.34	58.80	871.24	13.82
Other Expenses	448.74	30.35	1,483.46	23.53
Total Expenses	**2,016.07**	**136.37**	**4,601.25**	**72.99**
Profit before Exceptional Items and Tax	**(537.71)**	**(36.37)**	**1,702.95**	**27.01**
Add: Exceptional Item	0.00	0.00	0.00	0.00
Profit before Tax	**(537.71)**	**(36.37)**	**1,702.95**	**27.01**
Tax Expenses	**(32.57)**	**(2.20)**	**234.20**	**3.71**
Profit after Tax	**(505.14)**	**(34.17)**	**1,468.75**	**23.30**
Share of Profit / (Loss) in Associates	(15.03)	(1.02)	68.43	1.09
Non-controlling interest	96.06	6.50	(233.32)	(3.70)
Profit for the Period	**(424.11)**	**(28.69)**	**1,303.87**	**20.68**
Other Comprehensive Income	**62.52**	**4.23**	**(227.18)**	**(3.60)**
Total Comprehensive Income for the Period	**(361.59)**	**(24.46)**	**1,076.69**	**17.08**

On account of the nationwide lockdown imposed by India from March 25, 2020 due to the COVID-19 pandemic, our operations were disrupted, particularly at our retail malls and hotels. For the preparation of the results of operations for the three months ended June 30, 2020, we have taken into account internal and external sources of information to assess the possible impact of the COVID-19 pandemic, including assessment of liquidity, going concern and recoverable values of our financial and non-financial assets.

Further, for the recognition of retail mall revenues for the three months ended June 30, 2020, our management has considered certain waivers and concessions on the rentals extended to our retail tenants and licensees until March 31, 2021 due to the extended impact of the COVID-19 pandemic. We have provided these waivers and concessions based on our discussions with the retail tenants and licensees, on a case to case basis. In instances where the discussions have not yet commenced or are currently ongoing, the revenue accruals consider the management estimates of the most likely agreeable amounts of waivers and concessions based on ongoing discussions and relationship with retail tenants and licensees. For details on our revenue recognition policy, please refer to "– *Significant Accounting Policies*" on page 84.

Total Income

Our total income decreased by 76.55% to ₹ 1,478.36 million for the three months ended June 30, 2020 from ₹ 6,304.19 million for the three months ended June 30, 2019, primarily due to decrease in revenue from operations.

Revenue from operations. Revenue from operations decreased by 78.10% to ₹ 1,347.07 million for the three months ended June 30, 2020 from ₹ 6,150.43 million for the three months ended June 30, 2019, primarily owing to the lockdown imposed due to the COVID-19 pandemic, which resulted in decrease in:

- income from realty sales to nil for the three months ended June 30, 2020 from ₹ 2,071.37 million for the three months ended June 30, 2019; and

- license fees and rental income to ₹ 919.49 million for the three months ended June 30, 2020 from ₹ 2,296.34 million for the three months ended June 30, 2019.

Other income. Other income decreased by 14.61% to ₹ 131.29 million for the three months ended June 30, 2020 from ₹ 153.76 million for the three months ended June 30, 2019, primarily due to a decrease in the fair value of financial assets as well as decrease in sales of mutual fund investments.

Expenditure

Change in inventory

Change in inventory was an increase of ₹ 19.86 million for the three months ended June 30, 2020 as compared to a decrease of ₹ 874.51 million for the three months ended June 30, 2019, primarily due to a net increase in the work in progress of realty stock of ₹ 24.68 million for the three months ended June 30, 2020 as compared to a decrease of ₹ 876.81 million for the three months ended June 30, 2019.

Cost of materials consumed

Cost of materials consumed decreased by 97.56% to ₹ 11.77 million for the three months ended June 30, 2020 from ₹ 483.06 million for the three months ended June 30, 2019, on account of a decrease in the construction activity at our realty projects owing to the lockdown imposed due to the COVID-19 pandemic.

Employee benefits expenses

Employee benefit expenses decreased by 46.68% to ₹ 203.66 million for the three months ended June 30, 2020 from ₹ 381.97 million for the three months ended June 30, 2019 on account of the various cost containment measures taken across business divisions such as a significant reduction in the salaries and wages of our employees.

Depreciation and amortization expenses

Depreciation and amortization expenses decreased by 0.91% to ₹ 502.43 million for the three months ended June 20, 2020 from ₹ 507.02 million for the three months ended June 30, 2019.

Finance costs

Finance costs decreased by 0.22% to ₹ 869.34 million for the three months ended June 30, 2020 from ₹ 871.24 million for the three months ended June 30, 2019 as a result of decrease in the other borrowing costs to ₹ 0.29 million for the three months ended June 30, 2020 from ₹ 10.08 million for the three months ended June 30, 2019.

Other expenses

Other expenses decreased by 69.75% to ₹ 448.74 million for the three months ended June 30, 2020 from ₹ 1,483.46 million for the three months ended June 30, 2019 due to various cost containment measures such as a reduction in outsourced services like housekeeping and security, utilities and other consumables, marketing and production activities and renegotiating contracts with key vendors. Further, the other expenses decreased primarily due to a decrease in:

- electricity expenses to ₹ 89.65 million for three months ended June 30, 2020 from ₹ 450.93 million for the three months ended June 30, 2019;

- repairs and maintenance of buildings, machinery and vehicles and others to ₹ 59.73 million for the three months ended June 30, 2020 from ₹ 157.49 million for the three months ended June 30, 2019;

- legal and professional charges to ₹ 16.19 million for the three months ended June 30, 2020 from ₹ 129.65 million for the three months ended June 30, 2019; and

- advertisement and sales promotions to ₹ 27.08 million for the three months ended June 30, 2020 from ₹ 188.95 million for the three months ended June 30, 2019.

Tax expenses

We had a tax credit of ₹ 32.57 million for the three months ended June 30, 2020 as compared to tax expenses of ₹ 234.20 million for the three months ended June 30, 2019.

Profit/Loss for the period

We had a loss after non-controlling interest and share of loss from Associates of ₹ 424.11 million for the three months ended June 30, 2020 as compared to a profit after non-controlling interest and share of profit from Associates of ₹ 1,303.87 million for the three months ended June 30, 2019, as a result of the factors discussed above.

Financial Years 2020, 2019 and 2018

The following table sets forth select financial data from our audited consolidated statement of profit and loss for the financial years 2020, 2019 and 2018, the components of which are also expressed as a percentage of total income for such periods:

Particulars	Financial Year					
	2020		2019		2018	
	(₹ in million)	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*	*(₹ in million)*	*(% of Total Income)*
Income						
Revenue from Operations	19,411.37	97.07	19,815.61	95.88	16,198.53	96.68
Other Income	585.01	2.93	851.34	4.12	556.23	3.32
Total Income	**19,996.38**	**100.00**	**20,666.94**	**100.00**	**16,754.76**	**100.00**
Expenditure						
Change in Inventory	818.47	4.09	(2,420.07)	(11.71)	(449.78)	(2.68)
Cost of Materials Consumed	1,140.21	5.70	4,609.02	22.30	1,768.82	10.56
Employee Benefits Expenses	1,655.30	8.28	1,615.03	7.81	1,472.72	8.79
Depreciation and Amortisation	2,076.22	10.38	2,042.32	9.88	1,982.82	11.83
Finance Costs	3,478.17	17.39	3,505.79	16.96	3,476.07	20.75
Other Expenses	6,125.94	30.64	6,080.23	29.42	5,630.14	33.60
Total Expenses	**15,294.31**	**76.49**	**15,432.32**	**74.67**	**13,880.79**	**82.85**
Profit before Exceptional Items and Tax	**4,702.07**	**23.51**	**5,234.63**	**25.33**	**2,873.97**	**17.15**
Add: Exceptional Item	77.66	0.39	480.99	2.33	-	-
Profit before Tax	**4,779.73**	**23.90**	**5,715.62**	**27.66**	**2,873.97**	**17.15**
Tax Expenses						
Current Income Tax	421.89	2.11	1,091.12	5.28	687.22	4.10
Deferred Tax including MAT Credit Entitlement	801.72	4.01	1.67	0.01	69.88	0.42
Tax Adjustments of Earlier Years	(2.70)	(0.01)	5.94	0.03	0.86	0.01
Total Tax Expenses	**1,220.92**	**6.11**	**1,098.73**	**5.32**	**757.96**	**4.52**
Profit after Tax	**3,558.81**	**17.80**	4,616.89	22.34	2,116.01	12.63
Share of Profits from Associates	326.17	1.63	353.07	1.71	442.30	2.64
Non-controlling Interest	(537.67)	(2.69)	(759.78)	(3.68)	(134.67)	(0.80)
Profit for the Year after non-controlling interest and share of profit from Associates	**3,347.31**	**16.74**	**4,210.18**	**20.37**	**2,423.65**	**14.47**
Other Comprehensive Income	**(521.86)**	**(2.61)**	**168.97**	**0.82**	**1,264.86**	**7.55**
Total Comprehensive Income for the Year	**2,825.45**	**14.13**	**4,379.15**	**21.19**	**3,688.51**	**22.01**

Financial Year 2020 compared to Financial Year 2019

Total Income

Our total income decreased by 3.24% to ₹ 19,996.38 million for the financial year 2020 from ₹ 20,666.94 million for the financial year 2019, primarily due to a decrease in revenue from operations and other income.

Revenue from operations. Revenue from operations decreased by 2.04% to ₹ 19,411.37 million for the financial year 2020 from ₹ 19,815.61million for the financial year 2019, primarily due to a decrease in:

- income from realty sales to ₹ 2,801.90 million for the financial year 2020 from ₹ 3,798.41 million for the financial year 2019 on account of decrease in the sales recognized from one of our residential projects in Bengaluru; and

- food, beverages and banquet income to ₹ 1,620.79 million for the financial year 2020 from ₹ 1,761.57 million for the financial year 2019 due to the impact of COVID-19 on the food, beverages and banquet business in the month of March, 2020,

which was partially offset by an increase in the license fees and rental income to ₹ 9,138.05 million for the financial year 2020 received on account of contractual escalations with respect to our retail and commercial office projects from ₹ 8,664.34 million for the financial year 2019.

Other income. Other income decreased by 31.28% to ₹ 585.01 million for the financial year 2020 from ₹ 851.34 million for the financial year 2019, primarily due to a decrease in:

- profit on sale of financial assets to ₹ 105.53 million for the financial year 2020 from ₹ 217.31 million for the financial year 2019;

- financial assets measured at fair value to a loss of ₹ 2.50 million for the financial year 2020 from ₹ 97.59 million for the financial year 2019 on account of decrease in the value of mutual fund investments;

- balance written back to ₹ 5.81 million for the financial year 2020 from ₹ 109.18 million for the financial year 2019 as a result of certain advances that had been written back in financial year 2019 as they were no longer payable,

  which was partially offset due to an increase in the interest income to ₹ 423.19 million for the financial year 2020 from ₹ 371.57 million for the financial year 2019.

Expenditure

Change in inventory

Change in inventory was a decrease of ₹ 818.47 million for the financial year 2020 as compared to an increase of ₹ 2,420.07 million for the financial year 2019, primarily due to the Ind AS 115 adjustment carried out to the realty work-in-progress during the financial year 2019.

Cost of materials consumed

Cost of materials consumed decreased by 75.26% to ₹ 1,140.21 million for the financial year 2020 from ₹ 4,609.02 million for the financial year 2019, on account of a decrease in:

- consumption of food and beverages to ₹ 424.36 million for the financial year 2020 from ₹ 481.32 million for the financial year 2019 due to the impact of COVID-19 on the food, beverages and banquet business in the month of March, 2020; and

- construction and other costs to ₹ 715.86 million for the financial year 2020 from ₹ 4,127.70 million for the financial year 2019 as a result of decrease in realty sales at one of our residential projects in Bengaluru.

Employee benefits expenses

Employee benefits expenses increased by 2.49% to ₹ 1,655.30 million for the financial year 2020 from ₹ 1,615.03 million for the financial year 2019, primarily on account of increase in salaries, wages and bonus given to our employees to ₹ 1,509.33 million for the financial year 2020 from ₹ 1,449.38 million for the financial year 2019. This increase in salaries, wages and bonus was due to an increase in our number of employees as a result of growth in our business and annual compensation increments given to our employees.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by 1.66% to ₹ 2,076.22 million for the financial year 2020 from ₹ 2,042.32 million for the financial year 2019, primarily as a result of addition in the gross block of property, plant and equipment at High

Street Phoenix and Fountainhead, Pune.

Finance costs

Finance costs decreased by 0.79% to ₹ 3,478.17 million for the financial year 2020 from ₹ 3,505.79 million for the financial year 2019, due to decrease in interest expenses for financial liabilities to ₹ 3,440.69 million for the financial year 2020 from ₹ 3,468.87 million for the financial year 2019 as a result of a decrease in the average cost of borrowings during the financial year 2020 compared to the financial year 2019.

Other expenses

Other expenses increased by 0.75% to ₹ 6,125.94 million for the financial year 2020 from ₹ 6,080.23 million for the financial year 2019, primarily due to an increase in:

- property tax to ₹ 448.44 million for financial year 2020 from ₹ 433.69 million for the financial year 2019;
- advertisement and sales promotion to ₹ 861.29 million for financial year 2020 from ₹ 797.11 million for the financial year 2019 as a result of more advertising and marketing activities at our malls; and
- management fee to ₹ 199.08 million for financial year 2020 from ₹ 180.95 million for the financial year 2019, primarily on account of fees paid to the hotel operator.

which was partially offset by decrease in:

- electricity to ₹ 1,568.45 million for the financial year 2020 from ₹ 1,641.20 million for the financial year 2019 as a result of passing the electricity expenses directly to the retail tenants and licensees; and
- housekeeping expenses to ₹ 409.96 million for the financial year 2020 from ₹ 422.16 million for the financial year 2019.

Tax expenses

Total tax expenses increased by 11.12% to ₹ 1,220.92 million for the financial year 2020 from ₹ 1,098.73 million for the financial year 2019. This was primarily on account of increase in our deferred tax expenses relating to origination and reversal of temporary differences between book and tax depreciation to ₹ 801.72 million for the financial year 2020 from ₹ 1.67 million for the financial year 2019. This was also on account of all our Subsidiaries, other than Island Star Mall Developers Private Limited, moving to a new tax regime that was announced in September 2019. Pursuant to the new tax regime, our tax rate would come down to 22.00% plus surcharge and cess from financial year 2020 onwards. However, we will be unable to continue enjoying the existing MAT credit entitlement under the new tax regime. Accordingly, we have written off the MAT credit entitlement of ₹ 415.05 million in the financial year 2020.

Profit for the Year

Our profit for the year after 'non-controlling interest' and 'share of profit from associates' decreased to ₹ 3,347.31 million for the financial year 2020 from ₹ 4,210.18 million for the financial year 2019, as a result of the factors discussed above.

Financial Year 2019 compared to Financial Year 2018

Total Income

Our total income increased by 23.35% to ₹ 20,666.94 million for the financial year 2019 from ₹ 16,754.76 million for the financial year 2018, primarily due to an increase in revenue from operations.

Revenue from operations. Revenue from operations increased by 22.33% to ₹ 19,815.60 million for the financial year 2019 from ₹ 16,198.53 million for the financial year 2018, primarily due to an increase in:

- income from realty sales to ₹ 3,798.41 million for the financial year 2019 from ₹ 1,561.73 million for the financial year 2018 on account of increase in the sales recognized from our completed projects such as Towers 1 to 6 of One Bangalore West, Bengaluru; and

- license fees and rental income to ₹ 8,664.34 million for the financial year 2019 received with respect to our retail and commercial office projects from ₹ 7,623.91 million for the financial year 2018, primarily on account of the contractual escalations.

Other income. Other income increased by 53.06% to ₹ 851.34 million for the financial year 2019 from ₹ 556.23 million for the financial year 2018, primarily due to an increase in:

- interest income to ₹ 371.57 million for the financial year 2019 from ₹ 167.57 million for the financial year 2018 primarily on account of interest on income tax refunds and inter-corporate deposits; and

- balance written back to ₹ 109.18 million for the financial year 2019 from ₹ 2.18 million for the financial year 2018 on account of certain advances that were written back as they were no longer payable.

Expenditure

Change in inventory

Change in inventory was an increase of ₹ 2,420.07 million for the financial year 2019 as compared to an increase of ₹ 449.78 million for the financial year 2018, primarily due to the commencement of construction activity of Towers 7 to 9, at our residential project - One Bangalore West, Bengaluru.

Cost of materials consumed

Cost of materials consumed increased by 160.57% to ₹ 4,609.02 million for the financial year 2019 from ₹ 1,768.82 million for the financial year 2018, on account of an increase in construction and other costs to ₹ 4,127.70 million for the financial year 2019 from ₹ 1,280.09 million for the financial year 2018 as a result of increase in revenue recognition for realty sales at our completed residential project, Kessaku as well as commencement of construction activity of Towers 7 to 9 within our residential project - One Bangalore West, Bengaluru.

Employee benefits expenses

Employee benefits expenses increased by 9.66% to ₹ 1,615.03 million for the financial year 2019 from ₹ 1,472.72 million for the financial year 2018, primarily on account of increase in salaries, wages and bonus given to our employees to ₹ 1,449.38 million for the financial year 2019 from ₹ 1,374.71 million for the financial year 2018. This increase in salaries, wages and bonus was due to an increase in our number of employees as a result of growth in our business and annual compensation increments given to our employees.

Depreciation and amortisation expenses

Depreciation and amortization expenses increased by 3.00% to ₹ 2,042.32 million for the financial year 2019 from ₹ 1,982.82 million for the financial year 2018, primarily as a result of addition in the gross block of property, plant and equipment at Phoenix MarketCity, Mumbai and Phoenix MarketCity, Pune.

Finance costs

Finance costs increased by 0.85% to ₹ 3,505.79 million for the financial year 2019 from ₹ 3,476.07 million for the financial year 2018, due to increase in interest expenses for financial liabilities to ₹ 3,468.87 million for the financial year 2019 from ₹ 3,290.52 million for the financial year 2018 as a result of an increase in average outstanding borrowings during the financial year 2019. This increase was partially offset by decrease in premium on non-convertible debentures to nil for the financial year 2019 as compared to ₹ 103.43 million for the financial year 2018 as a result of conversion of non-convertible debentures with respect to one of our subsidiaries, Pallazzio Hotels and Leisure Limited, into optionally convertible debentures. Consequently, the provision of premium of redemption of these non-convertible debentures of ₹ 480.99 million made in the earlier years have been written-back since it is no longer payable and has been disclosed as an exceptional item in the Statement of Profit and Loss.

Other expenses

Other expenses increased by 7.99% to ₹ 6,080.23 million for the financial year 2019 from ₹ 5,630.14 million for the financial year 2018, primarily due to an increase in:

- repairs and maintenance expenses towards buildings, machinery and vehicles and others to ₹ 809.51 million for the financial year 2019 from ₹ 519.24 million for the financial year 2018;

- legal and professional charges to ₹ 511.90 million for the financial year 2019 from ₹ 339.09 million for the financial year 2018 primarily in line with an increase of our operations;

- housekeeping expenses to ₹ 422.16 million for the financial year 2019 from ₹ 278.36 million for the financial year 2018; and

- management fee to ₹ 180.95 million for the financial year 2019 from ₹ 115.23 million for the financial year 2018 primarily on account of fees paid to the hotel operator.

which was partially offset by decrease in:

- security charges to ₹ 243.68 million for the financial year 2019 from ₹ 359.55 million for the financial year 2018; and

- electricity expenses to ₹ 1,641.20 million for the financial year 2019 from ₹ 1,750.47 million for the financial year 2018 primarily due to the solar energy initiatives at Phoenix MarketCity Bengaluru and due to the usage of wind power at St. Regis, Mumbai.

Tax expenses

Total tax expenses increased by 44.96% to ₹ 1,098.73 million for the financial year 2019 from ₹ 757.96 million for the financial year 2018. This was primarily on account of increase in our profit before tax resulting in an increase of current income tax expense to ₹ 1,091.12 million for the financial year 2019 from ₹ 687.22 million for the financial year 2018, which was partially offset by a decrease in deferred tax (including MAT credit entitlement) to ₹ 1.67 million for the financial year 2019 from ₹ 69.88 million for the financial year 2018.

Profit for the Year

Our profit for the year after 'non-controlling interest' and 'share of profit from associates' increased to ₹ 4,210.18 million for the financial year 2019 from ₹ 2,423.65 million for the financial year 2018, as a result of the factors discussed above.

Financial Condition, Liquidity and Capital Resources

We have historically financed our capital expenditure requirements and working capital requirements primarily through financing from banks and other financial institutions in the form of term loans, sales of equity shares of subsidiaries and issuance of debt securities and equity shares. Our liquidity requirements have in the past primarily included investments in our projects, purchase of land, cost of materials and construction, other operational and employee expenses, and servicing our outstanding indebtedness. We believe that we will have sufficient resources from cash flows from our operations, net proceeds of this Issue and other financings from banks and financial institutions to meet our capital requirements for the next 12 months.

Cash Flows

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

(in ₹ million)

Particulars	Three months ended June 30,		Financial Year ended March 31,		
	2020	2019	2020	2019	2018
Net cash generated from operating activities	(360.51)	1,378.15	7,798.10	3,502.74	15,142.05
Net cash generated from / (used in) investing activities	(22.20)	(315.53)	(4,031.30)	(13,941.82)	(18,248.75)
Net cash generated from / (used in) financing activities	1,287.02	(1,094.78)	(2,869.28)	10,526.60	2,773.71
Net increase/(decrease) in cash and cash equivalents	904.31	(32.16)	897.52	87.52	(332.99)

Operating Activities

Net cash used in operating activities for the three months ended June 30, 2020 was ₹ 360.51 million. While our net loss before tax was ₹ 537.70 million, we had an operating cash flow before working capital changes of ₹ 718.79 million primarily attributable to interest expenses of ₹ 869.34 million and depreciation expense of ₹ 502.43 million. Our changes in working capital for the three months ended June 30, 2020 were primarily related to an increase in trade and other receivables of ₹ 937.10 million. The tax inflows of ₹ 272.00 million primarily offset the cash used in operating activities.

Net cash generated from operating activities for the three months ended June 30, 2019 was ₹ 1,378.15 million. While our net profit before tax was ₹ 1,702.95 million, we had an operating cash flow before working capital changes of ₹ 2,980.28 million primarily attributable to interest expenses of ₹ 871.24 million and depreciation expense of ₹ 507.02 million. Our changes in working capital for the financial year 2020 were primarily related to an increase in trade and other receivables of ₹ 1,608.68 million. The change in working capital was partially offset by positive change in inventories of ₹ 881.98 million. In addition, we paid income tax of ₹ 292.78 million.

Net cash generated from operating activities for the financial year 2020 was ₹ 7,798.10 million. While our net profit before tax was ₹ 4,779.73 million, we had an operating cash flow before working capital changes of ₹ 9,864.26 million primarily attributable to interest expenses of ₹ 3,478.17 million and depreciation expense of ₹ 2,076.22 million. Our changes in working capital for the financial year 2020, primarily related to an increase in trade and other payables of ₹ 318.04 million, an increase in inventories of ₹ 825.31 million and a decrease in trade and other receivables of ₹ 2,127.86 million. In addition, we paid income tax of ₹ 1,081.65 million.

Net cash generated from operating activities for the financial year 2019 was ₹ 3,502.74 million. While our net profit before tax was ₹ 5,715.62 million, we had an operating cash flow before working capital changes of ₹ 10,055.88 million primarily attributable to interest expenses of ₹ 3,505.79 million and depreciation expense of ₹ 2,042.32 million. Our changes in working capital for the financial year 2019, primarily related to a decrease in trade and other payables of ₹ 2,517.61 million, an increase in inventories of ₹ 2,371.53 million and trade and other receivables of ₹ 859.67 million. In addition, we paid income tax of ₹ 804.33 million.

Net cash generated from operating activities for the financial year 2018 was ₹ 15,142.05 million. While our net profit before tax was ₹ 2,873.97 million, we had an operating cash flow before working capital changes of ₹ 7,933.02 million primarily attributable to interest expenses of ₹ 3,476.07 million and depreciation expense of ₹ 1,982.82 million. Our changes in working capital for the financial year 2018, primarily related to trade and other payables of ₹ 5,695.72 million and inventories of ₹ 2,840.02 million, which was partially offset by working capital changes relating to an increase in trade and other receivables of ₹ 1,118.96 million. In addition, we paid income tax of ₹ 207.75 million.

Investing Activities

Net cash used in investing activities for the three months ended June 30, 2020 was ₹ 22.20 million, primarily comprising purchase of property, plant and equipment of ₹ 604.89 million and purchase of mutual funds of ₹ 1,599.94 million, which was partially offset by proceeds from sale of mutual funds of ₹ 2,405.26 million.

Net cash used in investing activities for the three months ended June 30, 2019 was ₹ 315.53 million, primarily comprising purchase of property, plant and equipment and capital work in progress of ₹ 1,582.07 million and purchase of mutual funds of ₹ 1,526.77 million, which was partially offset by proceeds from sale of mutual funds of ₹ 2,539.80 million.

Net cash used in investing activities for the financial year 2020 was ₹ 4,031.30 million, primarily comprising of purchase of property, plant and equipment and capital work in progress of ₹ 7,803.28 million and purchase of mutual funds of ₹ 9,134.35 million, which was partially offset by proceeds from sale of mutual funds of ₹ 10,839.43 million.

Net cash used in investing activities for the financial year 2019 was ₹ 13,941.82 million, primarily comprising of purchase of property, plant and equipment of ₹ 14,645.44 million and purchase of mutual funds of ₹ 12,953.47 million, which was partially offset by proceeds from sale of mutual funds of ₹ 13,851.79 million.

Net cash used in investing activities for the financial year 2018 was ₹ 18,248.75 million, primarily comprising of purchase of mutual funds of ₹ 16,883.42 million and purchase of property, plant and equipment of ₹ 15,014.92 million, which was partially offset by proceeds from sale of mutual funds of ₹ 13,911.67 million.

Financing Activities

Net cash generated from financing activities for the three months ended June 30, 2020 was ₹ 1,287.02 million, primarily comprising proceeds from short-term borrowings of ₹ 1,286.10 million.

Net cash used in financing activities for the three months ended June 30, 2019 was ₹ 1,094.78 million, primarily comprising of interest paid of ₹ 791.43 million, repayment of long-term borrowings of ₹ 2,759.22 million which was partially offset by proceeds from long-term borrowings of ₹ 1,058.39 million.

Net cash used in financing activities for the financial year 2020 was ₹ 2,869.28 million, primarily comprising of proceeds from long term borrowings of ₹ 9,221.30 million, which was partially offset by interest paid of ₹ 3,256.00 million and repayment of long term borrowings of ₹ 9,874.53 million.

Net cash generated from financing activities for the financial year 2019 was ₹ 10,526.60 million, primarily comprising proceeds from non-controlling shareholders of ₹ 8,985.71 million on account of funds received from investor in one of our subsidiaries, Island Star Mall Developers Private Limited and proceeds from long-term borrowings of ₹ 4,204.54 million, which was partially offset by interest paid of ₹ 3,329.26 million and repayment of long-term borrowings of ₹ 1,857.05 million.

Net cash generated from financing activities for the financial year 2018 was ₹ 2,773.71 million, primarily comprising proceeds from long-term borrowings of ₹ 16,355.66 million and proceeds from non-controlling shareholders of ₹ 6,297.53 million on account of partial funds received from investor in one of our subsidiaries, Island Star Mall Developers Private Limited, which was partially offset by repayment of long-term borrowings of ₹ 16,006.77 million and interest paid of ₹ 3,516.35 million.

Our Indebtedness

As of June 30, 2020, our consolidated total indebtedness was ₹ 44,771.95 million, as set out below:

Particulars	Amount as of June 30, 2020 (in ₹ million)
Long term debt	
Secured	
Loan from financial institutions	1,620.97
Loan from banks	
Term loan – Indian Rupee	31,881.78
Total secured	**33,502.74**
Unsecured	
0.0001% Series A Optionally Convertible Debentures of ₹ 100 each	230.00
4% Series I Optionally Fully Convertible Debentures of ₹ 100 each	593.49
Loan from others	2,377.32
Total unsecured	**3,200.81**
Short term debt	
Secured	
Loan from banks	5,796.62
Total secured	**5,796.62**
Unsecured	
Loans and advances from related parties	2,229.54
Loan from others	42.24
Grand Total	**44,771.95**

Non-compliance with covenants in financing agreements

Neither our Company nor any of its Subsidiaries have breached any provisions of the respective financing agreements, including representations, warranties and covenants (financial or otherwise). In addition, neither our Company nor any of its Subsidiaries have defaulted in repayment of any principal or payment of any interest for the loans availed from the lenders. Further, there has been no re-scheduling, event of default or acceleration under any of the respective financing agreements. Our Company, on behalf of itself and its Material Subsidiaries, has also furnished no-default letters to all the respective lenders confirming that there are no breaches, events of default or acceleration of any of the provisions or conditions under the respective financing agreements, including representations, warranties and covenants (financial or otherwise).

Our Company and its Subsidiaries have availed the first and the second moratorium for payment of interest and repayment of principal in accordance with the COVID-19 Regulatory Package announced by the RBI pursuant to the notifications dated March 27, 2020 and May 23, 2020.

Contractual Obligations and Commitments

As of June 30, 2020, we had estimated future payments due under contractual commitments of ₹ 3,003.30 million, net of advances paid, in relation to contracts remaining to be executed on capital account and not provided for.

Contingent Liabilities and Other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as of June 30, 2020:

(*in ₹ million*)

Particulars	June 30, 2020
Income tax	715.09
Service tax	771.01
Value added tax	247.43
Property tax	108.60
Luxury tax	4.46

- *Demand notices received on account of arrears of provident fund dues aggregating to ₹ 8.21 million have been disputed by our Company. Our Company has paid ₹ 1.00 million and has also furnished a bank guarantee of ₹ 1.47 million against the provident fund demands to the provident fund authorities.*

- *The other claims not acknowledged by our Company are ₹ 357.83 million.*

- *Outstanding guarantees given by banks is ₹ 65.95 million.*

- *Guarantees given by our Company for EPCG license is ₹ 21.58 million.*

- *An order of Commissioner of GST and Central Excise from the Service Tax Department, in respect of RAI related matter. The order states to recover the interest for delayed payment of service tax at an appropriate rate. Our Company has filed an appeal with CESTAT against the said order. The interest liability on such delayed payments of service tax shall be determined on the basis of the Supreme Court judgment on the pending matter of RAI Parties Service Tax.*

  The legal proceedings specified above are not expected to have any material adverse effect on our financial position.

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off- balance sheet arrangements.

Capital Expenditure

For the three months ended June 30, 2020, we spent ₹ 604.89 million towards adding property, plant and equipment, including capital work in progress on Phoenix Palassio and Phoenix Millenium.

For the three months ended June 30, 2019, we spent ₹ 1,582.07 million towards adding property, plant and equipment, including capital work in progress on Phoenix Palassio, Phoenix Citadel, and Phoenix Millenium.

For the financial year 2020, we spent ₹ 7,803.28 million towards adding property, plant and equipment, including capital work in progress on Phoenix Palassio, Phoenix Millenium, High Street Phoenix and Phoenix Mall of Asia.

For the financial year 2019, we spent ₹ 14,645.44 million towards adding property, plant and equipment, including capital work in progress on Phoenix Palassio, Phoenix Citadel, Palladium, Ahmedabad, Phoenix Mall of Asia, and Phoenix Millenium.

For the financial year 2018, we spent ₹ 15,014.92 million towards adding property, plant and equipment, including capital work in progress on Phoenix Palassio, Phoenix Mall of Asia, and Phoenix Millenium.

We may incur significant capital expenditure towards our Ongoing and Planned Projects. For further details, please refer to section entitled "*Our Business*" on page 155.

Quantitative and Qualitative Disclosure about Market Risk

In the course of our business, we are exposed to credit risk, liquidity risk and market risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

We are exposed to foreign exchange risk through purchases of goods or services from overseas suppliers in foreign currency. We generally transact in US dollars. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency. We are exposed to insignificant foreign exchange risk as at the respective reporting dates.

Interest rate risk

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. Almost 100.00% of our Company's borrowings are linked to benchmark rate plus 1.75% per annum floating at monthly rest including TP. For further details in relation to the impact of change in interest rate on borrowing cost on floating rate portion of loans, please refer to "*Financial Statements – Notes to Consolidated Financial Statements - Note 37*".

Commodity and other price risk

We are not exposed to commodity and other price risk.

Credit risk

Credit risk is the risk of financial loss to us that a customer or counter party to a financial instrument fails to meet its obligations. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments. For further details in relation to our exposure to credit risk, please refer to "*Financial Statements – Notes to Consolidated Financial Statements - Note 37*".

Liquidity risk

Liquidity risk is the risk that we may not be able to meet our present and future cash and collateral obligations without incurring unacceptable losses. Our objective is to at all times maintain optimum levels of liquidity to meet our cash and collateral requirements. We rely on a mix of borrowings, capital infusion and excess operating cash flows to meet our needs for funds. The current borrowings are sufficient to meet our short to medium term expansion needs. The management monitors our net liquidity position through rolling forecasts on the basis of expected cash flows. We are required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants, these loans become callable to the extent of failure at the option of lenders, except where exemption is provided by the lender. For further details, see "*Financial Statements – Notes to Consolidated Financial Statements - Note 37*".

Matters of Emphasis in Auditor's Reports

For the three months ended June 30, 2020, our Auditors included the following matter of emphasis in their limited review report:

- our operations have been impacted by COVID-19 pandemic induced lockdown. In preparation of the results for the three months ended June 30, 2020, we have taken into account internal and external sources of information to assess possible impacts of the COVID-19 pandemic, including but not limited to assessment of liquidity and going concern, recoverable values of our financial and non-financial assets. Based on the current indicators of the future economic conditions, we have available sanctioned untilised working capital limits to meet any of our immediate cash flow requirements. In order to conserve our cash flows, we have availed moratorium offered by the lenders as per the RBI guidelines on principal and interest for a period of six months. We have also assessed the potential impact of COVID-19 pandemic on the carrying value of property, plant and equipment, capital work in progress, inventory, intangible assets, investments, trade receivables and other current assets.

  For recognition of mall revenue for the three months ended June 30, 2020, management has considered certain concessions / relief / moratorium on rentals extents to our retail tenants and licensees for the period of the lockdown as well as some further period considering the extended impact of the pandemic. Such concessions are determined based on discussions concluded with retail tenants and licensees on a case to case basis. For cases, where discussions have not commenced or are ongoing, the revenue accrual considers the management estimates of most likely agreeable amounts of concession based on its ongoing discussions and its relationship with the retail tenant and licensee.

Operations at residential site have witness limited impact. The project continues to see significant buying interest as evidenced from site visits from customers and channel partners.

We expect the hotels to become operational in a phased manner as the demand for their services is expected to pick up albeit at a slower pace. The city of Mumbai continues to be in the state of partial lock down with few relaxations being introduced by the government. Demand outlook for the second half continues to remain good mainly on account of demand from corporates and postponement of large, luxury weddings during March to June to the period between October 2020 and March 2021.

Based on current estimates, management expects to recover the carrying amounts of the assets that include the revenue recognized during the three months ended June 30, 2020. Considering the evolving nature of the COVID-19 pandemic, its actual impact in future could be different from that estimated as at the date of approving the financial results. We will continue to closely monitor the uncertainties arising of material changes to the future economic conditions.

For the financial year 2020, our Auditors included the following matters of emphasis in their examination report:

- our Company had filed a suit for damages against certain parties in financial year 2019 which has been settled during the year under review. The High Court at Bombay has passed a consent decree for ₹ 650.0 million in favour of our Company as per the consent terms agreed between the parties for settling the said suit. The defendants / respondents in the said suit have paid to our Company, an amount of ₹ 100.0 million upon the passing of the consent decree and undertaken to pay a further amount of ₹ 390.0 million on or before the expiry of one year from the date of passing of the said decree, upon due payment of which the consent decree shall be marked as fully satisfied. In the event of their failure to do so, the decretal amount shall become due and payable by them. As security for the due payment of the decree amount, the defendants / respondents have deposited the original title deeds of certain immoveable properties with an escrow agent. Our Company expects to receive ₹ 390.0 million from the defendants / respondents on or before the due date and has accordingly, recognized revenue of ₹ 490.0 million as an exceptional basis; and

- the COVID-19 outbreak has been declared a pandemic by the WHO. Subsequently, the Government of India has initiated a series of measures to contain the outbreak, including imposing multiple 'lock-downs' across the country from March 24, 2020. This has posed significant challenges to our business. As per the directives of the Central / State Governments it was mandated to close all our business activities during the lockdown period.

  During the period commencing from the start of the lockdown, we have taken various measures to rationalize fixed costs including but not limited to energy conservation, resource deployment and deferral of certain non-critical upgrades. Being sensitive to the impact of lockdown on the retail partners, we have provided certain concessions / relief / moratorium on rentals to our retail tenants and licensees for the period of the lockdown. Further, the benefit of the reduced fixed costs due to various rationalization measures undertaken has been passed by us to the retail partners in form of reduced common area maintenance charges.

  Collections of rents and other charges from the tenants of commercial offices has not been impacted.

  Mall operations at Bengaluru, Lucknow and Bareilly have commenced operations from June 8, 2020. The operational leasable area across the three mails is between 70.00% and 72.00% of the total leasable area that is permitted to open as per the local state directives. Operations at High Street Phoenix and Palladium, Phoenix MarketCity Mumbai, Phoenix MarketCity Pune, Phoenix MarketCity Chennai and Palladium Chennai, currently remain suspended and will resume services as per the directives of the respective state governments.

  Operations at residential site have commenced from May 6, 2020 and have witnessed limited impact. The project continues to see significant buying interest as evidenced from site visits from customers and channel partners.

  We expect the hotels to become operational in a phased manner as the demand for their services is expected to pick up albeit at a slower pace once the lockdown is lifted. Demand outlook for the second half continues to remain good mainly on account of demand from corporates and postponement of large, luxury weddings during March to June to the period between October 2020 and March 2021.

  We have assessed the potential impact of COVID-19 on our capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for our services. Our current liquidity position continues to be stable and comfortable and we have available sanctioned unutilised working capital limits to meet any of our future cash flow requirements. In order to conserve our cash flows, we have availed moratorium offered by banking partners as per the RBI guidelines on principal and interest for a period of six months.

We have also assessed the potential impact of COVID-19 on the carrying value of property, plant and equipment, capital work in progress, intangible assets, investments, inventories, trade receivables and other current assets appearing in our consolidated financial results. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of the COVID-19 pandemic, we as at the date of the approval of the consolidated financial results used internal and external sources of information and based on current estimates, expect to recover the carrying amounts of these assets. Considering the uncertainties involved in estimating the impact of the COVID-19 pandemic, the future impact of the COVID-19 pandemic may be different from those estimated as on the date of approval of the consolidated financial results.

We will continue to closely monitor the uncertainties arising of material changes to the future economic conditions.

Related Party Transactions

We have in the course of our business entered into transactions with related parties. These transactions include lease of properties, loans and advances given, among others. For further information on our related party transactions, please refer to note 40 to our Audited Consolidated Financial Statements and note 35 to our Unaudited Consolidated Interim Condensed Financial Statements.

Unusual or Infrequent Events or Transactions

Except as described in this Preliminary Placement Document, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*". To our knowledge, except as disclosed in this Preliminary Placement Document, there are no known factors, which we expect to have a material adverse effect on our income.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*", there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Seasonality of Business

Our results of operations do not generally exhibit seasonality.

Interest Coverage Ratios

Our interest coverage ratio (on a consolidated basis) for the three months ended June 30, 2020 and 2019 and the financial years 2020, 2019 and 2018 is as follows:

(*in ₹ million*)

Particulars	For three months ended		For the financial years ended		
	June 30, 2020	June 30, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Profit after tax **(A)**	(520.16)	1,537.19	3,884.98	4,969.95	2,558.31
Depreciation and amortisation expense **(B)**	502.43	507.02	2,076.22	2,042.32	1,982.82
Provisions and Contingencies **(C)**	10.84	10.77	365.38	26.83	150.14
Finance Cost **(D)**	869.34	871.24	3,478.17	3,505.79	3,476.07
Adjusted Profit (E= A+B+C+ D)	**862.45**	**2,926.22**	**9,804.75**	**10,544.89**	**8,167.34**
Finance Cost **(F)**	869.34	871.24	3,478.17	3,505.79	3,476.07

Particulars	For three months ended		For the financial years ended		
	June 30, 2020	June 30, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Interest Coverage Ratio (%) (G=E/F*100)	**99.00%**	**336.00%**	**282.00%**	**301.00%**	**235.00%**

Competitive Conditions

We operate in a competitive environment. Please refer to sections entitled "*Our Business*", "*Industry Overview*" and *"Risk Factors*" on pages 155, 112 and 48, respectively, for further information on our industry and competition.

Significant developments occurring after June 30, 2020

Except as disclosed above, and as otherwise disclosed in this Preliminary Placement Document, to our knowledge no circumstances have arisen since June 30, 2020 which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

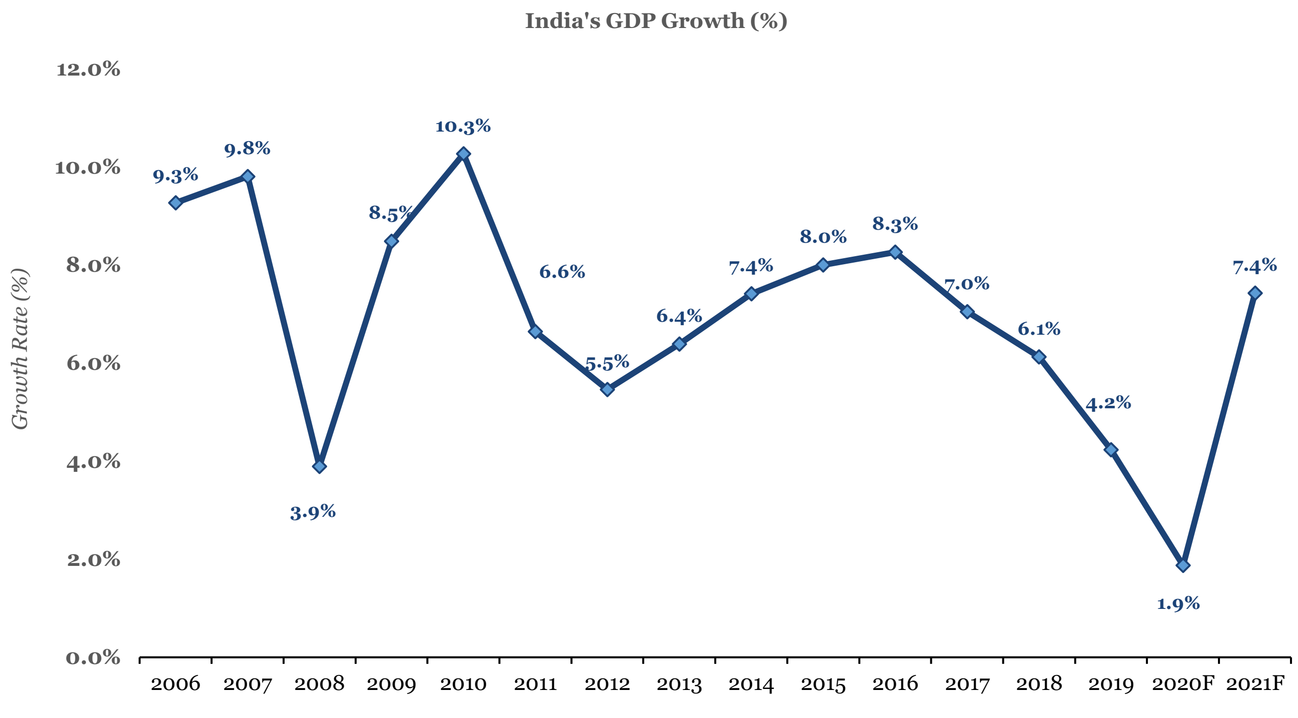
*The information contained in this section is derived from industry data sourced from CBRE India ("**CBRE Research**"), "2019 Indian Hospitality Trends and Opportunities" by Hotelivate, "Rebirth of Retail Malls: New, Improved & Revitalized" by Anarock, and other industry sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein have been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decisions solely on such information.*

For retail stock in India, CBRE defines "Grade-A" as organised retail developments with more than 0.1 msf.

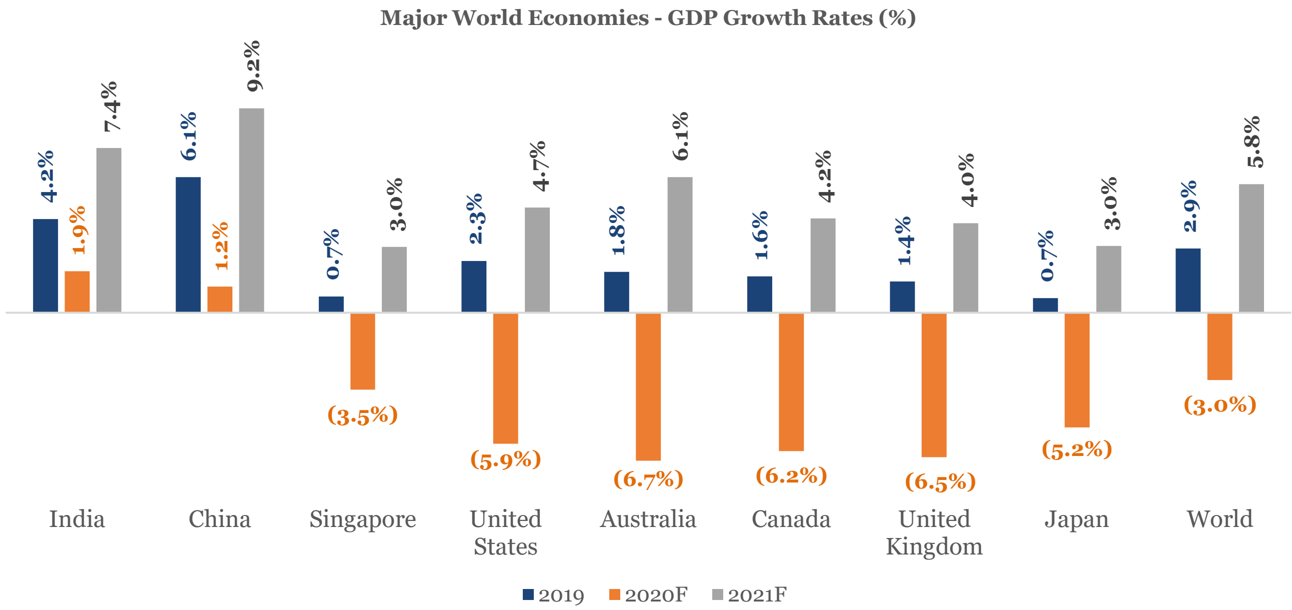
For office stock in India, CBRE defines "Grade-A" as a development type whose tenant profile should include prominent multinational corporations, while the building area should not be less than 100,000 square feet. The development should also include an open plan office with large size floor plates, adequate ceiling height, 24x7 power back-up, supply of telephone lines, infrastructure for access to internet, central air-conditioning, spacious and well-decorated lobbies, circulation areas, good lift services, sufficient parking facilities and should have centralized building management and security systems.

Overview of the Indian Economy

India is the second-most populous country in the world, and the fifth-largest economy in the world for 2019, according to the International Monetary Fund ("**IMF**"). India's Gross Domestic Product ("**GDP**") grew by 6.1% in 2018, making it the fastest growing major economy in the world, and 4.2% in 2019. Since the end of 2019, the infection traced to a novel strain of coronavirus (known as COVID-19) spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19. While India's GDP growth is forecasted to decline to 1.9% in 2020 due to various factors including COVID-19, it is expected to rise up to 7.4% in 2021. *(Source: IMF, April 2020)*



(Source: IMF, April 2020)

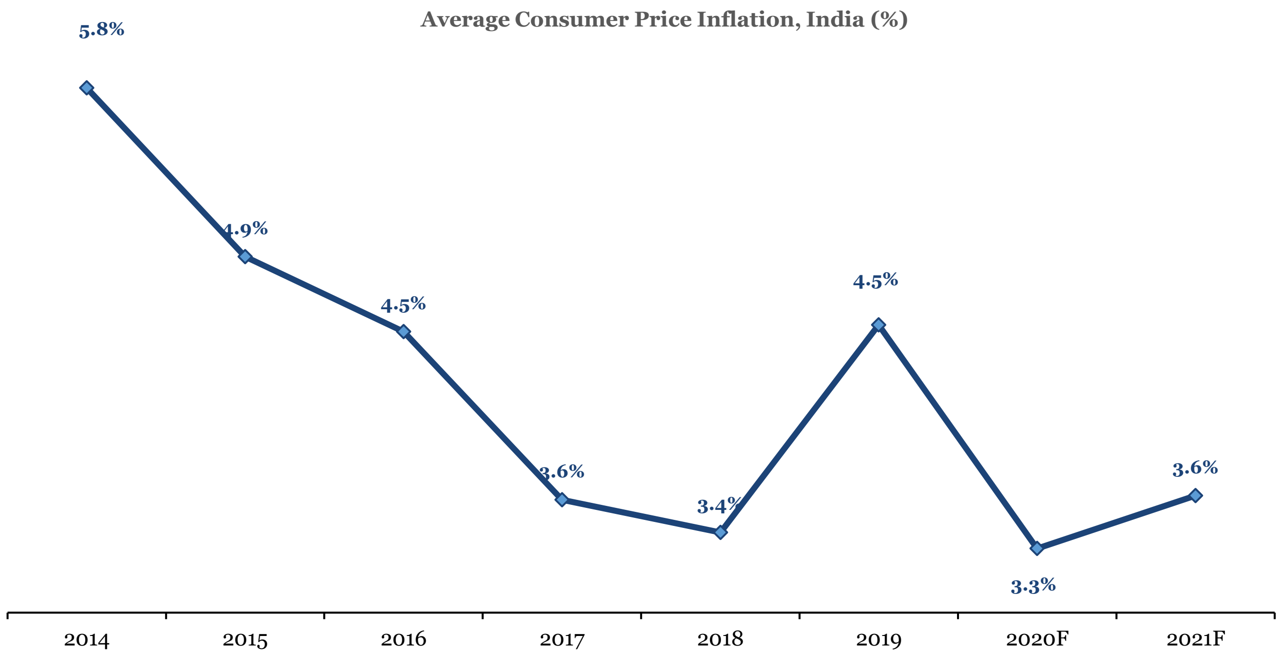


(Source: IMF, April 2020)

India's GDP growth of 4.2% in 2019 is higher than the GDP growth of the major world economies such as United States (2.3%), Australia (1.8%) and United Kingdom (1.4%), as illustrated above. While India's forecasted GDP growth has reduced to 1.9% in 2020, it is one of few countries across the world which is expected to have positive GDP growth. It is also higher than key world economies such as Singapore, United States, Australia, Canada, United Kingdom and Japan.

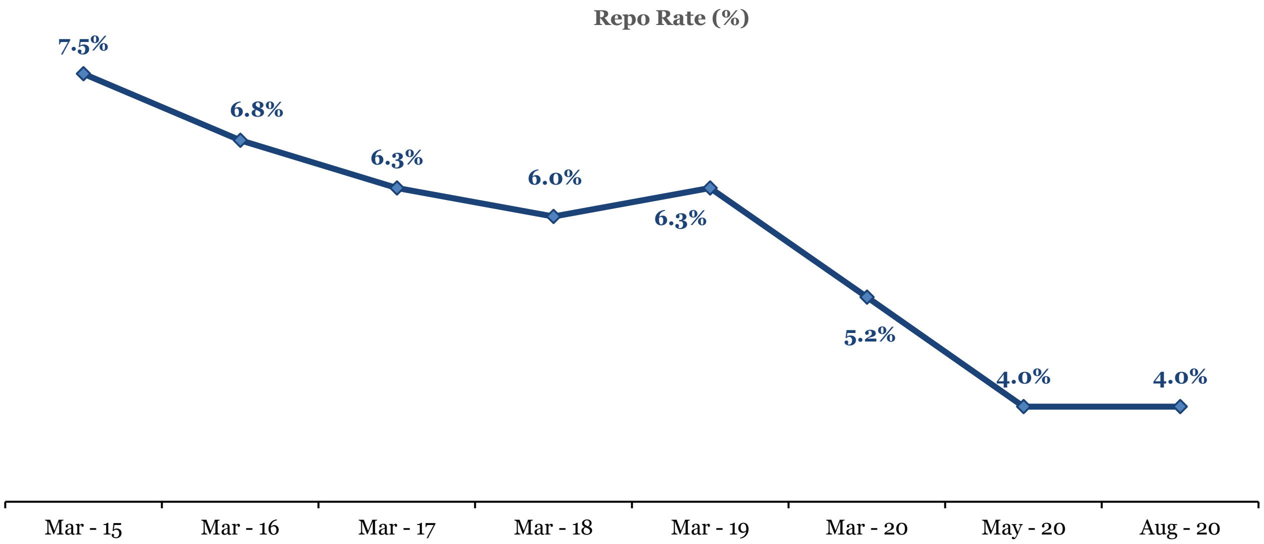
Key Economic Indicators

Stable Inflation Environment. Average consumer price inflation in India has declined from 5.8% in 2014 to 4.5% in 2019 and expected to further decline to 3.3% in 2020 *(Source: IMF, April 2020)*. The Monetary Policy Committee of the Reserve Bank of India ("**RBI**") expects the inflation to ease out in the second half of FY 2021.



(Source: IMF, April 2020)

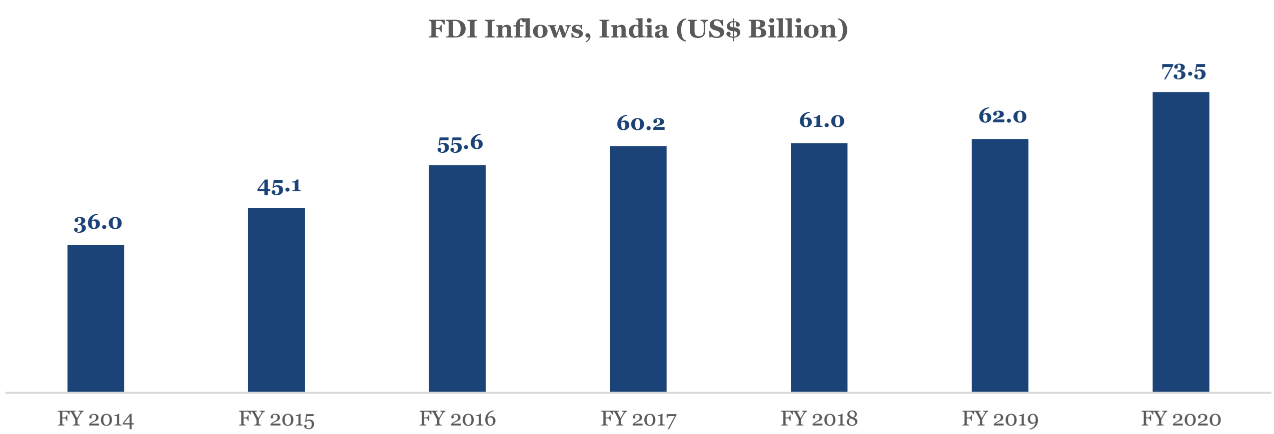
Declining Interest Rates. RBI has reduced repo rates by 350 bps between March 2015 and May 2020. Although the RBI has reduced the repo rates by 230 bps since March 2019 *(Source: RBI)*, the full transmission of interest rate reduction to borrowers is underway. Also, 10-year Indian G-Sec yields have declined by approximately 160 bps between March 31, 2015 and March 31, 2020 *(Source: Bloomberg)*.



(Source: RBI)

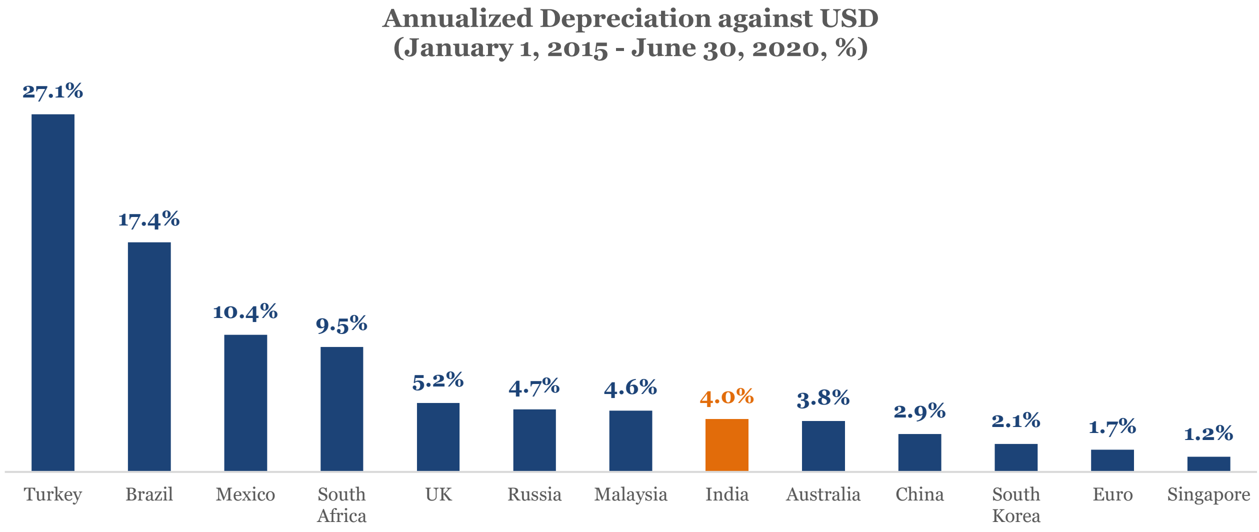
(Source: Bloomberg)

Strong Interest of Long-Term Foreign Investors. India has remained an attractive destination for long-term foreign capital investments, also referred to as Foreign Direct Investments ("**FDI**"). The total FDI flows from April 2000 to March 2020 were US$ 681 billion, of which FDI equity inflows of US$ 13 billion was received between January 2020 and March 2020. The FDI inflow for FY 2020 was US$ 73.5 billion, highest in a financial year. (*Source: Department for Promotion of Industry and Internal Trade, May 2020*).



(Source: Department for Promotion of Industry and Internal Trade, May 2020)

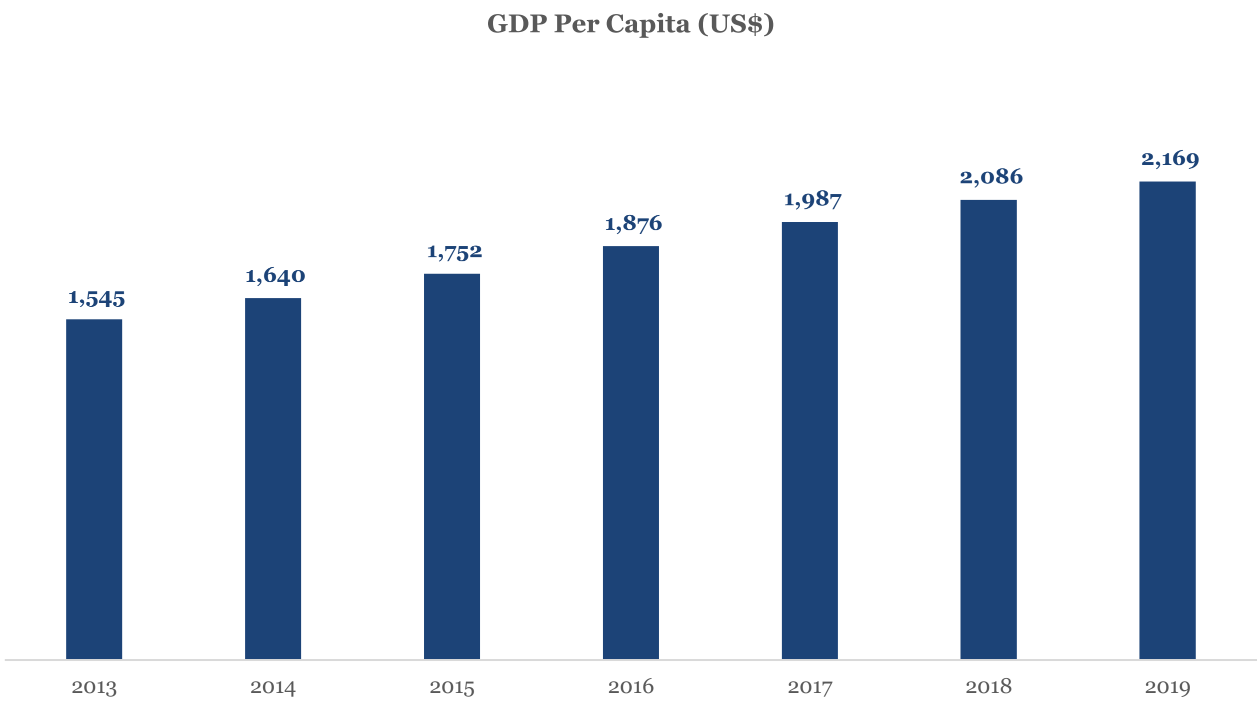
Stable Currency. India's foreign exchange reserves were US$ 493 billion, as of May 2020 (*Source: Foreign Exchange Reserves, RBI data*). Due to strong forex reserve and proactive policies of the Government, Indian Rupee has witnessed moderate depreciation compared to other emerging market currencies. The following graph shows the annualised depreciation of the local currency of various countries against the US$:



(Source: Bloomberg)

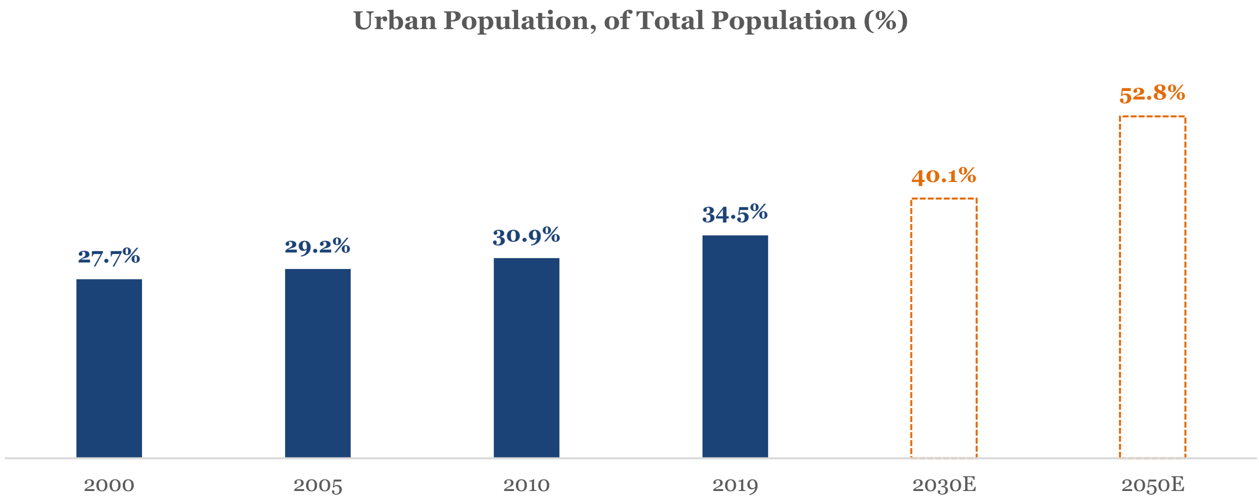
Strong Demographics

Growing Per Capita GDP. India's per capita GDP has grown from US$ 1,545 in 2013 to US$ 2,169 in 2019 at a CAGR of 5.8%



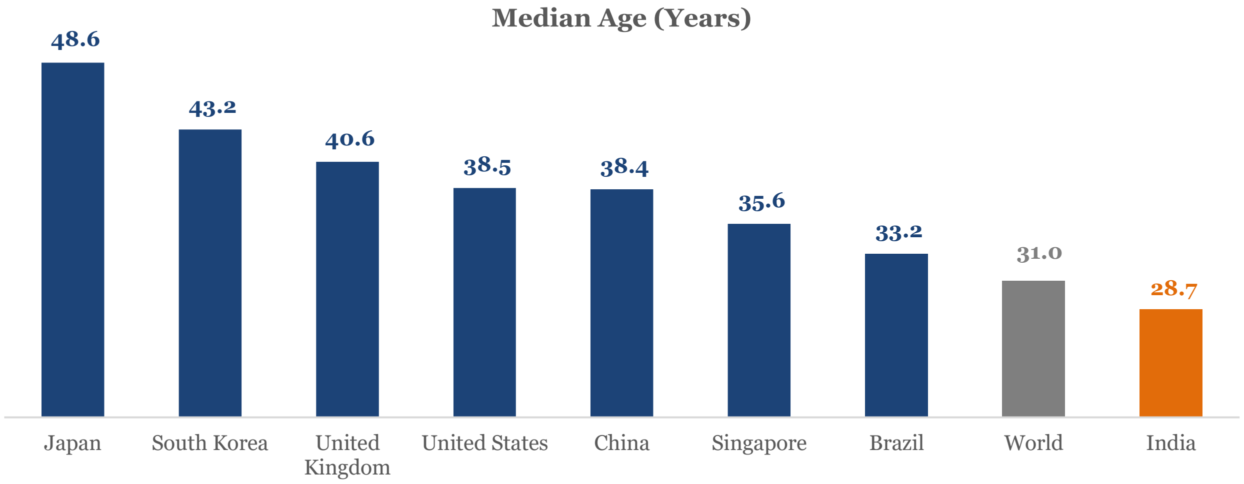
(*Source: World Bank, July 2020)*

Increasing Urbanization. India has witnessed a steady increase in the percentage of population residing in urban areas over the years. It has increased from 27.7% to 34.5% over the past two decades and is expected to increase to 52.8% in the next three decades.



(*Source: World Bank, July 2020 and United Nations World Urbanization Prospects: The 2018 Revision)*

Young Population. India has one of the youngest population compared to other leading developed and developing nations with a median age of 28.7 years.



(*Source: CIA Factbook, 2020 Estimates)*

The above factors such as median age and increase in urban population have led to higher population density and availability of skilled work force in select urban agglomerations leading to emergence of quality real estate asset classes such as residential, commercial and retail with provision of better infrastructure. *(Source: CBRE Research)*

Major Structural Reforms by the Indian Government to Fuel Growth

*Goods and Services Tax, 2017 ("**GST**").* GST is a unified sales tax, which has replaced approximately ten central, state and local taxes in India. Implementation of GST has removed the cascading effects of tax with the objective of increasing cost efficiency, reducing prices and leading to the formation of a unified national market.

*Real Estate Regulation and Development Act, 2016 ("**RERA**").* The RERA was introduced to protect the interest of buyers and enhance transparency in the real estate sector.

Corporate Tax. On September 20, 2019, the Government of India announced reductions in corporate tax rates from 30.0% / 25.0% to 22.0%. The manufacturing sector was given a further stimulus with a reduced corporate tax rate of 15.0% for companies in the manufacturing sector incorporated after October 1, 2019.

*Insolvency and Bankruptcy Code, 2016 ("**IBC**").* The IBC was introduced with the aim of providing a time bound, unified insolvency process, and aims to maximize recovery by preserving companies as a going concern.

Other Initiatives. There have been several government initiatives aimed at improving India's competitiveness and ease of doing business. Increased spending on infrastructure (US$ 1.4 trillion over the next five years (*Source: Union Budget of India*

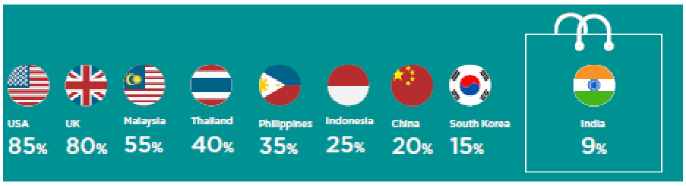
2020 - 2021), FDI reforms across multiple sectors, *Make in India* initiative, push towards *Digital India* and incentives to start-ups have enhanced India's competitiveness globally. The *Make in India* initiative was launched to facilitate investment, foster innovation, enhance skill development, protect intellectual property, shift towards localization and build best-in-class manufacturing infrastructure in India. The focus on reforms by the Government and supportive monetary policy augur well for the long-term growth. India ranked 68th in World Economic Forum's Global Competitiveness Index in 2019. It has jumped 79 ranks (current rank 63) in World Bank's Ease of Doing Business Rankings between 2014 and 2019 and is among the top 20 countries, which have improved their regulatory framework, making it easier to do business in the country. *(Source: Doing Business by World Bank, 2019).*

Retail Real Estate Sector in India

Over the years, Indian retail has transformed from traditional retail towards various forms of organized retail. This shift has been driven by multiple factors ranging from strong demographics, improving household income levels and emergence of institutionally-backed quality retail mall operators. As of December 31, 2019, the Grade-A retail stock in Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai Region, Pune and the National Capital Region ("**NCR**") ("**Top Seven Indian Markets**") was approximately 80.7 msf. The Phoenix Mills Limited's assets are located in established residential and commercial hubs which have gravitated the retail spend in these locations across the micro-markets of Mumbai, Pune, Chennai and Bengaluru *(Source: CBRE Research).*

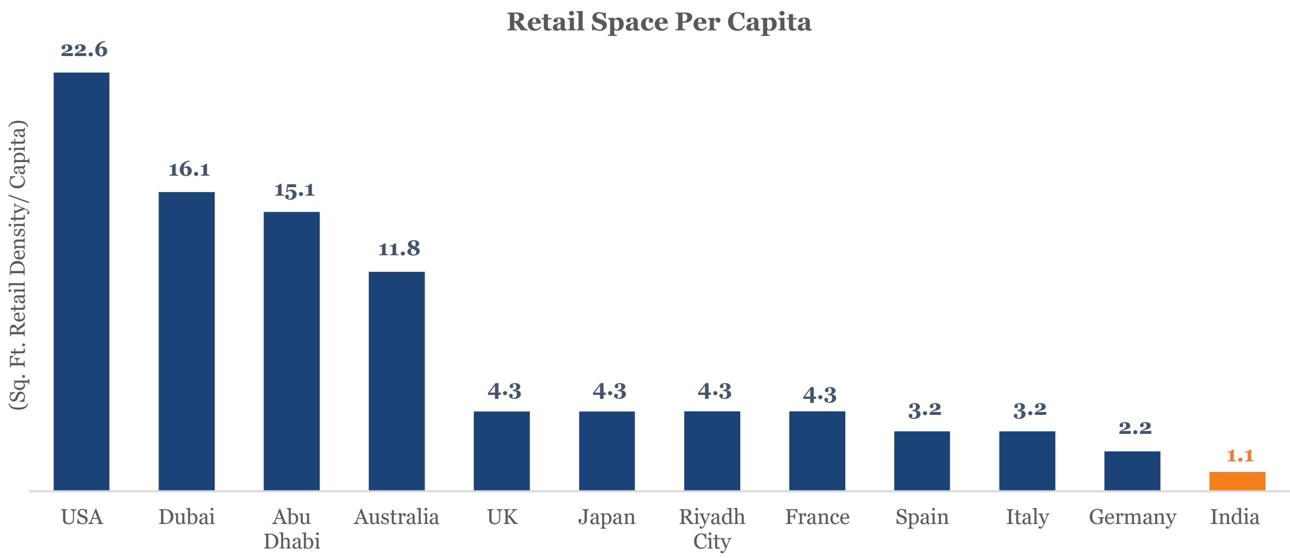
Key Drivers of Retail Real Estate in India

Lowest Organized Retail Penetration. India has the lowest share of organized retail (9%) as compared to other developed economies such as USA (85%), UK (80%) and emerging economies such as Indonesia (25%) and South Korea (15%).



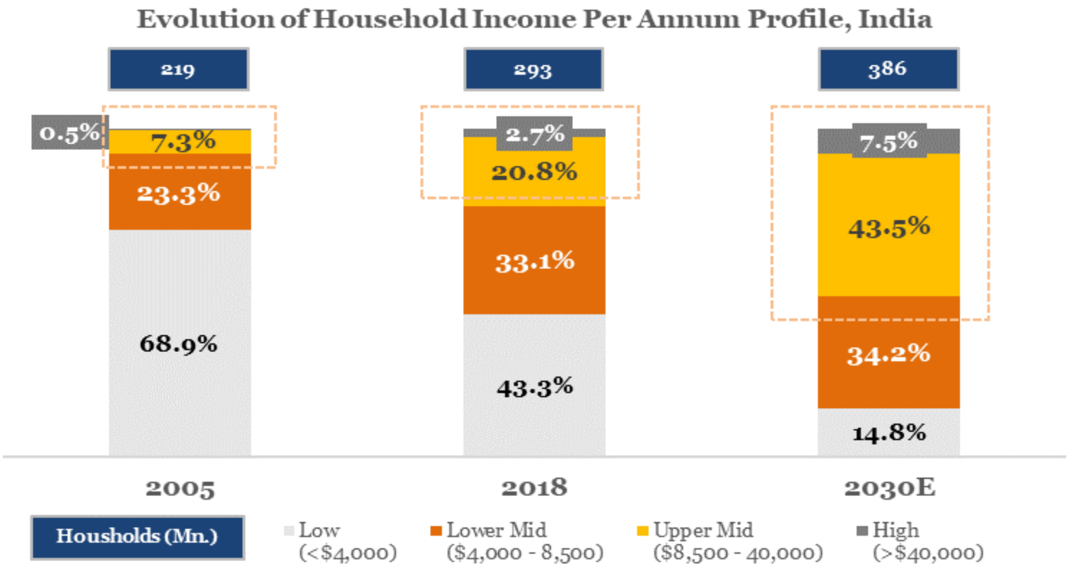
(*Source: Anarock)*

Lowest Per Capita Organized Retail Space. India has the lowest per capita organized retail space as compared to other major economies, as illustrated below (*Source: CBRE Research)*. Addition of approximately 140 million middle-income and approximately 21 million high-income households by 2030, constituting approximately 51% of the total share of income *(Source: WEF Report)*, is expected to spur consumption and might increase need for retail space in India (*Source: CBRE Research)*.



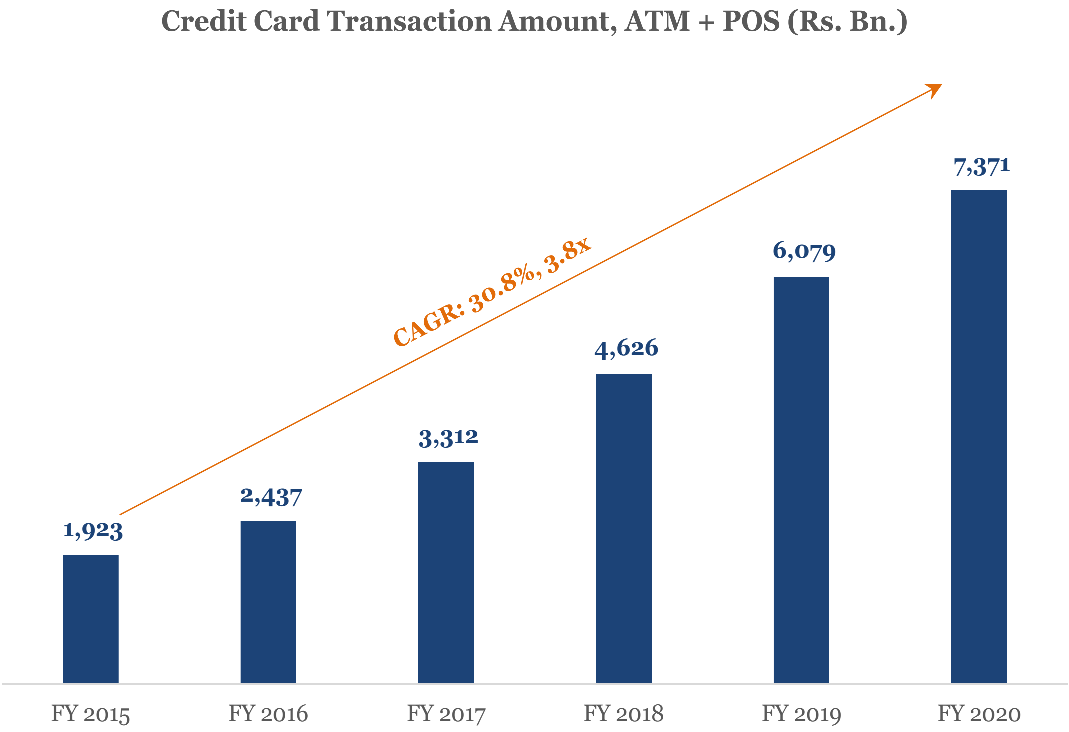
(*Source: CBRE Research)*

Increasing Household Income Per Annum. Growth in income is expected to transform India to a large middle-class focused economy with consumer spending estimated to grow from approximately $1.5 trillion today to approximately $6.0 trillion by 2030. This middle class expansion and the emergence of a sizeable high-income segment by 2030 will be driven by addition of approximately 140 million middle-income and approximately 21 million high-income households, constituting approximately 51% of the total share of income *(Source: Report Titled Future of Consumption in Fast-Growth Consumer Markets: India, World Economic Forum ("WEF Report"))*.



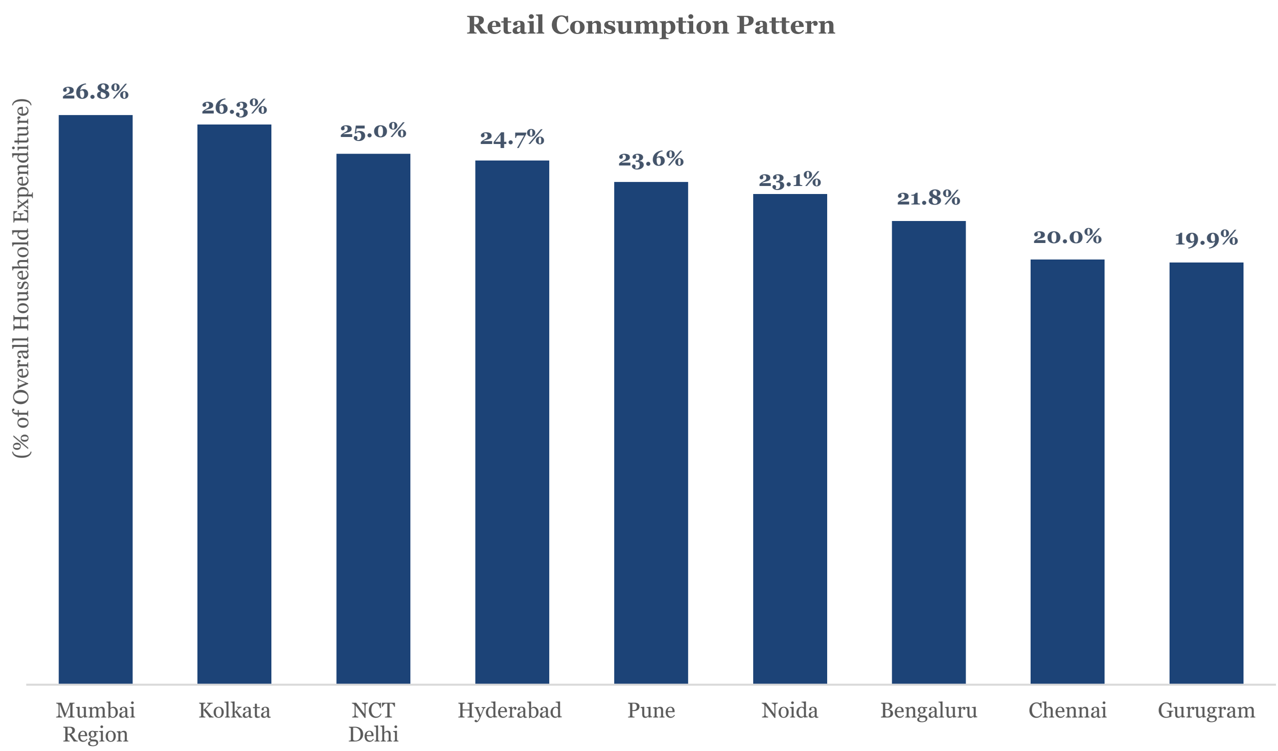
(Source: WEF Report)

Increasing Credit Card Spending. India has seen a widespread adoption of credit cards indicating a significant growth in consumer spending. The credit card spending has increased more than three times from ₹ 1,923 billion in FY 2015 to ₹ 7,371 billion in FY 2020.



(Source: RBI)

City-wise Retail Expenditure Pattern. The list of key Indian cities with the highest proportion of retail expenditure in FY 2016 is set out below:



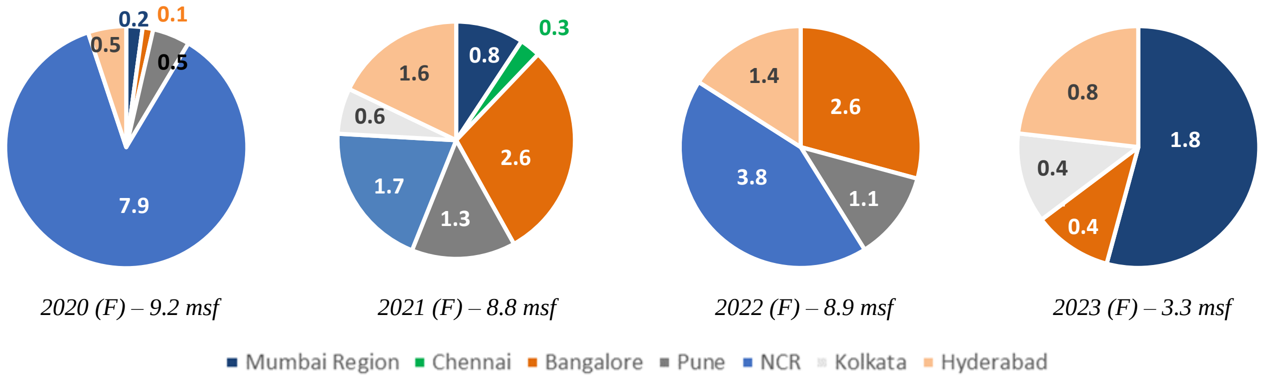
(*Source: CBRE Research, FY 2016 data)*

Overview of Indian Retail Real Estate Market

The table below highlights the key statistics pertaining to Grade-A retail malls in the Top Seven Indian Markets:

Particulars	Details
Stock (As of December 31, 2019)	Approximately 80.7 msf
Occupied stock (As of December 31, 2019)	Approximately 67.0 msf
Vacancy (As of December 31, 2019)	Approximately 17.0%. Established malls with leadership position in their micro-markets typically witness low-to-mid single digit vacancy levels.
Average annual absorption (2015 – 2019)	Approximately 3.8 msf

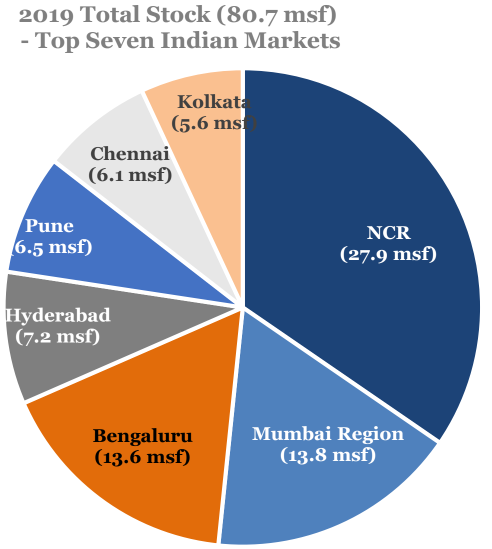
Future supply: 2020 (F) – 2023 (F), msf (as of December 31, 2019)

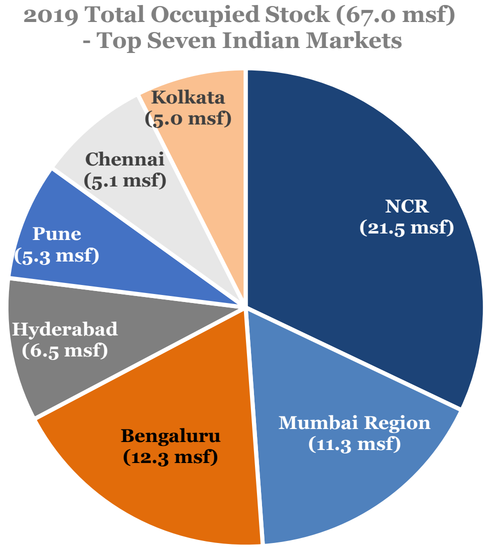


2020 (F) – 9.2 msf *2021 (F) – 8.8 msf* *2022 (F) – 8.9 msf* *2023 (F) – 3.3 msf*

(Source: CBRE Research)

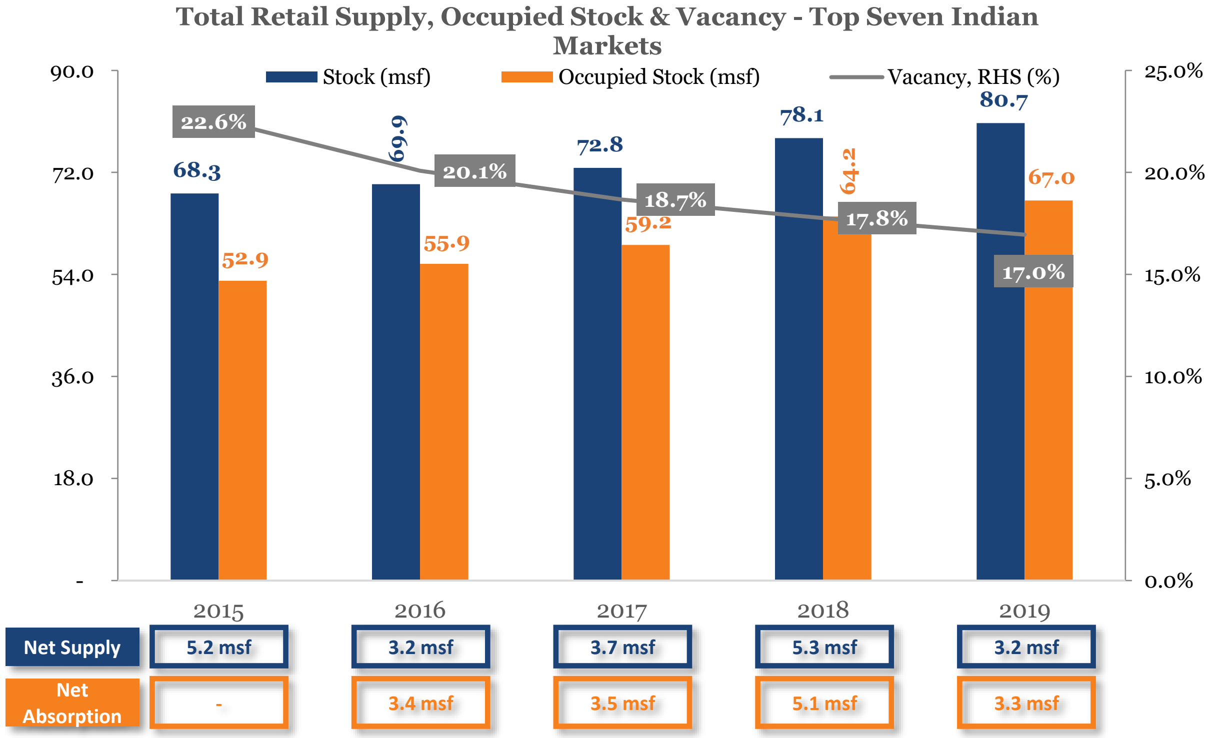
The split of the total stock and occupied retail stock across Top Seven Indian Markets, as of December 31, 2019 is illustrated below:





(Source: CBRE Research)

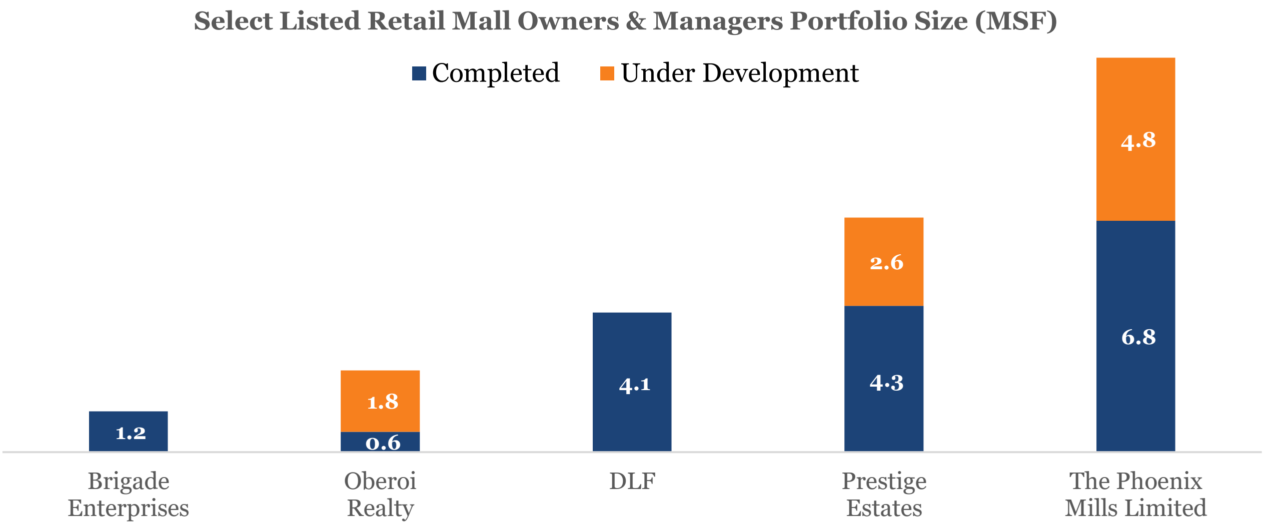
The following graph sets forth the cumulative net supply, net absorption, stock, occupied stock and vacancy trends for the Top Seven Indian Markets (2015 to 2019):



RHS – Right Hand Side (of graph)
(Source: CBRE Research)

High net absorption and stable net supply have resulted in a low vacancy level of 17.0%, as of December 31, 2019 as compared to 22.6%, as of December 31, 2015 for the Top Seven Indian Markets. The vacancy level of 17.0%, as of December 31, 2019, is primarily attributable to high share of malls with sub-optimal size (i.e. less than 0.5 msf of Gross Leasable Area) (which constituted approximately 55% of the total stock of 80.7 msf) and fragmented ownership resulting in sub-scale performance of the asset. The established retail malls with leadership position in their respective micro-markets having more than 0.5 msf of Gross Leasable Area are able to attract better quality tenants, have relatively better circulation and hence higher footfalls, resulting in low-to-mid single digit vacancy levels. *(Source: CBRE Research)*

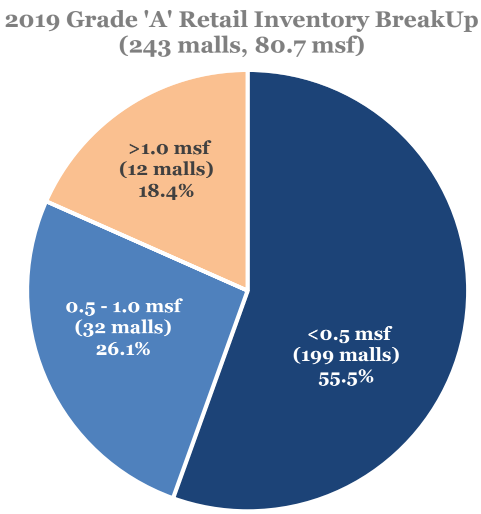
The Phoenix Mills Limited is one of India's leading retail asset developer, owner and operator, with the largest retail mall portfolio among the listed players in India, as illustrated below:



(Source: CBRE Research, Company Filings)

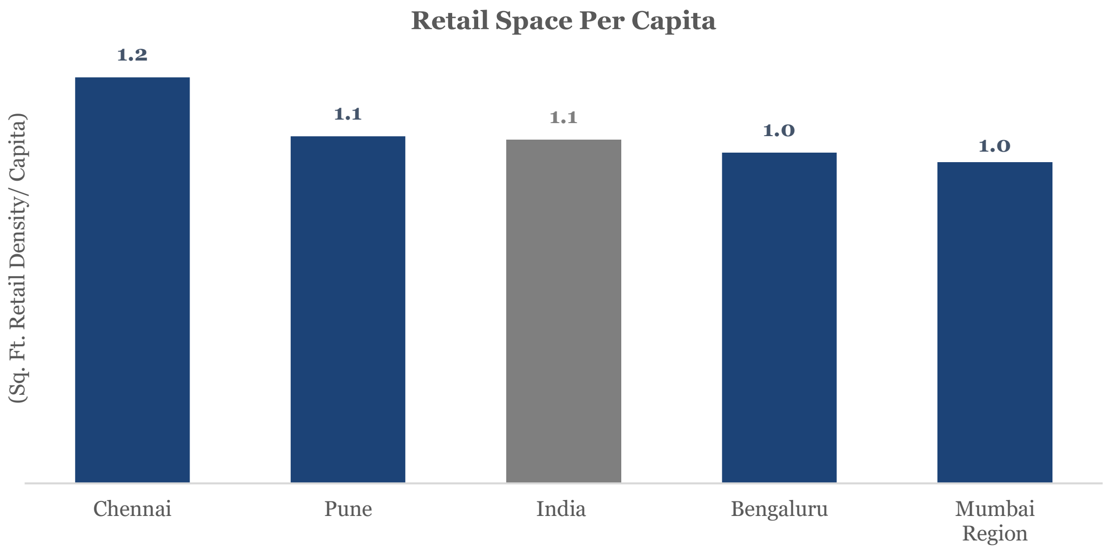
Retail Mall Distribution

Retail malls across the Top Seven Indian Markets are characterized by fragmented ownership, sub-optimal sizes, suffer from design issues with many malls have been strata sold historically. Retail malls with smaller sizes offer limited ability to attract marquee tenants, mix tenants and the design issues leading to poor store visibility, circulation thereby leading to lower footfalls and consequently lower rents. The following chart depicts the retail mall distribution as of December 31, 2019. *(Source: CBRE Research)*



(Source: CBRE Research)

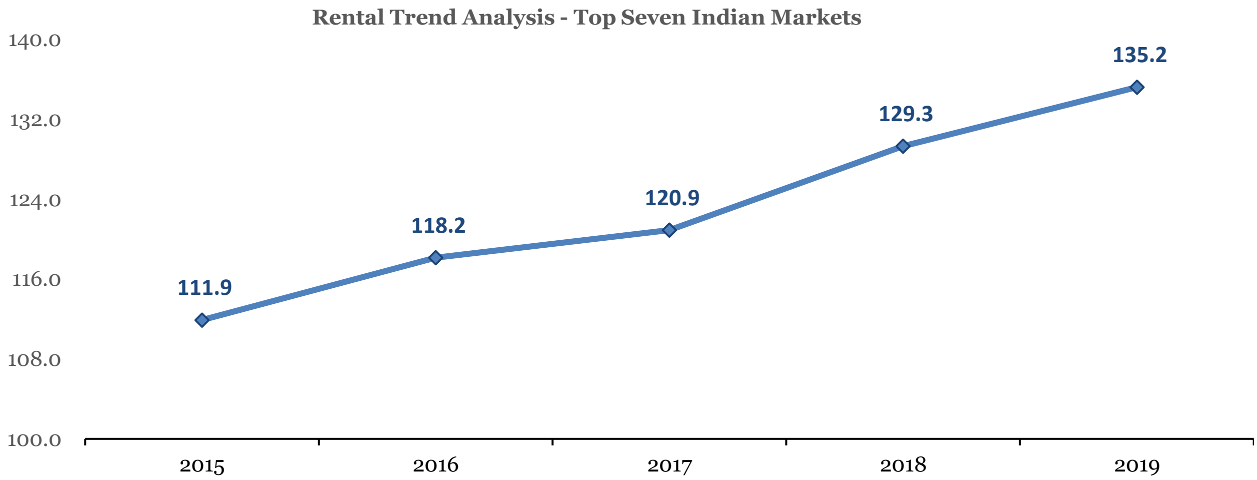
Retail Density: While retail space per capita is lowest in India compared to other developing countries, key Indian markets such as Mumbai Region and Bengaluru have comparatively lower space per capita than the country average.



(Source: CBRE Research, 2019)

Rental Trends

Rentals in the Top Seven Indian Markets have grown at a CAGR of 4.8% between 2015 and 2019. The following chart sets forth rental trend analysis for the Top Seven Indian Markets (2015 to 2019):



(Source: CBRE Research)

Overview of India Office Market

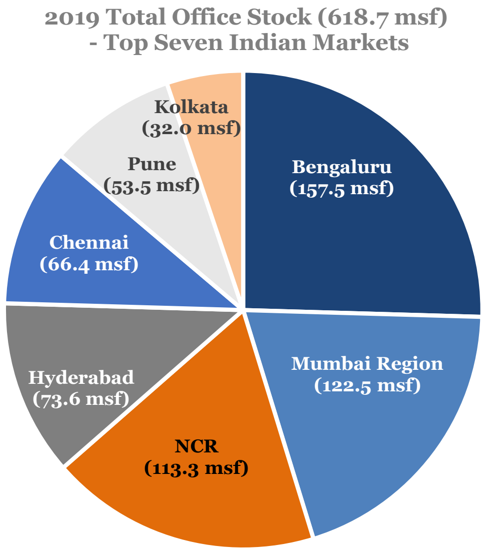
Grade-A office stock in the Top Seven Indian Markets was approximately 618.7 msf, as of December 31, 2019.

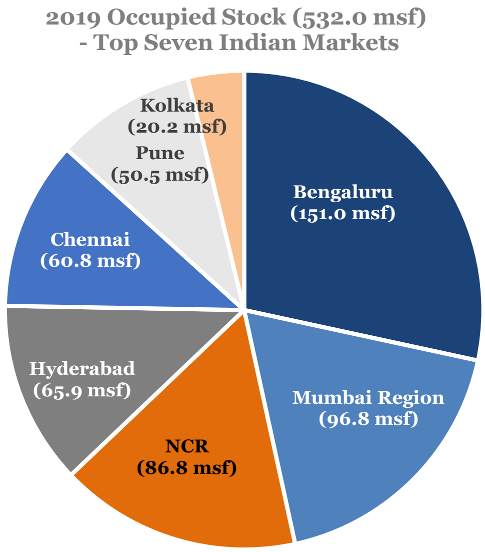
The table below highlights the key statistics pertaining to Grade-A office developments in the Top Seven Indian Markets:

Particulars	Details
Stock (as of December 31, 2019)	Approximately 618.7 msf
Occupied stock (as of December 31, 2019)	Approximately 532.0 msf
Vacancy (as of December 31, 2019)	Approximately 14.0%. Grade-A institutionally-owned office developments typically witness single digit vacancy levels.
Average annual absorption (2015 – 2019)	Approximately 36.6 msf
Future supply (2020 – 2021, as of December 31, 2019)	2020: Approximately 59.5 msf 2021: Approximately 59.5 msf

(Source: CBRE Research)

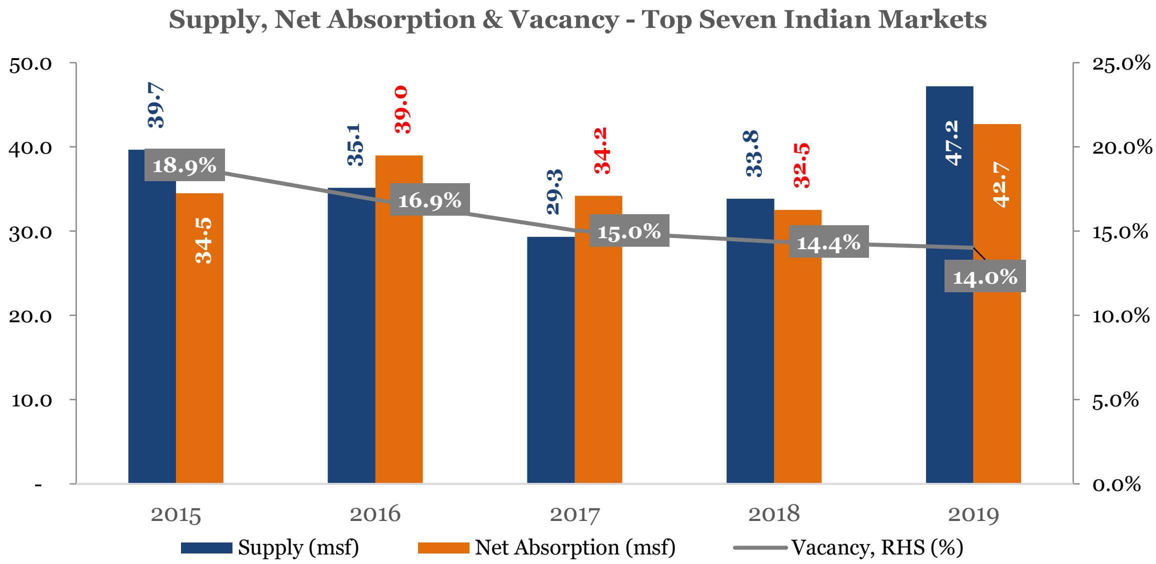
The following graph sets forth the total office stock and occupied stock for the Top Seven Indian Markets, as of December 31, 2019:





(Source: CBRE Research)

The following graph sets forth the supply, net absorption and vacancy trends for the Top Seven Indian Markets (2015 to 2019):

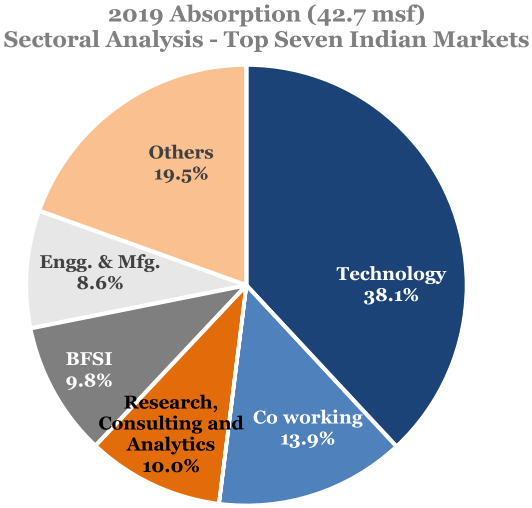


RHS – Right Hand Side (of graph)
(Source: CBRE Research)

Higher net absorption than supply between December 31, 2015 and December 31, 2019 have resulted in lower vacancy levels of 14.0%, as of December 31, 2019 as compared to 18.9%, as of December 31, 2015 for the Top Seven Indian Markets.

Sectoral Occupancy Analysis

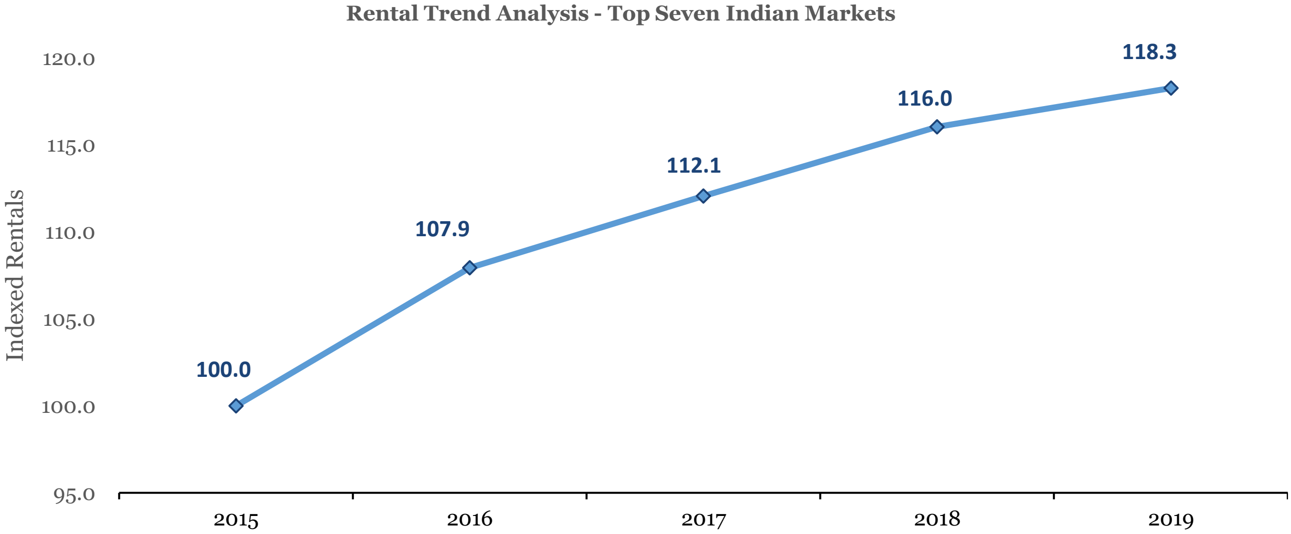
Technology sector comprises the largest share of Grade-A office absorption in the Top Seven Indian Markets. The following chart sets forth sectoral absorption analysis for the Top Seven Indian Markets (2019):



(Source: CBRE Research)
Note: Others include automobile, education, hospitality, logistics and shipping, oil and gas, pharmaceutical, food and beverage and real estate and related services. The sectoral absorption analysis is based on gross absorption activity of Top Seven Indian Markets i.e. including any relocations and consolidations.

Rental Trends

Rentals in the Top Seven Indian Markets have grown at a CAGR of 4.3% between 2015 and 2019. The following chart sets forth rental trend analysis for the Top Seven Indian Markets (2015 to 2019):



(Source: CBRE Research)

Prominent Trends in India Office Market

Changing profile of tenants - Indian technology sector has consistently moved up the value chain from back end support services such as call centres to value added services such as analytics and artificial intelligence. These tenants tend to focus on quality of office space, amenities and facility management and are relatively less sensitive to costs.

Increasing demand for quality office space - Youth driven businesses, changing lifestyles and the need for flexible workday drives the tenants to look for superior quality Grade-A office spaces. Tenants have increasingly preferred office led mixed-use developments/ integrated parks over standalone buildings due to options for future expansion and superior ecosystem, offering amenities such as retail facilities, crèches, food and beverage facilities. Additionally, large-scale infrastructure is expected to be the key differentiator for leading tenants to select markets going forward.

Consolidation and expansion strategies - Companies in India, especially GCCs, have started consolidating and concentrating their offices into lesser number of locations for improving operational efficiency and lowering costs through economies of scale. The tenants also prefer consolidation in mixed-use developments/ parks, which are established by organized developers due to the large scale of assets and future development potential in the existing developments.

Organized office developers - Demand for quality offices and corresponding increase in capital requirement favour large organized office players with well-funded balance sheets. Further, a more cautious approach taken by banks recently for lending to companies engaged in real estate activities has restricted the ability of unorganized players to access financing.

The Phoenix Mills Limited is one of the leading developer of retail led mixed-used developments in India. *(Source: CBRE Research)*

Overview of India Hospitality Market

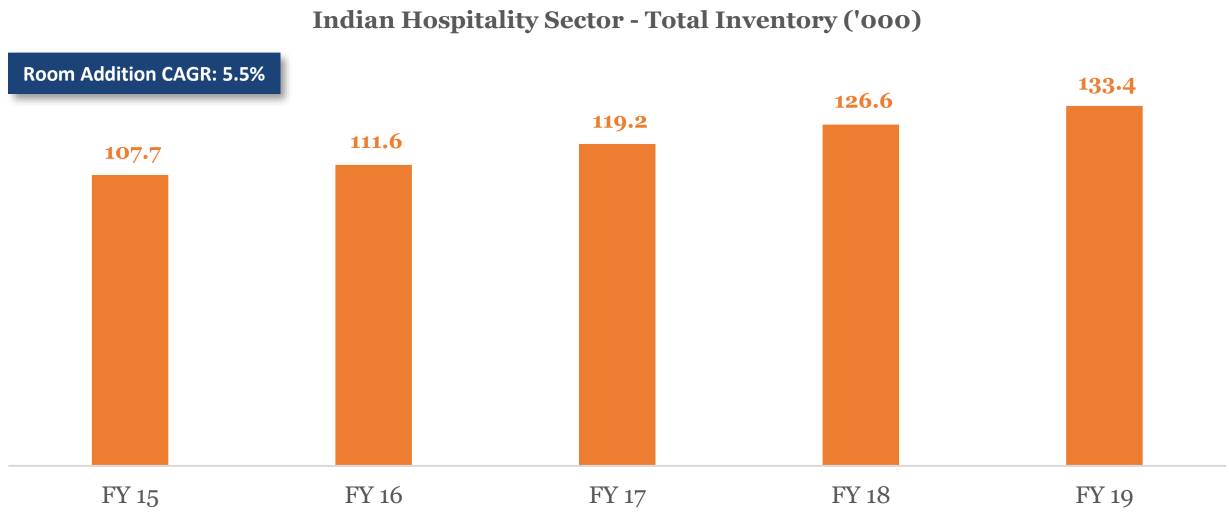
Overview

India had an inventory of approximately 133,359 hotel rooms across the branded segment, as of December 31, 2019. Indian hospitality sector has witnessed improved average occupancy from 59.8% in FY 2015 to 66.7% in FY 2019. Approximately 15% of the branded hotels in the urban corporate market have witnessed an occupancy of approximately 80% in FY 2019 owing to a number of factors, including:

- Indian domestic air traffic grew at a CAGR of 17.5% over the last six years (from 122.4 million in FY 2014 to 274.5 million in FY 2020) *(Source: Airports Authority of India)*;
- a 58% increase in foreign tourist arrivals over the last six years (from 6.7 million in FY 2013 to 10.6 million in FY 2019) *(Source: Ministry of Tourism, Govt. of India)*; and
- an increase in Meeting, Incentives, Conferences and Exhibition ("**MICE**") visitation due to favourable business environment and higher propensity for discretionary spend due to increasing income levels.

Industry Fundamentals

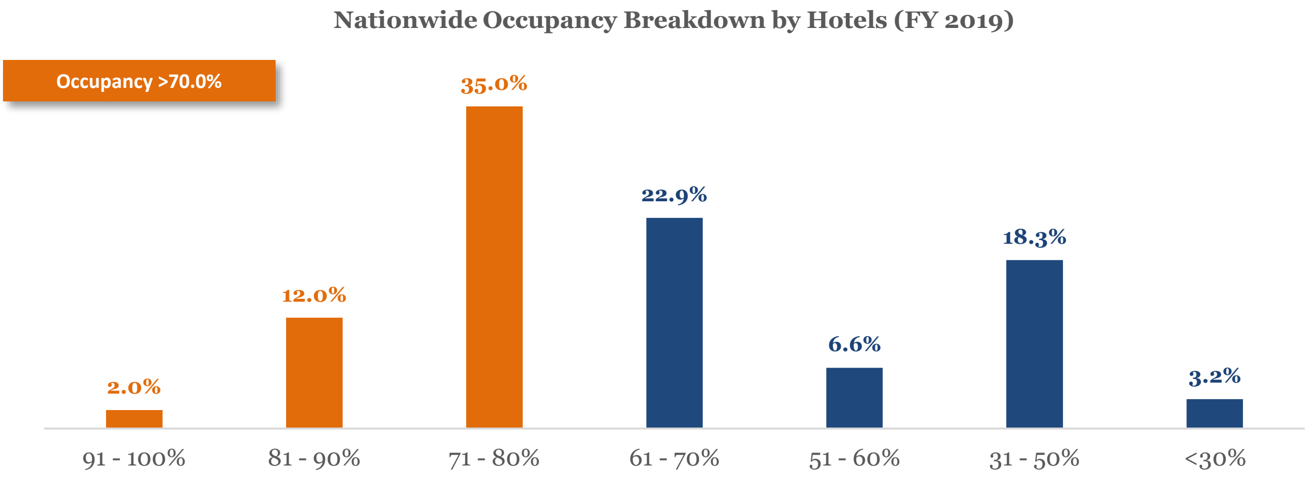
Limited Inventory Addition: Net inventory addition for the Top Seven Indian Markets has been approximately 5.5% over the last five years. Due to long development cycles, funding shortfalls and approval delays, hotel development in India tend to be challenging and time consuming. Completion and quality can be impacted unless the project is sponsored by a well-capitalized, organized developer with hospitality experience. *(Source: Hotelivate)*



(Source: Hotelivate)

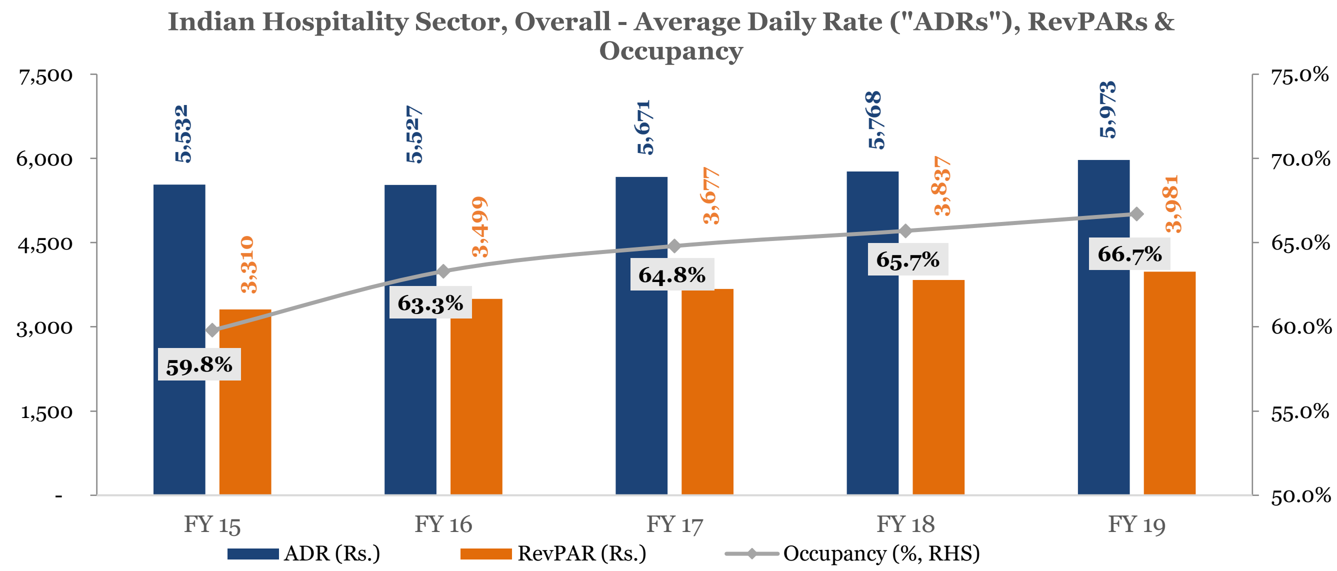
High Overall Occupancies: Average occupancy levels for Indian hotels have consistently grown over the last five years and have crossed the 66% mark in 2019 for the first time since 2008.

Select Hotels Witnessing Occupancies Higher than 80%: Approximately 49% of the branded hotels had average occupancies higher than 70% in FY 2019. Approximately 14.0% of the hotels located in urban corporate markets with negligible weekday–weekend seasonality had average occupancies higher than 80% in FY 2019. *(Source Hotelivate)*



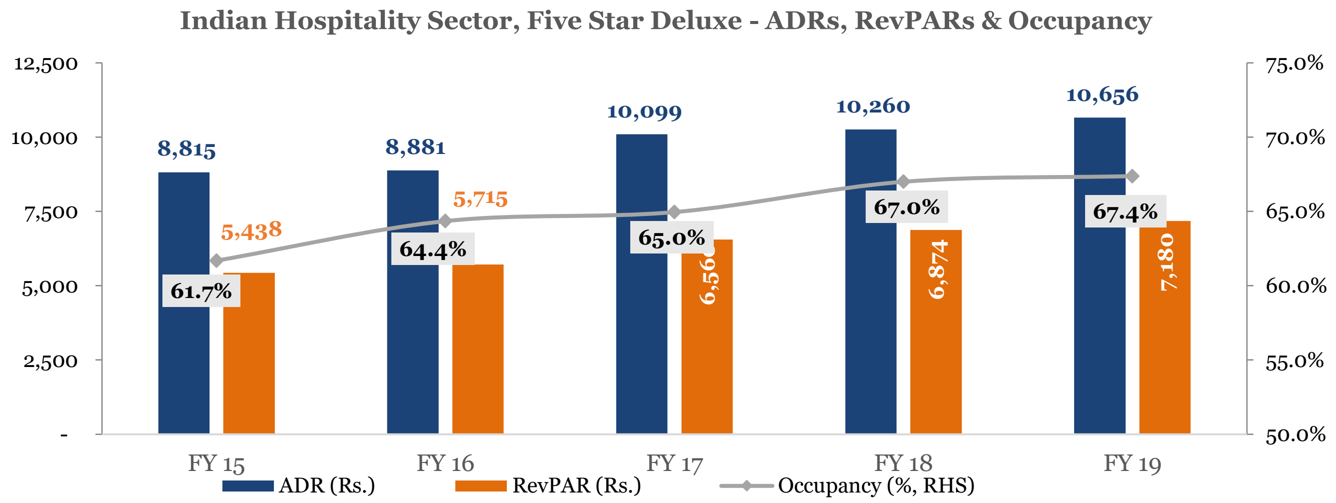
(Source: Hotelivate)

*RevPAR Witnessed Robust Growth: Revenue per available room ("***RevPAR***")* for Indian hotels have consistently grown over the last five years and have showed a CAGR of 4.7% between FY 2015 and FY 2019.



(Source: Hotelivate)

RevPAR of five star deluxe hotels witnessed a relatively steeper growth during the same period (FY 2015 – FY 2019) of 7.2%.



Adoption of revenue optimization strategies: Hotels that have been averaging higher than 70% occupancies year round adopt a number of strategies for revenue maximization through higher than average occupancies and improving ADRs. *(Source: Hotelivate)* These include:

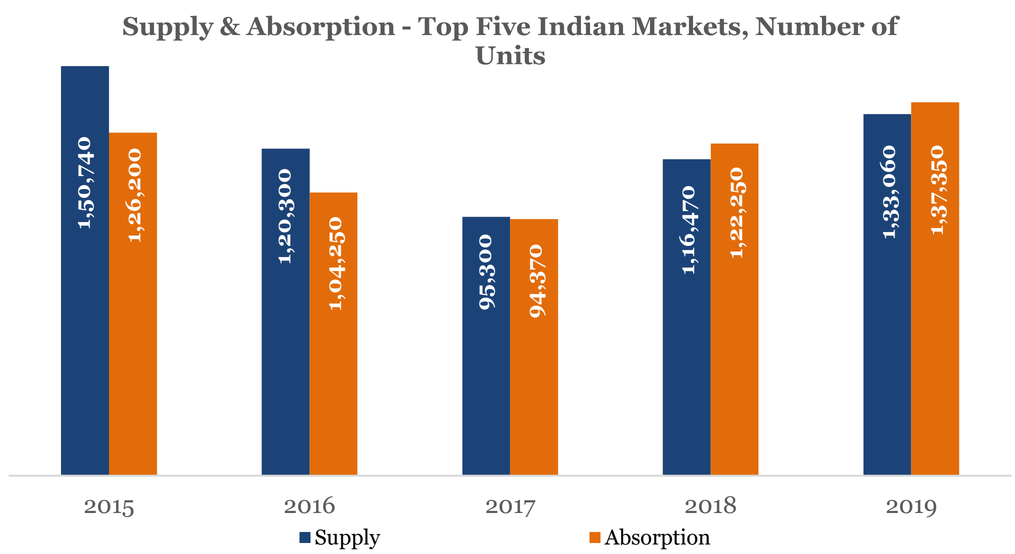
- <u>Daily Revenue Maximization Strategy</u>*:* Setting a daily revenue as the primary target rather than the daily ADR maximization strategy to achieve higher year round occupancies. *(Source: Hotelivate)*

- <u>Optimizing room cancellations</u>*:* Hotels clinically access their cancellations (across categories, days, etc.) which helps them assess their overselling ratios. This helps them plan their last minute cancellations or replacements or upgrade their highest paying guests to superior category rooms (to help offset the other-wise empty rooms with higher fixed costs). *(Source: Hotelivate)*

- <u>Addressing shorter booking lead times with better revenue realization</u>*:* Majority of bookings are now happening 24 to 48 hours before travel, and the fear of rooms being left unsold at the last minute is leading to lower revenue realization for hotels. Hotels that are able to hold acceptable room rates till T minus 48 hours are able to make up the difference between what was hoped and what is achieved. *(Source: Hotelivate)*

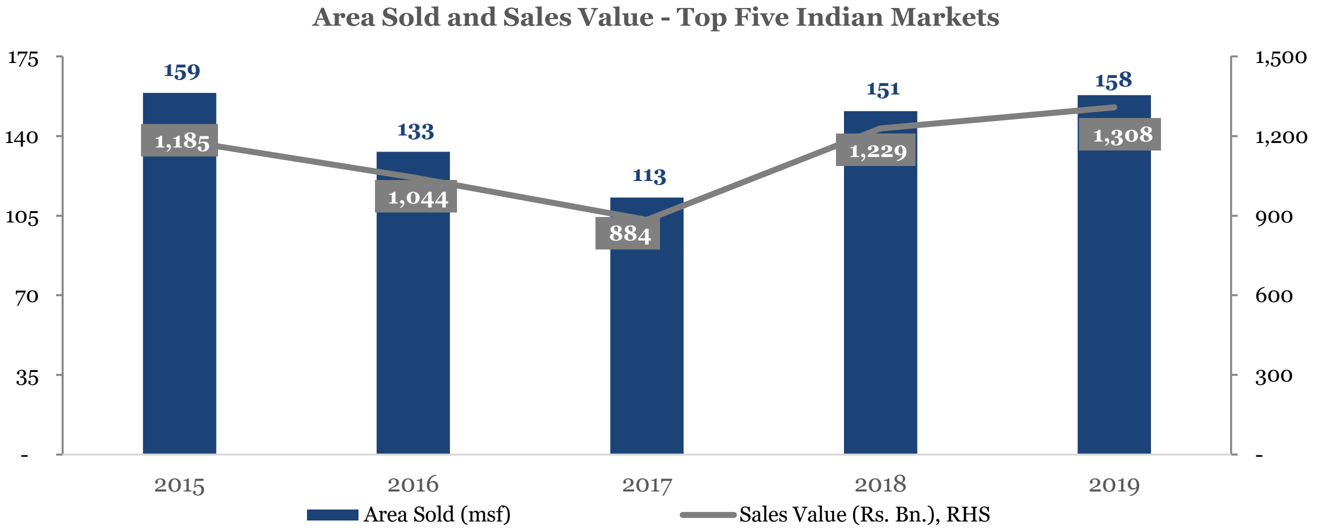
Overview of India Residential Market

The following graphs provide a snapshot of the residential real estate market for the top five India cities, Bengaluru, Chennai, Mumbai Region, NCR and Pune ("**Top Five Indian Markets**"):



(Source: CBRE Research)

The Indian residential real estate has been affected by policy changes such as introduction of RERA (2016) and GST reforms (2017). Since 2017, the residential sector has shown recovery in sales (by number of units) by a CAGR of 20.6% between 2017 and 2019. *(Source: CBRE Research)*



(Source: CBRE Research)

Residential real estate has also shown recovery in terms of area sold and sales value since 2017 on account of the factors described above. *(Source: CBRE Research)*

The COVID – 19 Pandemic

Pursuant to the declaration of COVID-19 as a pandemic by the World Health Organisation, the National Disaster Management Authority considered it necessary to take effective measures to prevent the spread of COVID-19 across the country while ensuring maintenance of essential services and supplies, including health infrastructure. The Ministry of Home Affairs ("**MHA**"), through notification dated March 24, 2020 declared a nationwide lockdown and ordered commercial, office and industrial establishments, transportation services and hospitality services (with exception of hotels accommodating tourists and stranded persons due to the lockdown and establishments used for quarantine facilities), among others, to be closed down with some exceptions for essential services. The MHA notification was applicable for a period of 21 days from March 25, 2020 (*Source: MHA notifications dated March 24 and 25, 2020*)

The lockdown was then extended by the MHA allowing phased opening of different establishments. The respective states also passed similar notifications with respect to the lockdown. The MHA, through notification dated June 4, 2020, issued a new set of guidelines for opening of shopping malls, hotels, restaurants, offices and religious places. The MHA, through notification dated July 29, 2020, allowed for reopening of more activities in areas outside containment zones with the exception of educational institutions, cinema halls, entertainment parks, international travel (subject to exceptions), among others. Further, States and Union Territories have been permitted to prohibit any additional activities outside containment zones or impose restrictions based on their assessment of the situation. *(Source: MHA notification dated July 29, 2020)*

Respective state/city administration bodies have also issued circulars for phase wise opening of lock-down:

(i) The Government of Maharashtra, through order dated July 29, 2020, permitted various activities to commence while adhering to specified restrictions and in compliance with the standard operating procedures for regions including Mumbai Metropolitan Region (including Municipal Corporate of Greater Mumbai ("**MCGM**")) and Pune. This order permitted malls and market complexes to be operational from 9am to 7pm in MMR *(Source: Government of Maharashtra order dated July 29, 2020)*;

(ii) The MCGM, through circular dated August 3, 2020, issued additional directives for various activities and allowed malls and market complexes to be operational from 9am to 7pm with effect from August 5, 2020 (*Source: MCGM circular dated August 3, 2020*);

(iii) The Government of Karnataka, through order dated May 30, 2020, permitted a phase wise opening of areas outside containment zones including shopping malls, restaurants, hotels and hospitality services while ensuring adherence of standard operating procedures prescribed by the Ministry of Health and Family Welfare. Further, the order stipulated that the date of restarting of activities such as cinema halls, entertainment parks, theatres and international air travel among others would be based on the assessment of the situation and as part of Phase III (Government of Karnataka order dated May 30, 2020); and

(iv) The Revenue and Disaster Management Department, for the State of Tamil Nadu, issued a notification dated July 31, 2020 extended the state wide lockdown till August 31, 2020. Activities such as hotels, shopping malls, educational institutions, air travel (except as permitted by MHA), metro rail and suburban services, cinema halls, inter-state public and private services amongst others remain closed till August 31, 2020.

Mumbai Region

Mumbai Region consists of Island City (Lower Parel, Parel,Worli, Dadar,Prabhadevi, Mahalaxmi, Nariman Point, Ballard Estate, Fort and Cuffe Parade), Western/Extended Western Suburbs (Kandivili, Borivili, Malad, Goregoan, Andheri E, Andheri W, Jogeshwari E, Jogeshwari W and Oshiwara), Eastern/ Extended Eastern Suburbs (Sion, Chembur, Deonar, Ghatkopar, Vikhroli, Kanjurmarg, Bhandup, Mulund, Kurla, Powai, Santacruz and Bandra), Thane (Thane City, Mulund, Bhiwandi, Kalwa and Airoli), Navi Mumbai (Vashi, Ghansoli Juinagar, Sanpada, Turbhe, Kopar Khairane and Palm Beach) Kalyan, Dombivli and Panvel, among others (Source: CBRE Research.)

Overview

Mumbai is the most populous city in India and has a higher district literacy rate (89.2%) than the national average (74.0%) (*Source: Census of India, 2011*). The city is part of the Mumbai Region that includes the broader area around the city and has a population of approximately 20.0 million (*Source: Census of India, 2011*). Given its demographic and industrial profile, the region offers large availability of skilled work force, has strong office demand with robust retail consumption.

The key drivers of demand for real estate in the Mumbai Region are as follows:

- *Financial capital and services hub*: Mumbai is India's financial capital and houses headquarters and corporate offices of major financial institutions, banks and private equity funds, India's largest stock and commodity exchanges as well as various financial regulators. It is also a hub for major global consultancy firms, legal and professional services, media houses, accounting professionals and large corporates.

- *Social infrastructure*: Mumbai has established educational institutions and colleges, malls, hospitals and hotels.

- *Transport infrastructure*: The city is well connected via road (Eastern Express Highway, Western Express Highway, Eastern Free Way and Bandra-Worli Sea Link) and rail (suburban rail network across 390 km carrying approximately 8 million passengers daily and a metro network with Line 1 operational) (*Source: Mumbai Rail Vikas Corporation*). Mumbai has the second busiest airport in India (Chhatrapati Shivaji Maharaj International Airport) (*Source: Airports Authority of India*). Mumbai Region also has the largest container port of India (Jawaharlal Nehru Port) (*Source: Jawaharlal Nehru Port Trust*).

Mumbai Region Retail Market

The table below highlights the key statistics pertaining to the Mumbai Region's Grade-A retail malls:

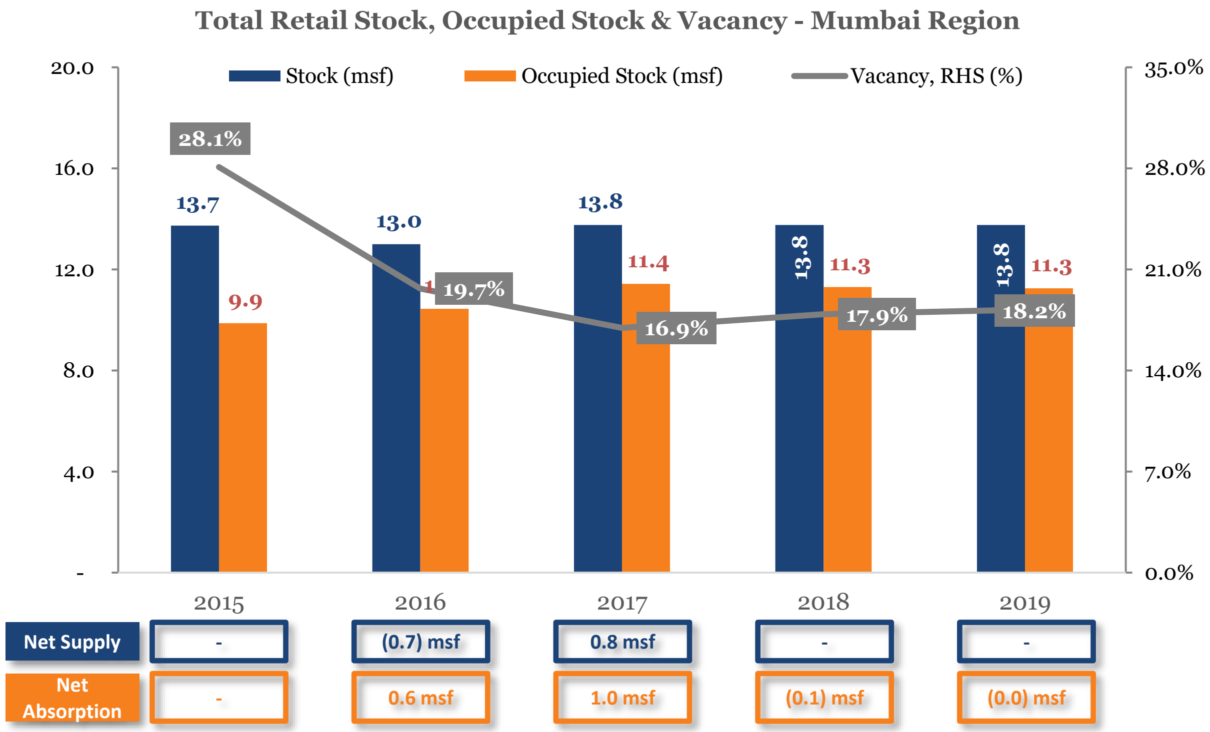
Particulars	Details
Stock (As of December 31, 2019)	Approximately 13.8 msf
Occupied stock (As of December 31, 2019)	Approximately 11.3 msf
Vacancy (As of December 31, 2019)	Approximately 18.2%. Established malls with leadership position in their micro markets typically witness low to mid-single digit vacancy levels.
Average annual absorption (2015 – 2019)	Approximately 0.3 msf
Future supply (2020 – 2023, as of December 31, 2019)	2020: Approximately 0.2 msf 2021: Approximately 0.8 msf 2022: No new supply 2023: Approximately 1.8 msf

(Source: CBRE Research)

Mumbai Region is the second largest retail market in India with approximately 13.8 msf of completed stock. The region also had the highest share of retail expenditure (26.8% of the household consumption) among the Top Seven Indian Markets in India in FY 2016. *(CBRE Research, FY 2016 data)*

Demand Supply Dynamics

Mumbai Region has witnessed limited new supply addition over the last five years (2015 to 2019), with cumulative net absorption of 1.4 msf and net supply of 1.62 msf. Vacancy stood at 18.2%, as of December 31, 2019 primarily on account of high share of strata-titled malls, sub-optimal sizes (approximately 38% of malls have a Gross Leasable Area of less than 0.5 msf) and fragmented ownership leading to sub-scale asset management. The established retail malls with leadership position in respective micro-markets continue to witness low-to-mid single digit vacancy levels. The following graph represents historical cumulative stock, occupied stock vacancy, net supply and net absorption levels (2015 to 2019):



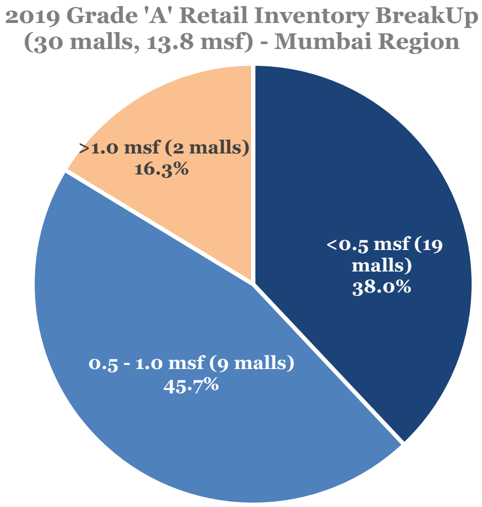
RHS – Rand Hinde Side (of graph)
(Source: CBRE Research)

Approximately 62% of the total retail stock, as of December 31, 2019 comprises retail malls with more than 0.5 msf of Gross Leasable Area aggregating to approximately 8.6 msf. The Phoenix Mills Limited is the leader in this segment, operating two malls under the brand names "High Street Phoenix and Palladium" and "Phoenix MarketCity Mumbai" comprising approximately 0.77 msf and approximately 1.14 msf of Gross Leasable Area, respectively. "High Street Phoenix and Palladium" is located in one of the iconic shopping locations and within one of the India's most expensive real estate locations. The Phoenix Mills Limited is one of the first real estate developers in India to transform a textile mill property into a modern, multi-use retail-led integrated development – the High Street Phoenix and Palladium mall in Lower Parel, Mumbai. As per data received from The Phoenix Mills Limited, they also have approximately 0.15 msf and 0.35 msf of area under-development and under-planning, respectively in the mixed-use development "High Street Phoenix and Palladium". *(Source: CBRE Research)*

The development pipeline in Mumbai city includes retail malls in Bandra Kurla Complex (0.8 msf expected to be operational in 2021) and Worli (0.5 msf expected to be operational in 2023). Given the dense catchment and consumption propensity in these micro-markets, CBRE expects that established and performing malls will continue to witness consumption growth. The balance development pipeline of approximately 1.5 msf is in non-competing micro-markets such as Borivali (extended western suburbs) and Navi Mumbai (eastern suburbs). *(Source: CBRE Research)*

Retail Mall Distribution

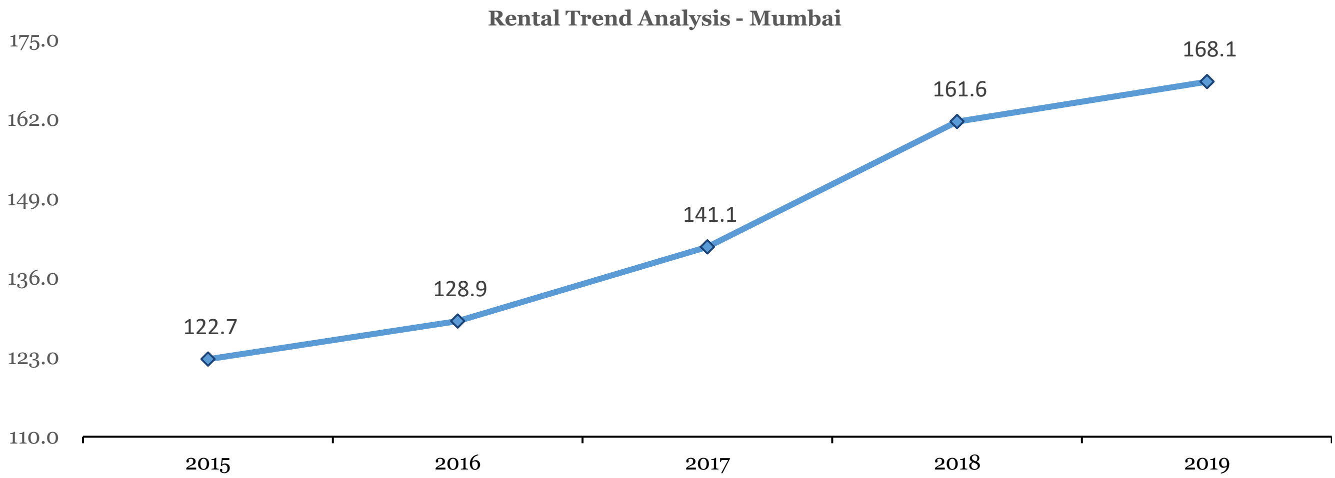
Retail malls in the Mumbai Region are characterized by fragmented ownership (most asset owners own and operate a single mall), have sub-optimal sizes (especially old malls) and many malls have been strata sold. Retail malls with smaller sizes offer limited ability to attract tenants and typically suffer from design issues resulting in lower footfalls and consequently lower rents. The following chart sets forth the retail mall distribution, as of December 31, 2019. *(Source: CBRE Research)*



(Source: CBRE Research)

Rental Trends

Rentals in the Mumbai Region have grown at a CAGR of 8.2% between 2015 and 2019 in the backdrop of growing retail consumption *(Source: CBRE Research)*. The following graph sets forth rental trend analysis for the Mumbai Region (2015 to 2019):



(Source: CBRE Research)

Mumbai Region Office Market

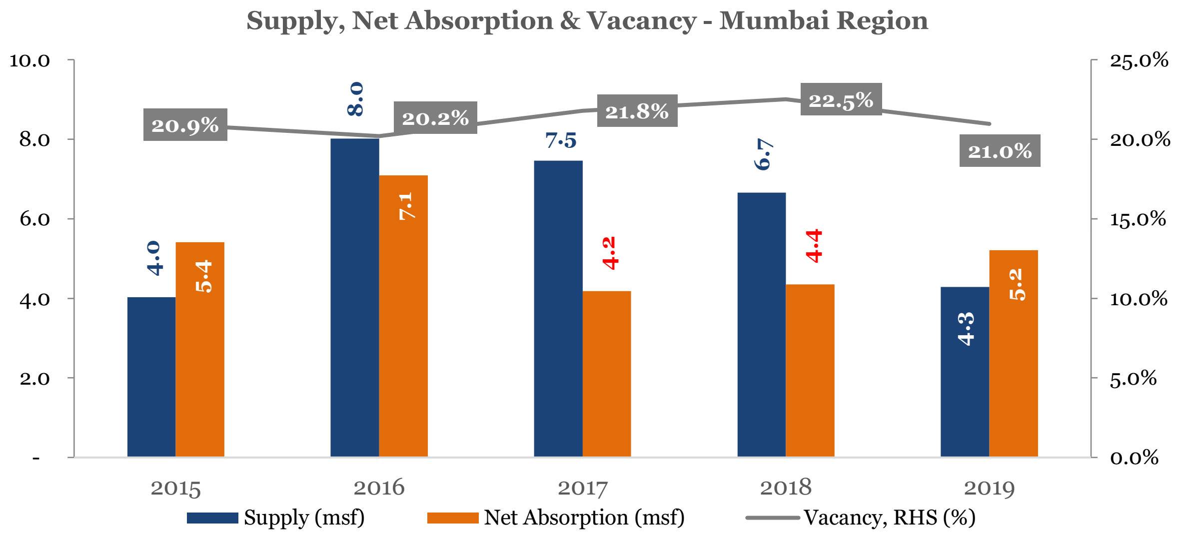
The table below highlights the key statistics pertaining to the Mumbai Region's Grade-A offices:

Particulars	Details
Stock (As of December 31, 2019)	Approximately 122.5 msf
Occupied stock (As of December 31, 2019)	Approximately 96.8 msf
Vacancy (As of December 31, 2019)	Approximately 21.0%. Grade-A institutionally-owned office developments typically witness low single digit vacancy levels.
Average annual absorption (2014 – 2019)	Approximately 5.2 msf
Future supply (2020 – 2021, as of December 31, 2019)	2020: Approximately 7.7 msf 2021: Approximately 7.3 msf

(Source: CBRE Research)

Supply, Net Absorption and Vacancy

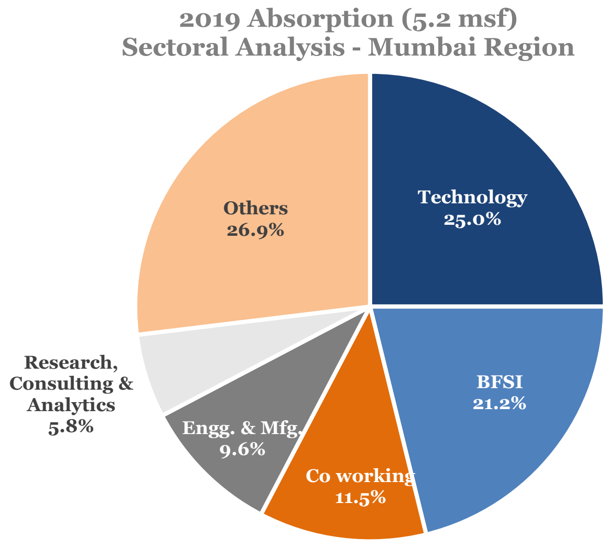
Vacancy in the Mumbai Region stood at 21.0%, as of December 31, 2019, due to high vacancy in select micro-markets, which have strata buildings with smaller floor plates and sub-optimal infrastructure. The following graph represents historical supply, net absorption and vacancy levels (2015 to 2019):



(Source: CBRE Research)

Sectoral Occupancy Analysis

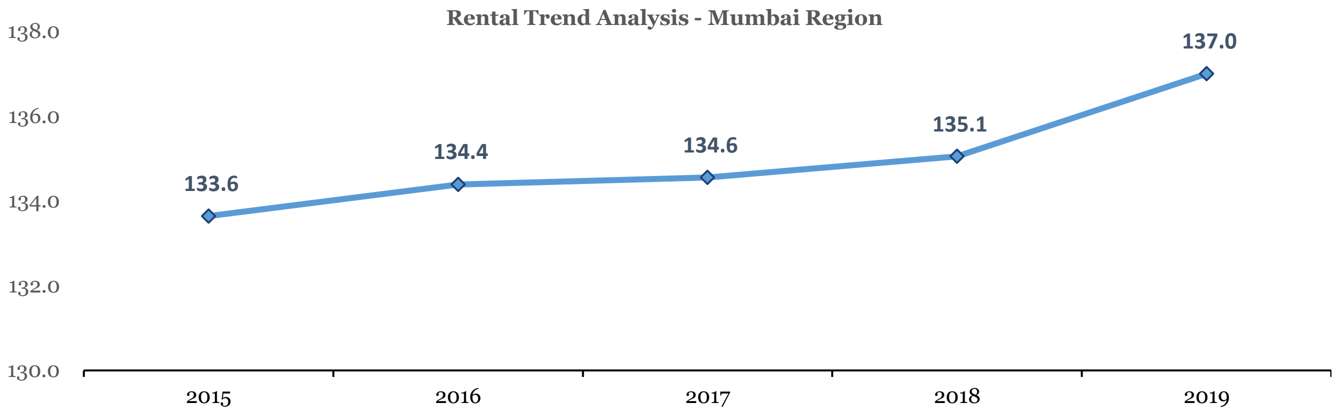
The Mumbai Region has a diverse tenant base across India's key services sector industries. Being the financial capital of India, Mumbai also has a large percentage of financial services tenants. The following chart sets forth sectoral absorption analysis of the Mumbai Region (2019):



(Source: CBRE Research)
Note: Others include automobile, education, hospitality, logistics and shipping, oil and gas, food and beverage and real estate and related services. The sectoral absorption analysis is based on gross absorption activity of the Mumbai Region i.e. including any relocations and consolidations.

Rental Trends

- Rentals in the Mumbai Region have largely remained steady between 2015 and 2019. The following chart sets forth rental trend analysis for the Mumbai Region (2015 to 2019):

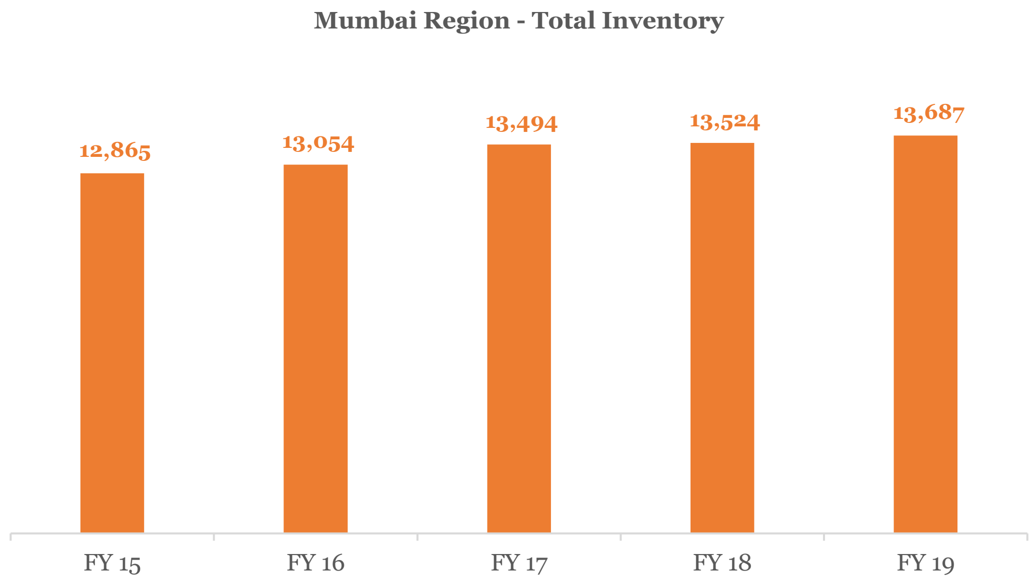


(Source: CBRE Research)

Mumbai Region Hospitality Market

Mumbai Region Hospitality Market: Room Inventory growth

The Mumbai Region hospitality market has witnessed limited inventory addition from FY 2015 to FY 2019 of 822 keys, largely in the western suburban micro-markets of the Mumbai Region.

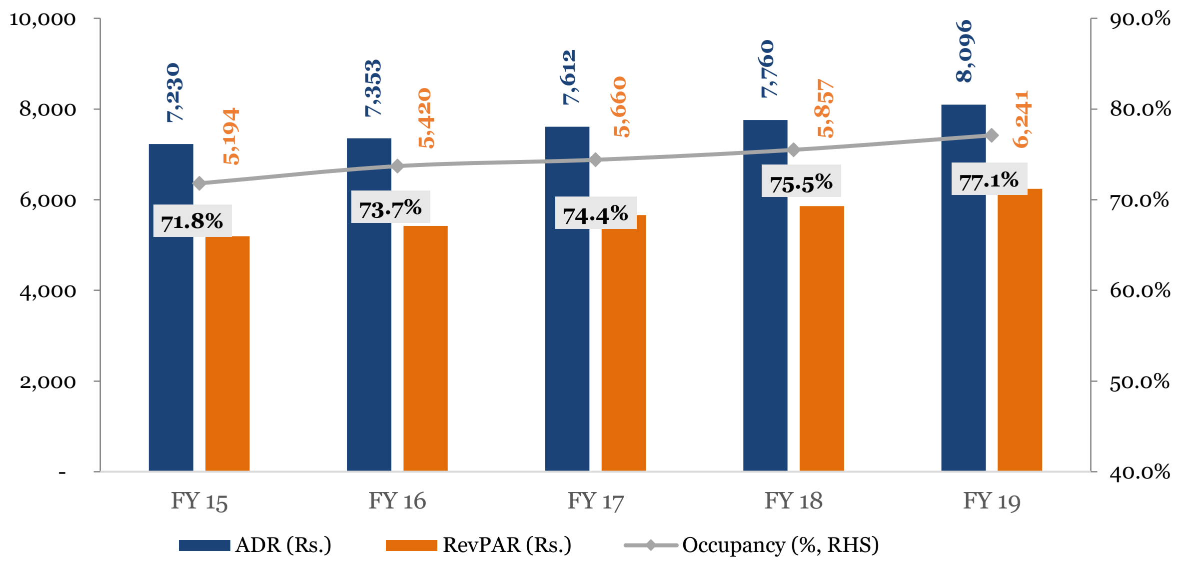


(Source: Hotelivate)

Key Operating Trends

The Mumbai Region hospitality market, being the financial capital of India and having the second busiest airport, is one of the most resilient hospitality markets in the country. This has enabled the region to achieve an increase in occupancy from 71.7% in FY 2015 to 77.1% in FY 2019 along with a CAGR growth of 4.7% in RevPAR over the same period. *(Source: Hotelivate)*

Mumbai Region - ADRs, RevPARs & Occupancy



(Source: Hotelivate)

Demand Drivers

Many factors, such as corporate travel, an upswing in MICE demand and the promising growth in extended-stay segment have favourably impacted the hotel market in India's financial capital. In the medium-to-long term, the Mumbai International Airport Limited land-side development that includes several new hotels, commercial and retail complexes, and hospitals, is expected to improve the demand further. In the short-to-medium term, the planned improvements in infrastructure such as the Coastal Road, extension of the Metro and Monorail, coupled with the proposed convention centre in BKC is expected to augment MICE demand and assist in improving hotel performances. *(Source: Hotelivate)*

The St. Regis is an iconic hospitality destination in Mumbai and the only existing hotel in India to be branded as “The St. Regis” – the uber luxury brand managed by Marriott International. *(Source: Hotelivate)*

Pune

Overview

Pune is the second most populous city in Maharashtra and is located at a distance of approximately 150 km from Mumbai. Pune is called the "Oxford of the East" and houses multiple educational institutions, which attract young talent from across the country. Pune is a hub for the technology sector and houses several leading. The city is also an established industrial, defence and automobile hub and houses several leading international and domestic companies.

The key drivers of demand for real estate in Pune are as follows:

- *Quality Grade-A offices***:** Pune houses Grade-A office spaces and SEZs with large floor plates and quality infrastructure and amenities, which attract several major technology and financial services companies.
- *Educated and skilled workforce:* High literacy rate of 86.15% (*Source: Census of India, 2011*) and various renowned institutes such as College of Engineering Pune, Pune University and National Institute of Construction Management and Research provide companies with the requisite talent pool.
- *Well-developed social infrastructure:* There are several high streets, hotels, malls and hospitals in the city, which provide a good network of social infrastructure.
- *Infrastructure:* Pune is well-connected by rail, roads (Mumbai – Pune Expressway and Mumbai-Bengaluru Highway) and air (Pune International Airport) to major Indian cities.

Pune Retail Market

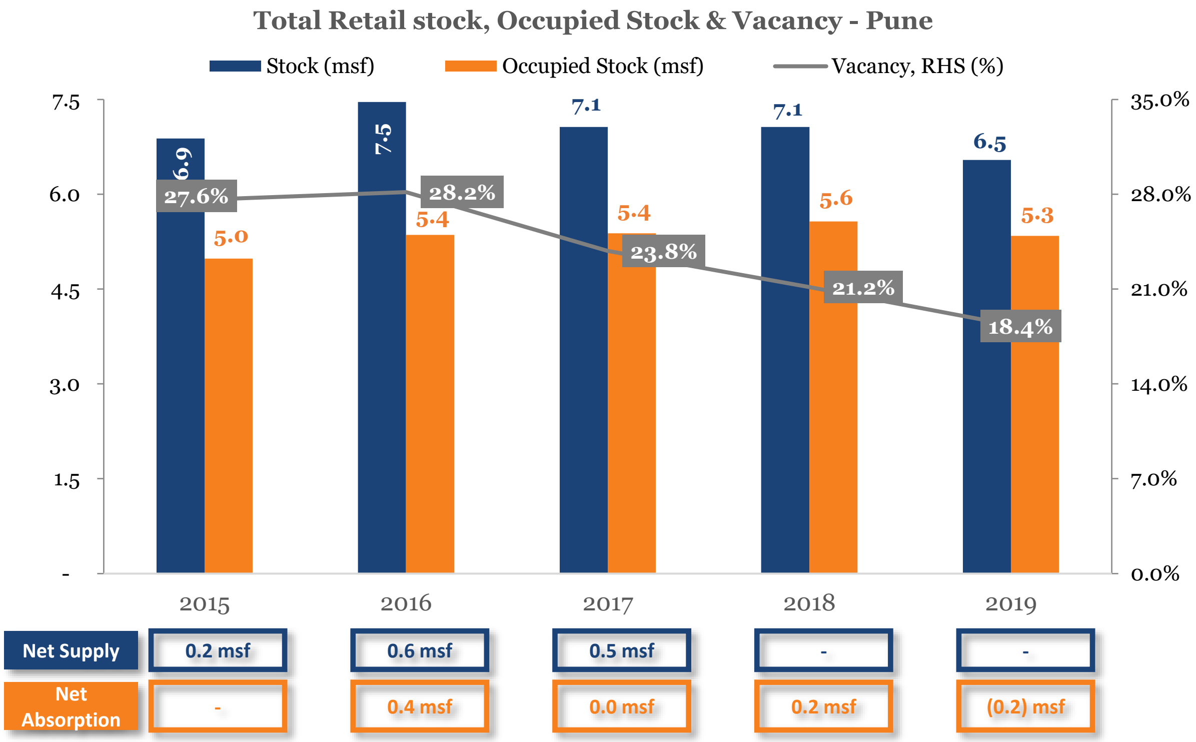
The table below highlights the key statistics pertaining to Pune's Grade-A retail malls:

Particulars	Details
Stock (As of December 31, 2019)	Approximately 6.5 msf
Occupied stock (As of December 31, 2019)	Approximately 5.3 msf
Vacancy (As of December 31, 2019)	Approximately 18.3%. Established malls with leadership position in their micro-markets typically witness low to mid-single digit vacancy levels.
Average annual absorption (2015 – 2019)	Approximately 0.1 msf
Future supply (2020 – 2023, as of December 31, 2019)	2020: Approximately 0.50 msf 2021: Approximately 1.25 msf 2022: Approximately 1.10 msf 2023: No new supply

(Source: CBRE Research)

Demand Supply Dynamics

Pune has witnessed limited new supply addition over the last five years (2015 – 2019), with cumulative net absorption of 0.36 msf lower than the cumulative net supply of 1.18 msf during the same period. Vacancy stood at 18.4% as of December 31, 2019 primarily on account of high share of strata sold malls, sub-optimal sizes (approximately 47% of malls have a Gross Leasable Area of less than 0.5 msf, such as Pavilion Mall), partial or full conversion to office spaces (for example, Inorbit Mall, Jewel Square, G Corp Pulse Mall and Nitesh Hub), absence of several international brands (for example, Seasons Mall) and fragmented ownership leading to higher double digit vacancies (for example, Amanora Mall) and mall closures. The established retail malls with leadership position in respective micro-markets continue to witness low-to-mid single digit vacancy levels. The following graph represents historical cumulative stock, occupied stock, vacancy, net supply and net absorption levels (2015 to 2019):



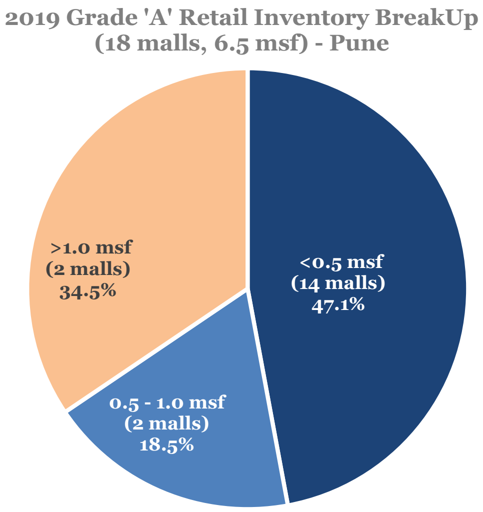
(Source: CBRE Research)

Approximately 53% of the total retail stock as of December 31, 2019 is comprised of retail malls with more than 0.5 msf Gross Leasable Area aggregating to approximately 3.4 msf. Located in the affluent part of Pune, The Phoenix Mills Limited is the undisputed leader in this segment, operating the largest mall in the city, under the brand name "Phoenix MarketCity Pune", comprising approximately 1.19 msf of Gross Leasable Area. As per data received from The Phoenix Mills Limited, they also have a mall under development, under the brand name "Phoenix Millennium" comprising approximately 1.10 msf of Gross Leasable Area. *(Source: CBRE Research)*

The development pipeline in Pune, apart from Phoenix Millennium includes retail malls in Hinjewadi phase-2 and South- East Pune (approximately 0.46 msf expected to be operational at the end of 2020), South and central Pune (approximately 1.25 msf expected to be operational in 2021). Given the dense catchment, increasing traffic and consumption propensity in these micro-markets, CBRE expects that established and performing malls will continue to witness consumption growth. *(Source: CBRE Research)*

Retail Mall Distribution

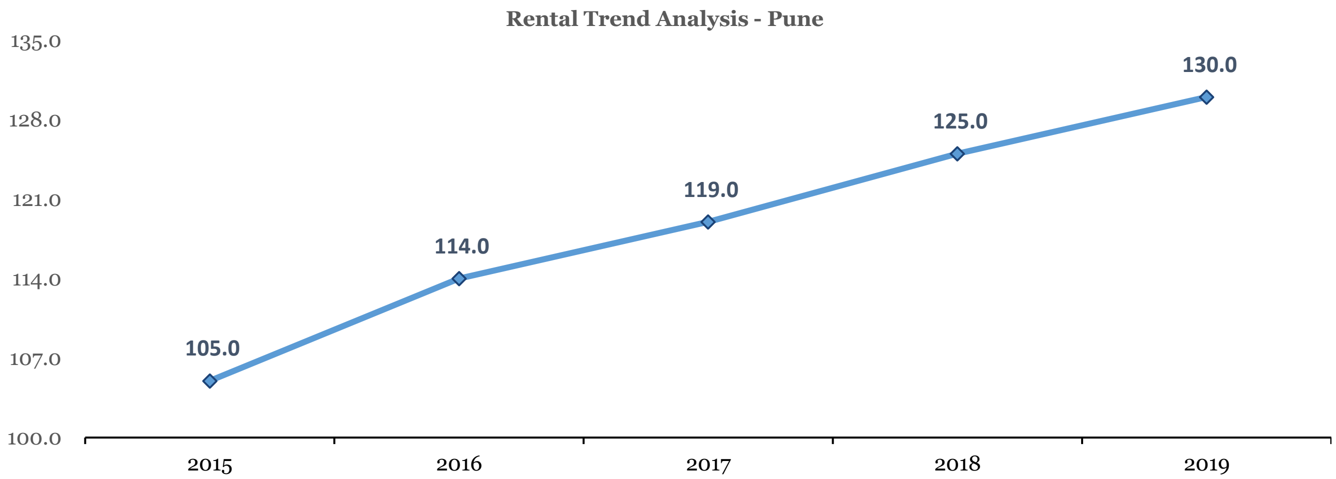
Retail malls in Pune are characterized by sub-optimal sizes (especially old malls, largely due to shortage of sizeable land parcels at the time of development) and many malls have been strata sold. Retail malls with smaller sizes offer limited ability to attract tenants and typically suffer from design issues resulting in lower footfalls and consequently lower rents. The following chart sets forth the retail mall distribution, as of December 31, 2019. *(Source: CBRE Research)*



(Source: CBRE Research)

Rental Trends

Rentals in Pune have grown at a CAGR of 5.5% between 2015 and 2019 in the backdrop of growing retail consumption, closure of select sub-performing malls, partial or full conversion to office spaces and better performance by the newly added destination malls between 2017 and 2019 *(Source: CBRE Research)*. The following chart sets forth rental trend analysis for Pune (2015 to 2019):



(Source: CBRE Research)

Pune Office Market

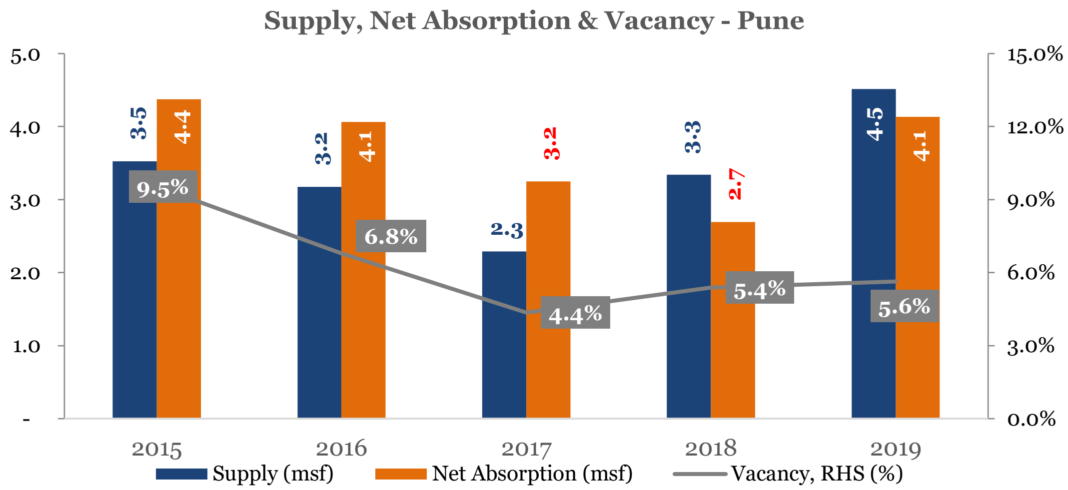
The table below highlights the key statistics pertaining to Pune's Grade-A offices:

Particulars	Details
Stock (As of December 31, 2019)	Approximately 53.5 msf
Occupied stock (As of December 31, 2019)	Approximately 50.5 msf
Vacancy (As of December 31, 2019)	Approximately 5.6%
Average annual absorption (2015 – 2019)	Approximately 3.7 msf
Future supply (2020 - 2021, as of December 31, 2019)	2020: Approximately 5.2 msf 2021: Approximately 6.2 msf

(Source: CBRE Research)

Supply, Net Absorption and Vacancy

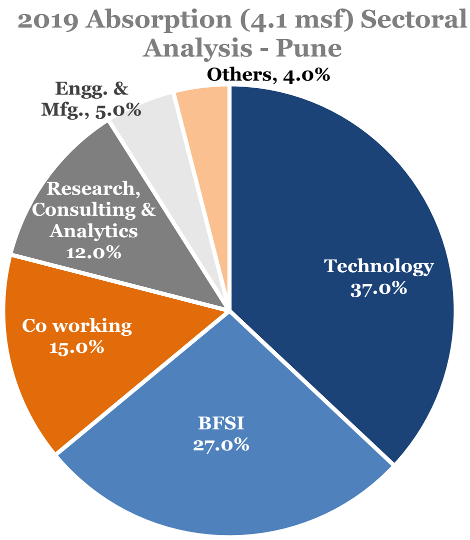
Strong absorption has led to a reduction in vacancy from 9.5%, as of December 31, 2015 to 5.6%, as of December 31, 2019. The following graph sets forth historical supply, net absorption and vacancy levels (2015 to 2019):



(Source: CBRE Research)

Sectoral Occupancy Analysis

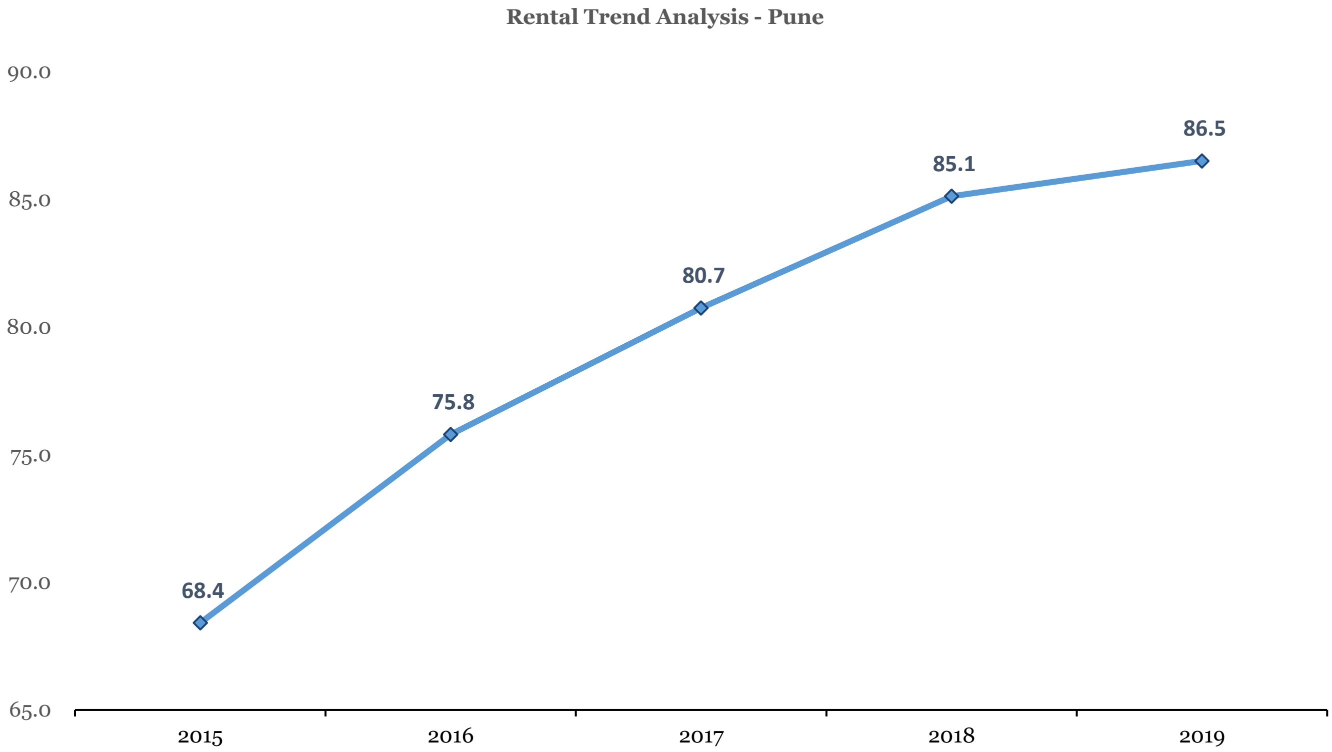
Technology sector has been the major demand driver, accounting for 37.0% of the total gross absorption for 2019. The following chart sets forth sectoral absorption analysis for 2019:



(Source: CBRE Research)
Note: Others include automobile, education, hospitality, logistics and shipping, oil and gas, food and beverage and real estate and related services. The sectoral absorption analysis is based on gross absorption activity of the city i.e. including any relocations and consolidations.

Rental Trends

Rentals in Pune have grown at a CAGR of 6.0% between 2015 and 2019. The following chart sets forth rental trend analysis for Pune (2015 to 2019):



(Source: CBRE Research)

Bengaluru

Overview

Bengaluru, also known as India's 'Silicon Valley', is one of the largest technology hubs in the world and a global destination for technology and R&D outsourcing companies. The city is the political capital and the main economic centre of the Karnataka state and is India's third most populous city comprising approximately 9.62 million people in 2011 (an increase of 47.2% compared to 2001). *(Source: Government of Karnataka, Census of India, 2011)*

The key drivers of demand for real estate in Bengaluru are as follows:

- *Established technology hub:* India's preferred technology destination and Asia's fastest growing technopolis, attracting companies from sectors including technology, biotechnology, defence, aerospace and electronics.
- *Knowledge cluster:* Large, diversified pool of skilled and technology-savvy workforce and presence of top educational institutions, such as Indian Institute of Science (IISc), Indian Institute of Management (IIM-Bengaluru) and Indian Space Research Organization (ISRO).
- *Scale and quality office parks:* The scale and high quality of offices across various sub-markets has made Bengaluru a preferred destination for MNCs and domestic corporates across sectors.
- *Robust transport infrastructure:* Access by road (Outer Ring Road, elevated expressway to airport and Electronic City), rail (Metro Phase 1 and 2) and air (Kempegowda International Airport).
- *Ongoing/planned infrastructure improvements:* Key initiatives include multiple metro lines and various road projects (such as Peripheral Ring Road—Phase 1).
- *Well-developed social infrastructure:* High-quality large-scale townships and residential developments, schools and established education institutions, hospitals, hotels and retail malls (Phoenix MarketCity, Brigade Orion, Falcon Whitefield and VR Mall).

Bengaluru Retail Market

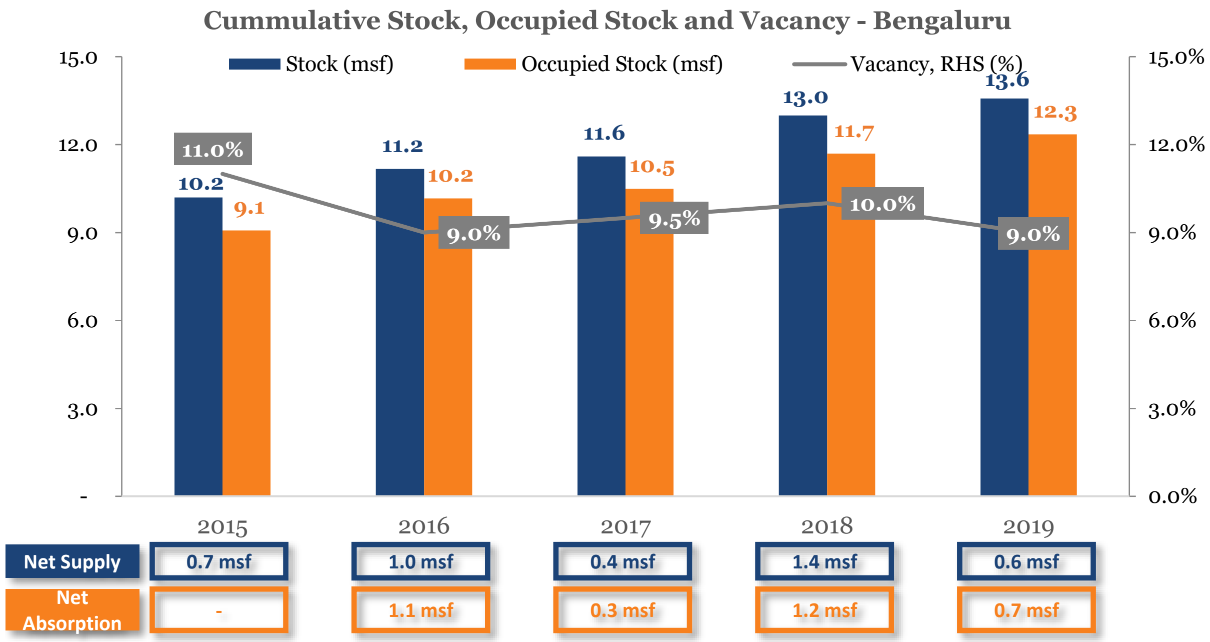
The table below highlights the key statistics pertaining to the Bengaluru's Grade-A retail malls:

Particulars	Details
Stock (As of December 31, 2019)	Approximately 13.6 msf
Occupied stock (As of December 31, 2019)	Approximately 12.3 msf
Vacancy (As of December 31, 2019)	Approximately 9.0%
Average annual absorption (2015 – 2019)	Approximately 0.8 msf
Future supply (2020 - 2023, as of December 31, 2019)	2020: Approximately 0.13 msf 2021: Approximately 2.63 msf 2022: Approximately 2.35 msf 2023: Approximately 0.40 msf

(Source: CBRE Research)

Demand Supply Dynamics

Bengaluru has witnessed significant new supply addition over the last five years (2015 to 2019), with cumulative net absorption of 3.3 msf lower than the net supply of 4.0 msf during the same period. Vacancy stood at 9.0%, as of December 31, 2019 primarily due to high share of neighbourhood malls that typically have lower sizes of less than 1.0 msf. The following graph sets forth historical cumulative stock, occupied stock, vacancy, net supply and net absorption levels (2015 to 2019):



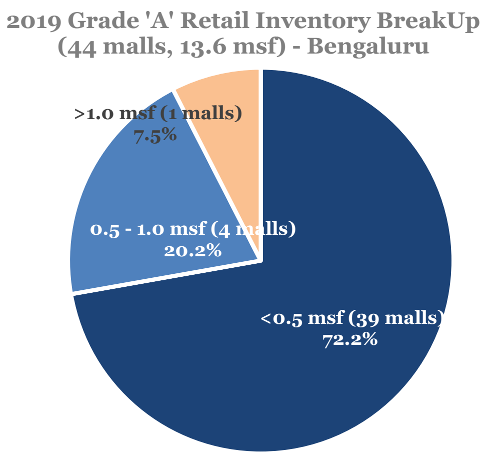
(Source: CBRE Research)

Approximately 28% of the total retail stock, as of December 31, 2019 is comprised of retail malls with more than 0.5 msf of Gross Leasable Area aggregating to approximately 3.8 msf. The Phoenix Mills Limited is the city's leading mall operator with a mall under the brand name "Phoenix MarketCity Bangalore" comprising approximately 1.00 msf of Gross Leasable Area and 0.31 msf of proposed Gross Leasable Area. As per data received from The Phoenix Mills Limited, they also have a mall under development, under the brand name "Phoenix Mall of Asia" comprising approximately 1.20 msf of Gross Leasable Area. *(Source: CBRE Research)*

The development pipeline in Bengaluru includes a retail mall in City Centre (approximately 0.13 msf expected to be operational in 2020), retail malls across Old Madras Road, Binny Mills and Kanakpura Road (approximately 2.63 msf expected to be operational in 2021), retail malls in the North Bengaluru micro-market (approximately 2.35 msf expected to be operational in 2022) and a retail mall in the South Bengaluru micro-market (approximately 0.40 msf expected to be operational in 2023). Given most of these developments are neighbourhood malls servicing a dense catchment coupled with the strained city infrastructure and consumption propensity in these micro-markets, CBRE expects that established and performing existing destination malls will continue to witness robust consumption growth. *(Source: CBRE Research)*

Retail Mall Distribution

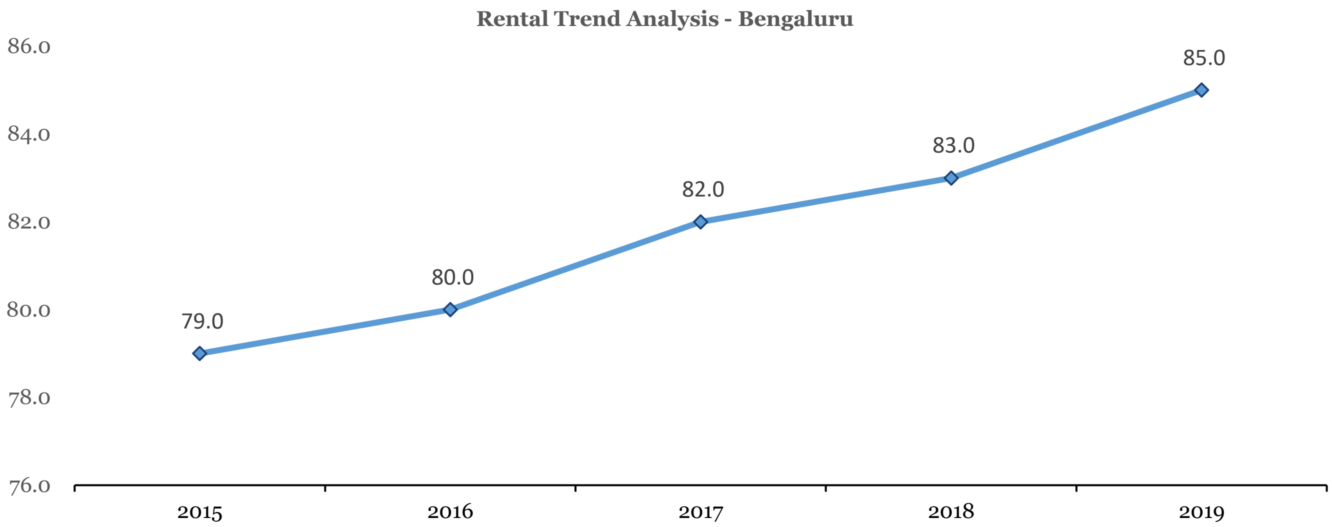
Retail malls in Bengaluru are characterized by sub-optimal sizes (of less than 0.5 msf of Gross Leasable Area), positioned as neighbourhood malls as part of integrated developments or located within dense residential catchments. Neighbourhood malls have limited ability to attract tenants and consequently lower rents. The following chart sets forth the retail mall distribution, as of December 31, 2019. *(Source: CBRE Research)*



(Source: CBRE Research)

Rental Trends

Rentals in Bengaluru have grown at a CAGR of 1.8% between 2015 and 2019, which is attributable to the performance of select assets that serve as destination malls for extended catchments. Majority of the malls are neighbourhood malls serving nearby catchments and have witnessed relatively lower growths. *(Source: CBRE Research)* The following chart sets forth rental trend analysis for Bengaluru (2015 to 2019):



(Source: CBRE Research)

Bengaluru Office Market

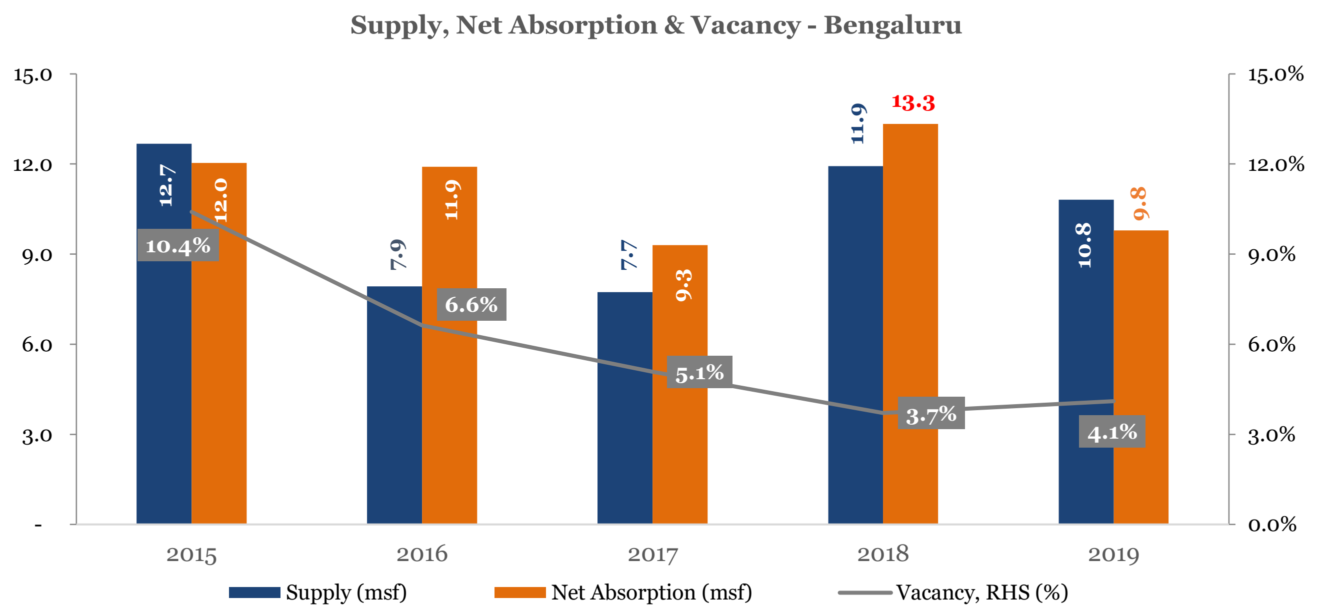
The table below highlights the key statistics pertaining to Bengaluru's Grade-A offices:

Particulars	Details
Stock (As of December 31, 2019)	Approximately 157.5 msf
Occupied stock (As of December 31 2019)	Approximately 151.0 msf
Vacancy (As of December 31 2019)	Approximately 4.1%
Average annual absorption (2015 – 2019)	Approximately 11.3 msf
Future supply (2020 - 2021, as of December 31, 2019)	2020: Approximately 13.7 msf 2021: Approximately 13.0 msf

(Source: CBRE Research)

Supply, Net Absorption and Vacancy

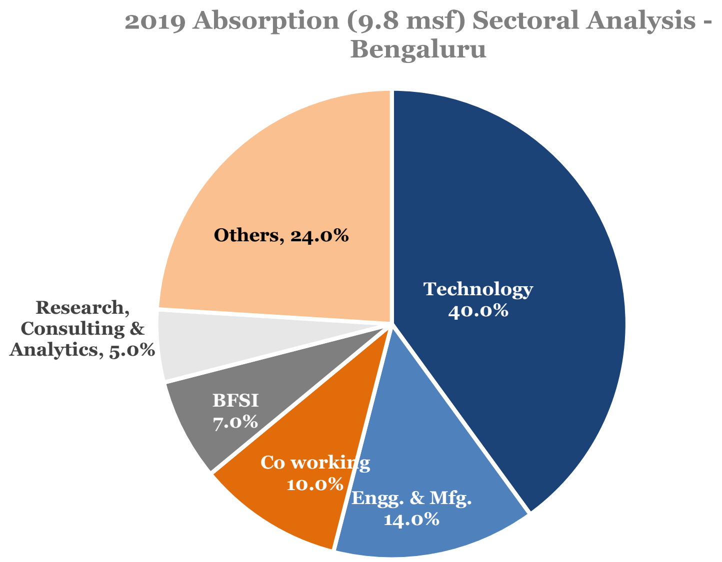
Strong absorption has led to a reduction in vacancy from 10.4%, as of December 31, 2015 to 4.1% as of December 31, 2019. The following graph sets forth historical supply, net absorption and vacancy levels (2015 to 2019):



(Source: CBRE Research)

Sectoral Occupancy Analysis

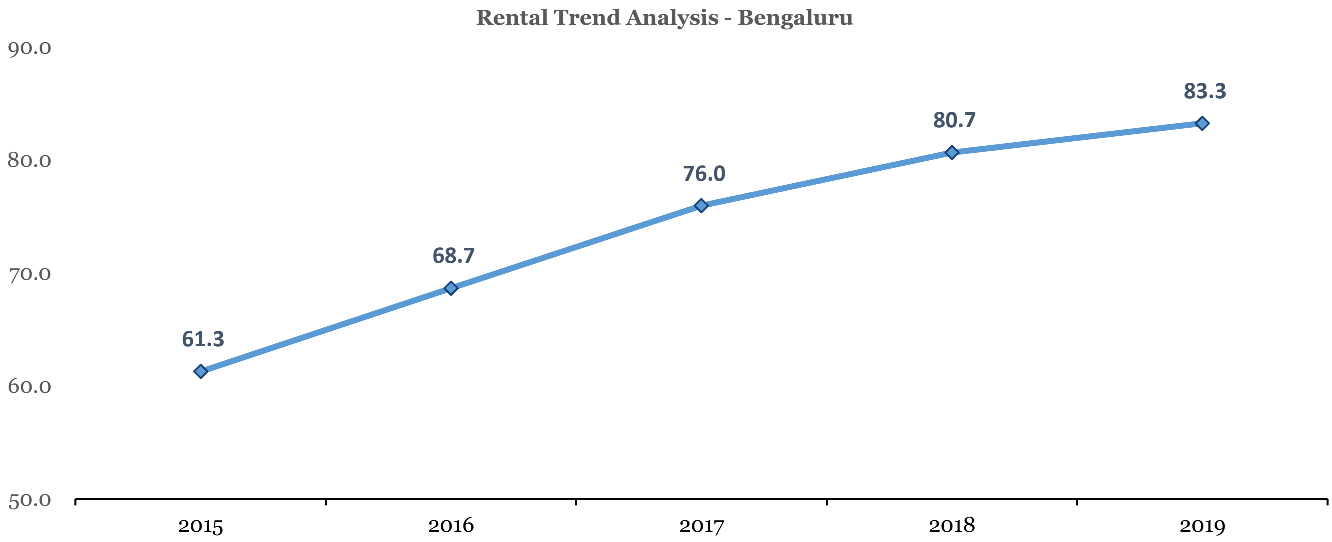
Technology sector has been the major demand driver, accounting for 40.0% of the total gross absorption for 2019. The following chart sets forth sectoral absorption analysis for 2019:



(Source: CBRE Research)
Note: Others include automobile, education, hospitality, logistics and shipping, oil and gas, food and beverage and real estate and related services. The sectoral absorption analysis is based on gross absorption activity of the city i.e. including any relocations and consolidations.

Rental Trends

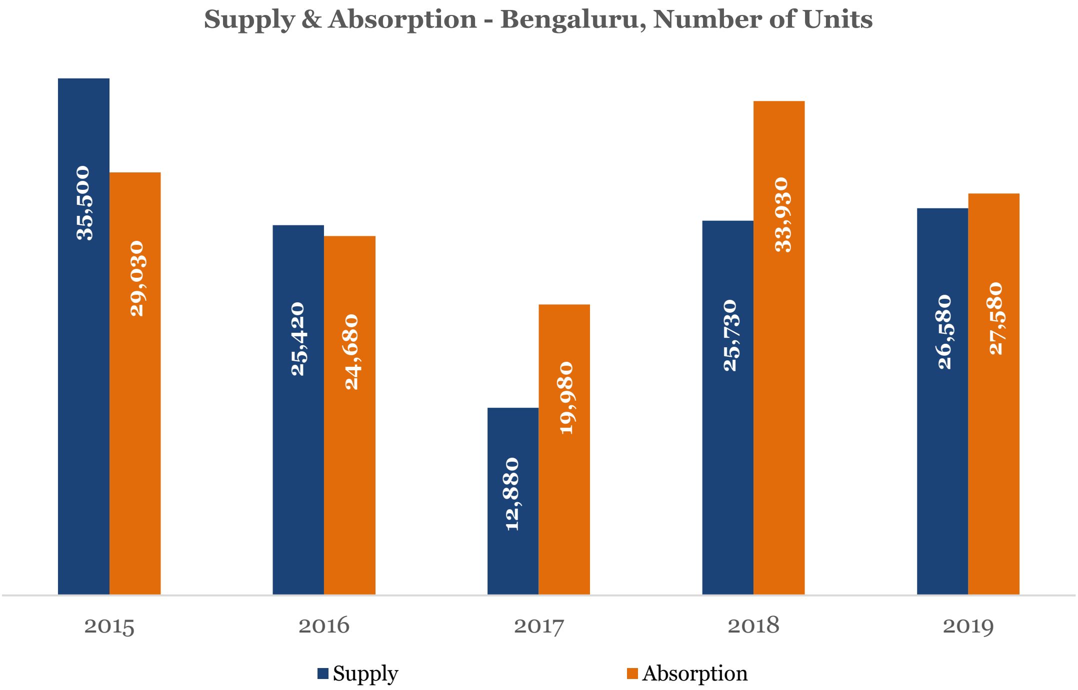
Rentals in Bengaluru have grown at a CAGR of 8.0% between 2015 and 2019. The following chart sets forth rental trend analysis for Bengaluru (2015 to 2019):



(Source: CBRE Research)

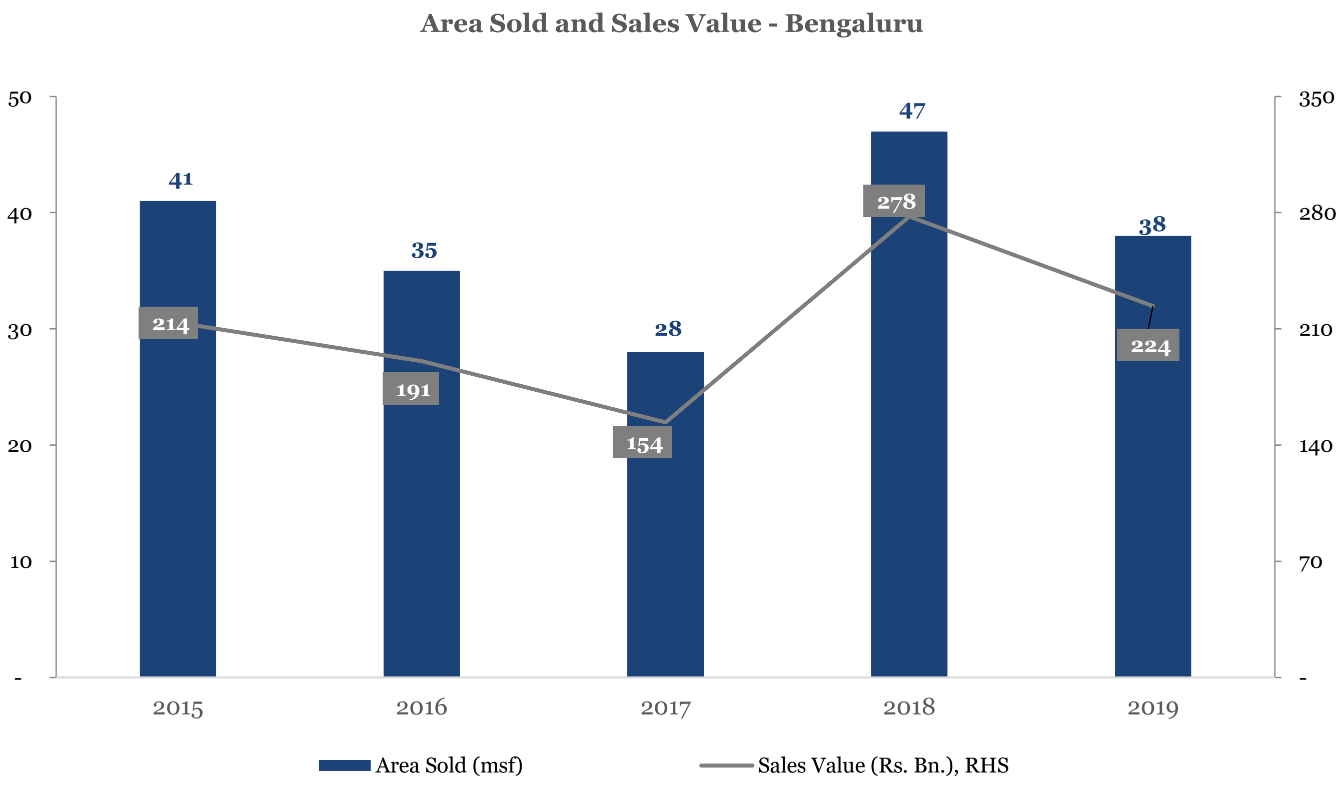
Bengaluru Residential Market

The following graphs provide a snapshot of the Bengaluru's residential real estate market:



(Source: CBRE Research)

2017 saw a drop in the supply and absorption in Bengaluru, in line with the overall residential real estate scenario owing to policy measures such as introduction of RERA and GST. Post smoothening of the impact of the transitioning of these measures, supply and absorption improved by a CAGR of 43.7% and 17.5%, respectively between 2017 and 2019. *(Source: CBRE Research*).



(Source: CBRE Research)

Bengaluru residential real estate in terms of area sold and sales value has increased in 2018 over 2017 and dropped in 2019 due to the factors described above. *(Source: CBRE Research)*

Chennai

Overview

Chennai is the cultural, economic and educational centre of South India. It is the capital city of Tamil Nadu with an estimated population of approximately 4.64 million, as per 2011 Census of India. It is one of the largest electronics and hardware hub accounting for 45% of the total sector exports *(Source: Government of Tamil Nadu Statistical Hand Book, 2010-2011)*. Additionally, the Chennai-Hosur-Bengaluru stretch is amongst the largest auto manufacturing clusters in India and houses several large MNCs.

The key drivers of demand for real estate in Chennai are as follows:

- *Growing technology and financial services industry*: Chennai is amongst the preferred destinations for office space for technology and financial services companies. Also, the recent formalization of the Tamil Nadu Information Communication Technology Policy is expected to provide a further boost to the technology industry in Chennai through establishment of additional hubs for software development, product development and IT enabled services.
- *Skilled talent pool and established institutions*: Presence of top educational institutions, such as the Indian Institute of Technology and Anna University, provide companies with a large pool of skilled workforce.
- *Well-developed social infrastructure*: Chennai has a well-developed social infrastructure such as large-scale residential developments, schools, established education institutions, hotels, malls and hospitals.
- *Existing and upcoming infrastructure*: Chennai has well-developed road, port, rail (metro and Mass Rapid Transit Systems) and air connectivity network. Additionally, upcoming infrastructure such as metro rail phase II, outer ring road, Chennai-Bengaluru industrial corridor and the proposed second airport are expected to further enhance its connectivity.

Chennai Retail Market

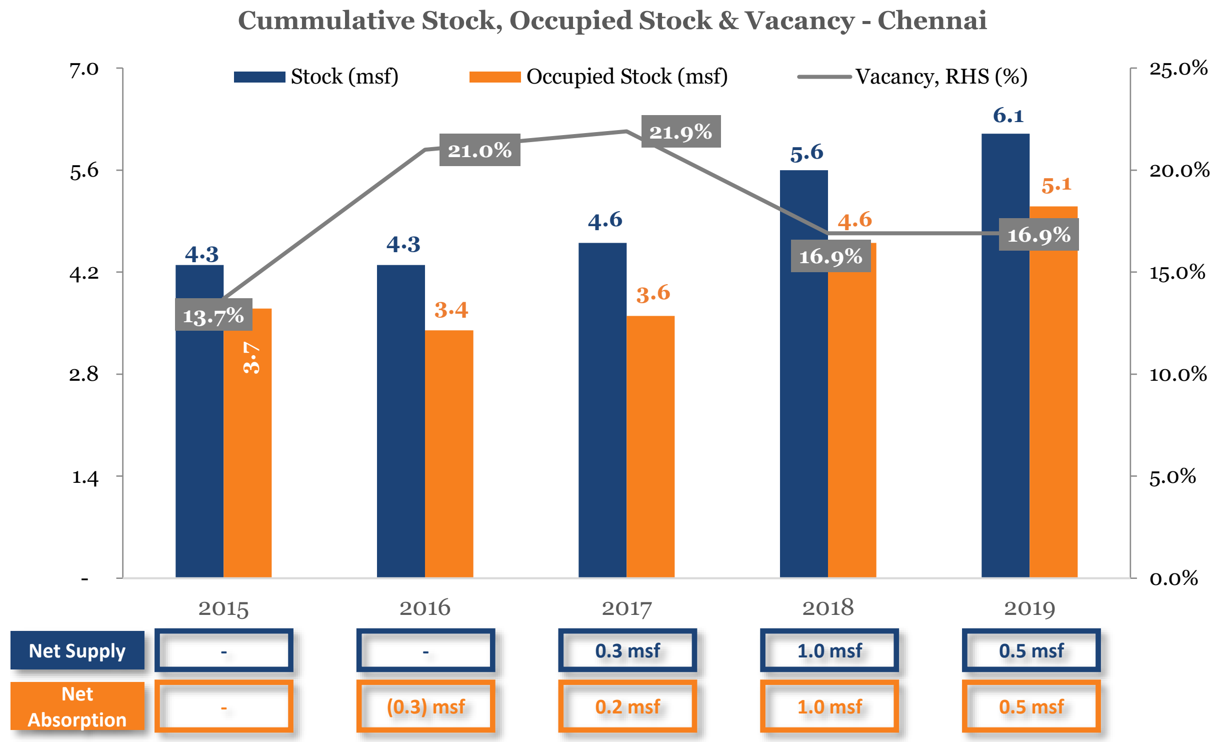
The table below highlights the key statistics pertaining to the Chennai's Grade-A retail malls:

Particulars	Details
Stock (As of December 31, 2019)	Approximately 6.1 msf
Occupied stock (As of December 31, 2019)	Approximately 5.1 msf
Vacancy (As of December 31, 2019)	Approximately 16.9%. Established malls with leadership position in their micro markets typically witness low to mid-single digit vacancy levels.
Average annual absorption (2015 – 2019)	Approximately 0.4 msf
Future supply (2020 - 2023, as of December 31, 2019)	2020: No new supply 2021: 0.30 msf 2022 – 2023: No new supply

(Source: CBRE Research)

Demand Supply Dynamics

Chennai has witnessed limited new supply addition over the last five years (2015 to -2019), cumulative net absorption of approximately 1.4 msf and net supply of 1.8 msf during the same period. Vacancy stood at 16.9%, as of December 31, 2019 primarily attributable to recently operational malls that are sub-optimal sized (i.e. less than 1.0 msf of Gross Leasable Area). The established retail malls with leadership position in respective micro-markets continue to witness low-to-mid single digit vacancy levels. The following graph sets forth historical cumulative stock, occupied stock, net supply, net absorption and vacancy levels (2015 to 2019):



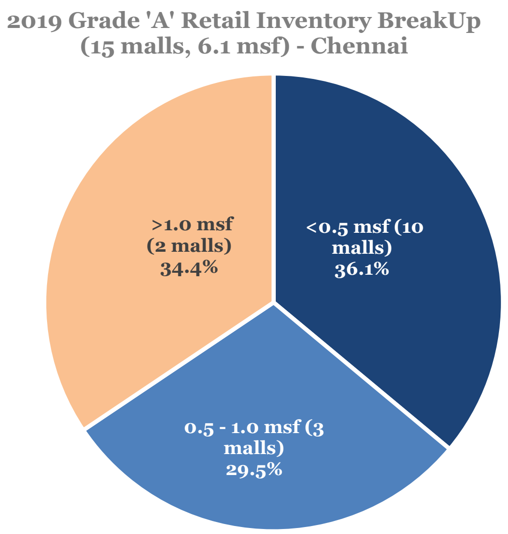
(Source: CBRE Research)

Approximately 64% of the total retail stock, as of December 31, 2019 is comprised of retail malls with more than 0.5 msf of Gross Leasable Area aggregating to approximately 3.9 msf. The Phoenix Mills Limited is the city's leading mall operator operating two malls under the brand name "Phoenix MarketCity Chennai" and "Palladium" comprising 1.00 msf and 0.22 msf of Gross Leasable Area, respectively. *(Source: CBRE Research)*

The development pipeline in Chennai is limited to a small-scale neighbourhood shopping format of approximately 0.3 msf in Velachery (south Chennai). CBRE expects that established and performing destination malls will continue to witness robust consumption growth. *(Source: CBRE Research)*

Retail Mall Distribution

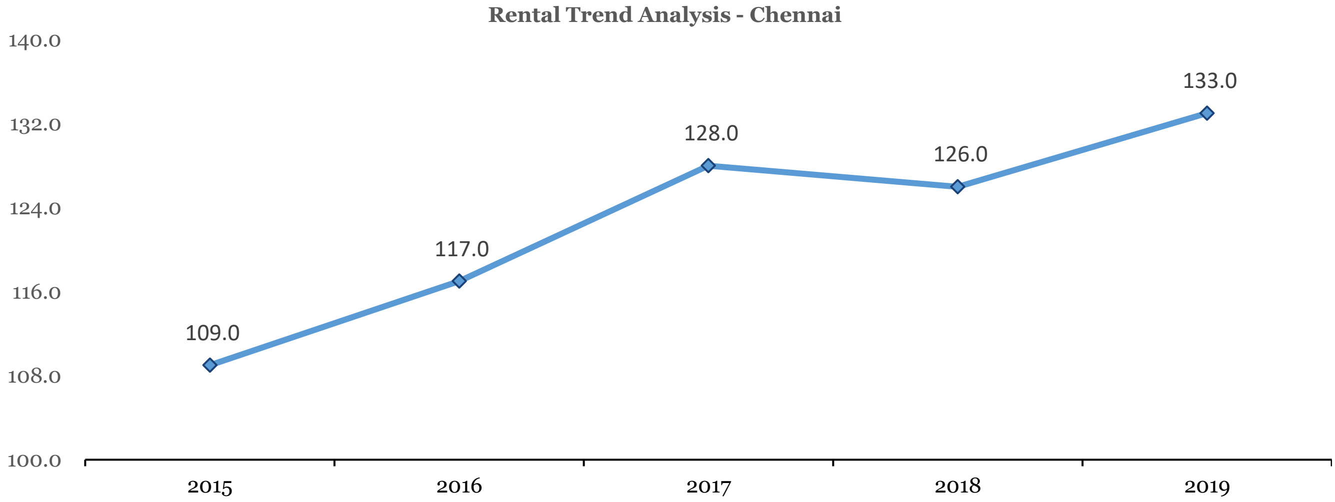
Retail malls in Chennai are primarily characterized by neighbourhood/regional malls (of less than 0.5 msf of Gross Leasable Area), geographically spread across different zones in the city catering to different catchments. Destination retail developments (of more than 1.0 msf of Gross Leasable Area) cater to relatively larger catchment zones around their location. The following chart sets forth the retail mall distribution, as of December 31, 2019. *(Source: CBRE Research)*



(Source: CBRE Research)

Rental Trends

Rentals in the Chennai have grown at a CAGR of 5.1% between 2015 and 2019. New retail supply addition of 1.5 msf between 2018 and 2019 faced higher vacancies due to design issues, peripheral location serving an underdeveloped catchment resulting in a slight moderation in rent. Established malls have however have continued to show a strong growth during the same period. The following chart sets forth rental trend analysis for Chennai (2015 to 2019):



(Source: CBRE Research)

Chennai Office Market

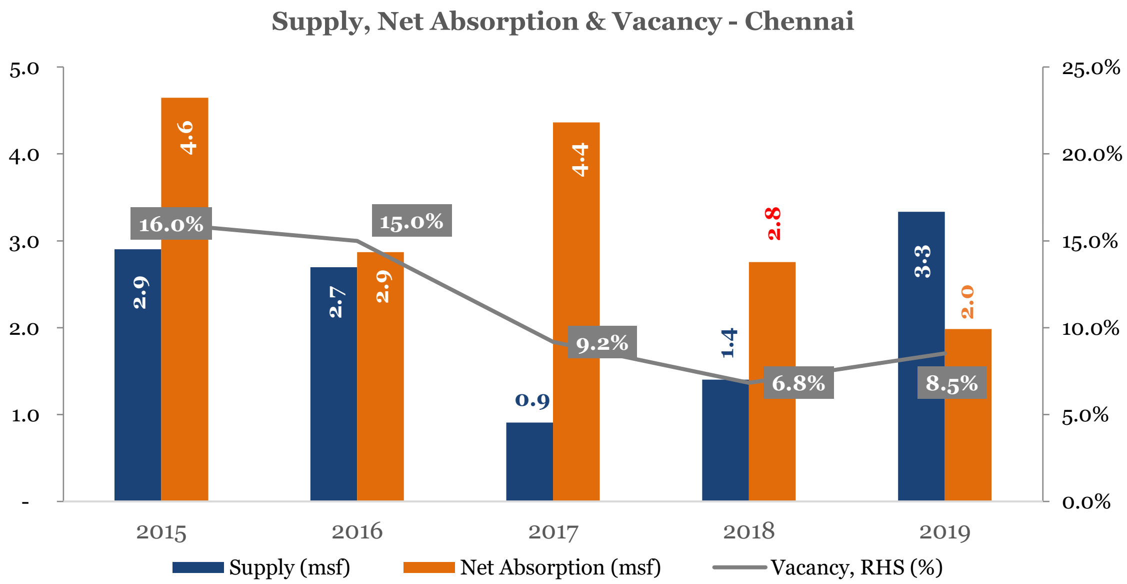
The table below highlights the key statistics pertaining to Chennai's Grade-A offices:

Particulars	Details
Stock (As of December 31, 2019)	Approximately 66.4 msf
Occupied stock (As of December 31, 2019)	Approximately 60.8 msf
Vacancy (As of December 31, 2019)	Approximately 8.5%
Average annual absorption (2015 – 2019)	Approximately 3.3 msf
Future supply (2020 - 2021, as of December 31, 2019)	2020: Approximately 5.5 msf 2021: Approximately 6.7 msf

(Source: CBRE Research)

Supply, Net Absorption and Vacancy

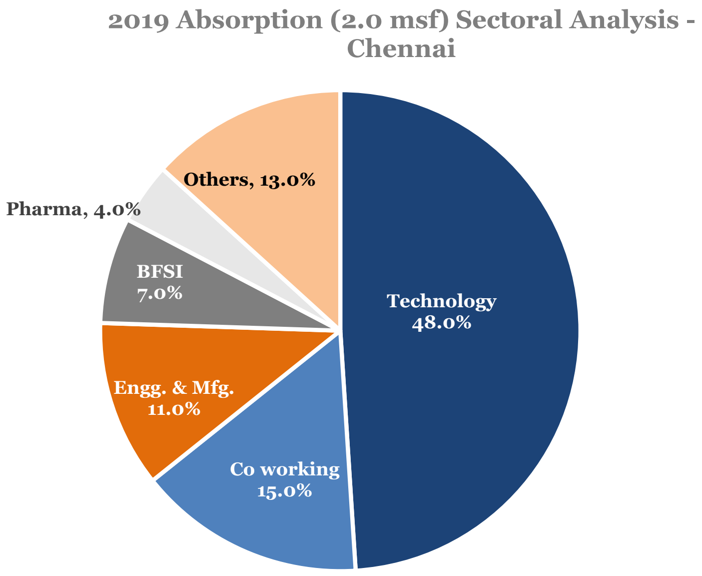
Strong absorption has led to a reduction in vacancy from 16.0%, as of December 31, 2015 to 8.5% in December 31, 2019. The following graph sets forth historical supply, net absorption and vacancy levels (2015 to 2019):



(Source: CBRE Research)

Sectoral Occupancy Analysis

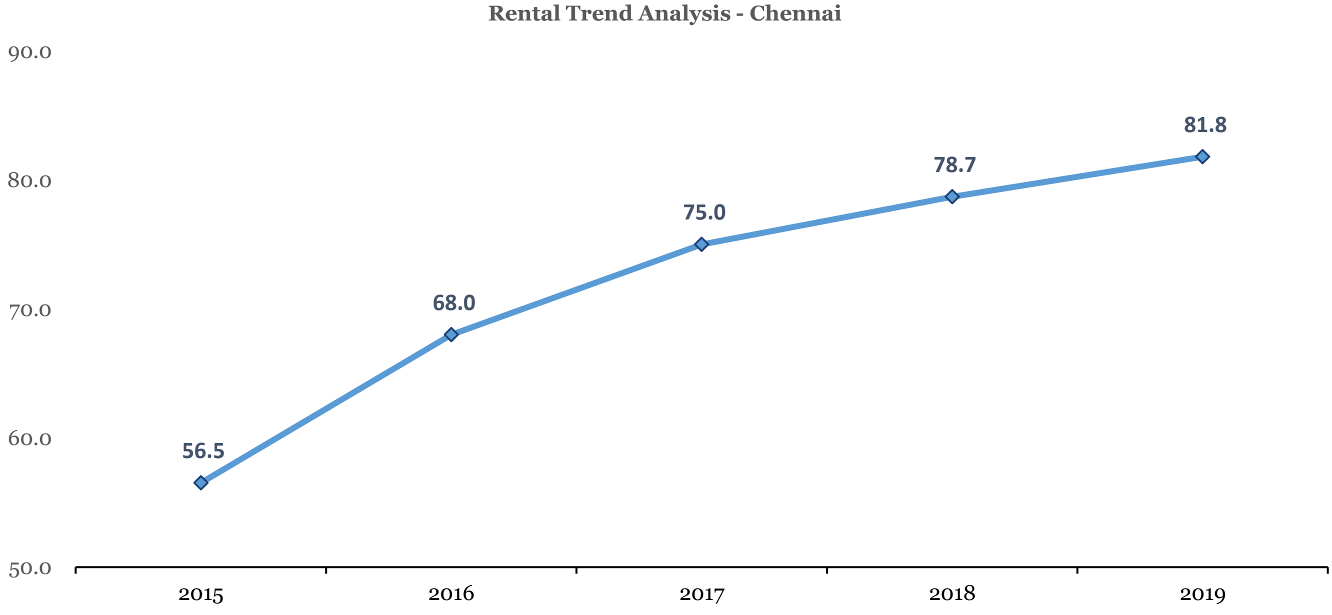
Technology sector has been the major demand driver, accounting for 48.0% of the total gross absorption for 2019. The following chart sets forth sectoral absorption analysis for 2019:



(Source: CBRE Research)
Note: Others include automobile, education, hospitality, logistics and shipping, oil and gas, research and analysis, food and beverage and real estate and related services. The sectoral absorption analysis is based on gross absorption activity of the city i.e. including any relocations and consolidations.

Rental Trends

Rentals in Chennai have grown at a CAGR of 9.7% between 2015 and 2019. The following chart sets forth rental trend analysis for Chennai (2014 to 2019):



(Source: CBRE Research)

Lucknow: Brief Overview

Lucknow is located over a total area of 2,528 Sq. KMs and has a population of 4.58 million. with a literacy rate of 79% *(Source: Census of India, 2011)*. Lucknow is a prominent hub for education, transportation, logistics, trade and manufacturing in eastern Uttar Pradesh. It is also an established cultural centre for the state in terms of art, architecture and textiles. Service sector predominantly forms the economic base of the city. However, government departments and public sector undertakings are the principal employers of the city.

Existing and proposed infrastructure initiatives are expected to improve connectivity to key neighbouring cities such as Kanpur, Raibareli and Sultanpur. The existing transport infrastructure such as Amar Shaheed Path, an elevated outer bypass road and the proposed Outer Ring Road, Lucknow metro (Blue line Phases 1A and 1B) are expected to further fuel connectivity.

Amar Shaheed Path has emerged as a prominent real estate vector of the city housing residential and retail developments on account of its superior connectivity with various parts of Lucknow. Grade-A retail malls in the city have seen sustained interest from key tenants across segments.

Lucknow has various retail developments, with the existing and most of the future pipeline comprising small sized developments. The Phoenix Mills Limited is the largest mall operator in the city with two malls comprising approximately 0.90 msf (under the brand name "Phoenix Palassio") and 0.37 msf (under the brand name "Phoenix United") of Gross Leasable Area *(Source: CBRE Research)*

Ahmedabad: Brief Overview

Ahmedabad district is the top most populated district in the state of Gujarat and has a higher literacy rate (85.31%) than the national average (74.0%) *(Source: Census of India, 2011)*. It is the largest supplier of denim and one of the largest exporters of gems and jewellery in the country. The city is part of the Ahmedabad Metropolitan Region that includes the broader area around the city. Ahmedabad district has a population of 7.21 million *(Source: Census of India, 2011)*. Given its demographic and industrial profile, the region offers large availability of skilled work force. The Phoenix Mills Limited is developing a mall under the brand name "Palladium", with the proposed Gross Leasable Area of 0.70 msf. *(Source: CBRE Research)*

Bareilly: Brief Overview

Bareilly is one of the prominent district in the Indian state of Uttar Pradesh and has a literacy rate of 58.49% *(Source: Census of India, 2011)*. The city is a centre for furniture manufacturing and trade in cotton, cereal and sugar. Its status grew with its inclusion in the "counter magnets" list of the NCR, a list also including Hissar, Patiala, Kota and Gwalior. Urban population of Bareilly is 1.57 million and accounts for approximately 35% of the district population *(Source: Census of India, 2011)*. The Phoenix Mills Limited is one of the leading mall operators in the city, operating a mall under the brand name "Phoenix United", with a Gross Leasable Area of 0.34 msf. *(Source: CBRE Research)*

Indore: Brief Overview

Indore is the one of the most populous city in India, the largest city of Madhya Pradesh has a higher literacy rate of 80.9% than the national average 74.0% *(Source: Census of India, 2011)*. Indore is of the 100 cities selected to be developed as a smart city under the National Smart Cities Mission *(Source: Union Ministry of Urban Development)*. Indore's financial district, based in central Indore, functions as the financial capital of Madhya Pradesh and is home to the Madhya Pradesh Stock Exchange. The urban population of Indore city is 2.43 million *(Source: Census of India, 2011)*. Cotton textiles are the city's major product, but iron and steel, chemicals, and machinery are also manufactured there. Given its industrial profile, the region offers large availability of skilled work force. As per data received from The Phoenix Mills Limited, they are developing a mall under the brand name "Phoenix Citadel", with the proposed Gross Leasable Area of 1.00 msf. *(Source: CBRE Research)*

Kolkata: Brief Overview

Kolkata is the one of the most populous city in India and has a higher literacy rate (86.3%) than the national average (74.0%) *(Source: Census of India, 2011)*. The city is part of the Kolkata Metropolitan Region that includes the broader area around the city. Kolkata district has a population of 4.49 million *(Source: Census of India, 2011).*

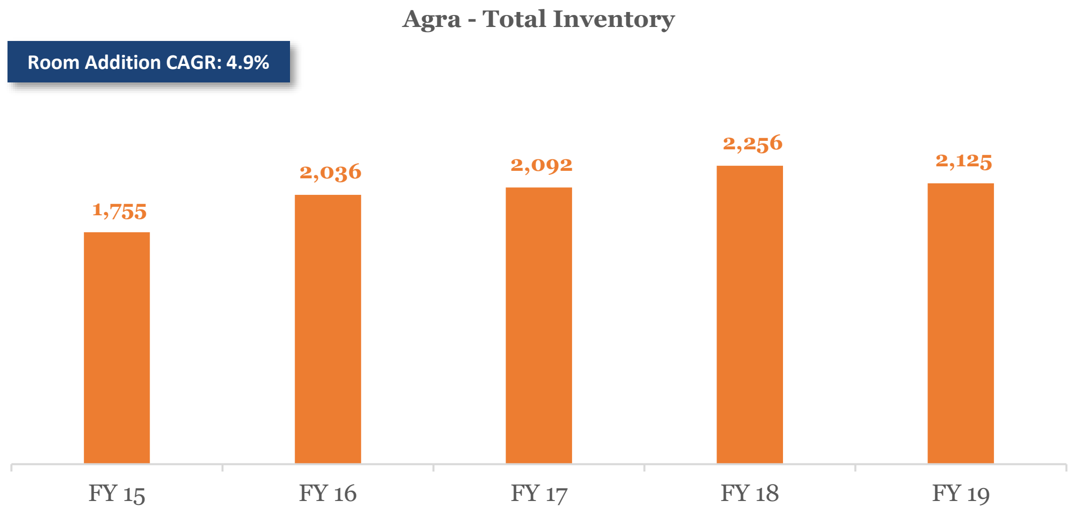
Kolkata is the commercial and financial hub of East and North-East India and home to the Calcutta Stock Exchange. It is one of the major commercial and military port. Kolkata is home to many industrial units operated by large public- and private-sector corporations; major sectors include steel, heavy engineering, mining, minerals, cement, pharmaceuticals, food processing, agriculture, electronics, textiles, and jute. Given its demographic and industrial profile, the region offers large availability of skilled work force. As per data received from The Phoenix Mills Limited, they are seeking to acquire a land parcel to develop one of the largest malls in the city with an estimated Gross Leasable Area of 1.00 msf.

Currently the Grade-A retail stock in Kolkata as of December 31, 2019, was approximately 5.6 msf, the occupied stock was approximately 5.0 msf. The vacancy stood at approximately 10.4% and the expected upcoming supply between 2020 and 2023 is approximately 0.95 msf. *(Source: CBRE Research).*

Overview of Agra Hospitality Market

Agra Hospitality Market: Room Inventory growth

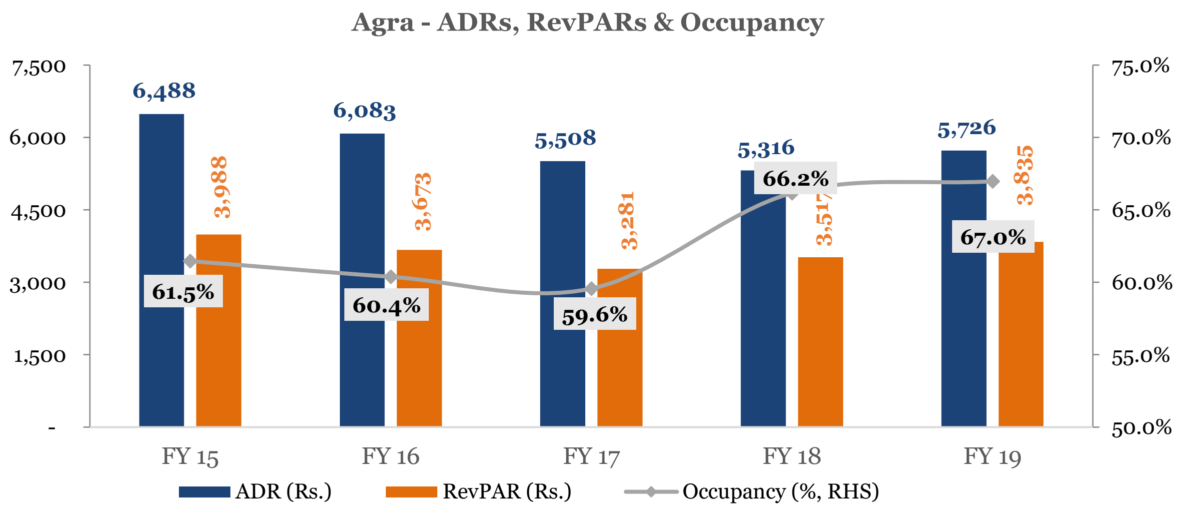
The Agra hospitality market has witnessed limited inventory addition from FY 2015 to FY 2019 of 370 keys primarily in the micro-market of Tajganj.



(Source: Hotelivate)

Key Operating Trends

The Agra hospitality market, being a leading tourism market has enabled the region to achieve an increase in occupancy from 61.5% in 2015 to 67.0% in 2019 and a slight drop in the ADR due to the recent addition in inventory.



(Source: Hotelivate)

Demand Drivers

Demand in the city has consistently grown over the last few years especially in the domestic and MICE segments, boosted by infrastructure developments such as the Yamuna Expressway and the Gatimaan Express connecting New Delhi and Agra. Several infrastructural developments such as the Tajganj project, Agra-Lucknow Expressway and development of the inner ring road are expected to be completed in the near future. Additionally, planned projects such as the Agra Street Cafe, Agra Heritage Centre, Mughal Museum, Taj Orientation Centre, and a theme park are likely to commence construction shortly.

Owing to these developments, both connectivity to the city and the destination's appeal are anticipated to improve, and tourism is expected to witness sustained expansion, going forward. *(Source: Hotelivate)*

OUR BUSINESS

Overview

We are one of India's leading retail asset developers, owners and operators, with the largest retail portfolio among listed companies in India *(Source: CBRE Research)*. Our retail portfolio consists of nine completed retail properties comprising approximately 6.93 million square feet and 2,086 stores, four under-development retail properties comprising approximately 4.00 million square feet and approximately 0.81 million square feet of ongoing and planned expansions, in several of India's largest cities. In addition, our portfolio includes six completed, one under-development and five under-planning commercial office projects, four completed and one under-development residential projects and two completed hotels and one hotel under planning.

For the financial years 2018, 2019 and 2020, our total income was ₹ 16,754.76 million, ₹ 20,666.95 million and ₹ 19,996.38 million, our net profit was ₹ 2,423.65 million, ₹ 4,210.18 million and ₹ 3,347.31 million, and EBITDA was ₹ 7,776.63 million, ₹ 9,931.40 million and ₹ 9,671.45 million, respectively. Over the five-year period ended March 31, 2020, our revenue from operations and net profit grew 1.19 times and 3.69 times, respectively.

Our existing real estate portfolio primarily comprises retail-led, mixed-use developments in prime locations, together with commercial office and residential developments as well as hospitality projects. Our completed and under-construction developments include retail mall, commercial offices, hotel and residential properties in Mumbai, Chennai, Bengaluru, Pune, Lucknow, Bareilly, Agra, Ahmedabad and Indore. Our operations typically encompass most aspects of real estate development, including land acquisition, planning (including liaison and approvals), execution and marketing of projects, through to the leasing, management, operations, maintenance and sales (in case of residential developments) of the completed developments.

We were one of the first real estate developers in India to transform a textile mill property into a modern, multi-use retail-led integrated development – the High Street Phoenix and Palladium mall in Lower Parel, Mumbai *(Source: CBRE Research)*. This development is comprised of a mall of approximately 0.77 million square feet of Gross Leasable Area consisting of retail, entertainment and commercial office space of approximately 0.10 million square feet of Gross Leasable Area (net of areas let out on long leases), The St. Regis hotel, Mumbai, a 395 key luxury hotel, and Phoenix Towers, residential apartment towers built in partnership by the Company, as well as parking space. We believe High Street Phoenix was among the first large-scale, retail-led, mixed-use centre developments in India.

We are a leading developer of retail led mixed-used developments in India *(Source: CBRE Research)*. Our Phoenix MarketCity projects are conceptualized as large-scale, retail-led, mixed-use, real estate developments which we believe are in prime locations and in close proximity to high-catchment areas. We own and operate several malls under the brand name "Phoenix MarketCity" in Mumbai, Chennai, Bengaluru and Pune (one mall in each city). We also own three large-scale, retail-led, mixed-use, real estate developments in each of Pune (Phoenix Millennium), Bengaluru (Phoenix Mall of Asia) and Indore (Phoenix Citadel), which are currently under construction. Our retail-led, mixed-use developments encompass retail and entertainment space, including food and beverage and multiplex facilities and outdoor space and also include one or more commercial offices, hotel or for-sale residential apartment buildings in order to attract a wide spectrum of consumers. We also operate malls under the brand name "Palladium", with one operational mall each in Mumbai and Chennai and one under construction mall in Ahmedabad. We also operate malls under the brand name "Phoenix United", with one operational mall in each of Lucknow and Bareilly. Further, on July 8, 2020, we opened our newest mall under the brand name "Phoenix Palassio" in Lucknow.

Our real estate development portfolio is comprised of four types of real estate asset classes: retail malls, commercial office, residential and hospitality. We characterize our projects as Completed, Ongoing (under development) and Planned Projects (please refer to "*Our Business - Description of our Business*" on page 165). We have a portfolio of approximately 22.69 million square feet in our Completed, Ongoing and Planned Projects, as of June 30, 2020. Our retail development portfolio consists of approximately 11.74 million square feet of Gross Leasable Area in Completed and Ongoing Projects, including ongoing and planned expansions. Our commercial office development portfolio consists of approximately 6.97 million square feet of total Saleable Area and Gross Leasable Area in Completed, Ongoing and Planned Projects (including areas sold). Our residential development portfolio consists of approximately 3.98 million square feet of total Saleable Area in Completed and Ongoing Projects, of which we have sold approximately 2.12 million square feet. Our hospitality portfolio consists of a completed hotel each in Mumbai and Agra having a total of 588 keys, and one planned hotel property in Bengaluru with an estimated 300 keys. In addition, local real estate regulations have enabled us to benefit from certain additional future development potential at some of our projects, subject to requisite planning and construction approvals. Such additional future development potential has not been accounted for in this Preliminary Placement Document.

Our Developments

Large mixed-use retail developments

Name of the Project	Location	Gross Leasable Area, as of June 30, 2020 (in million square feet)	Number of Stores, as of June 30, 2020	Company/ Project Specific Entity owning the Project	Effective shareholding of Company in the Entity as at June 30, 2020 (%)	Status of the Project	Financial Year of Occupation Certificate / Completion Certificate
High Street Phoenix (“**HSP**”) and Palladium	Lower Parel, Mumbai	0.77	271	The Phoenix Mills Limited	Project directly owned by our Company	Completed	2008
HSP Densification - Phoenix House Conversion and Palladium Lower Ground Floor		0.15	NA			Ongoing	2021
HSP Densification - The Rise 1 (Retail)		0.35	NA			Planned	-
Phoenix MarketCity Bangalore[1]	Bengaluru (E)	1.00	295	Island Star Mall Developers Private Limited	51.00	Completed	2013
		0.31	NA			Planned	-
Phoenix MarketCity Pune[2]	Viman Nagar, Pune	1.19	342	Vamona Developers Private Limited	99.97	Completed	2012
Phoenix MarketCity Mumbai	Kurla, Mumbai	1.14	312	Offbeat Developers Private Limited	100.00	Completed	2011
Phoenix MarketCity Chennai[3]	Velachery, Chennai	1.00	259	Classic Mall Development Company Private Limited	50.00	Completed	2013
Phoenix United	Lucknow	0.37	127	Upal Developers Private Limited	100.00	Completed	2011
Phoenix United	Bareilly	0.34	132	Blackwood Developers Private Limited	100.00	Completed	2013
Palladium Mall[4]	Velachery, Chennai	0.22	86	Starboard Hotels Private Limited	28.47	Completed	2018
Phoenix Palassio	Lucknow	0.90	262	Destiny Retail Mall Developers Private Limited	100.00	Completed	2020
Phoenix Citadel[1]	Indore	1.00	NA	Insight Mall Developers Private Limited	51.00	Ongoing	2022 (estimated)
Palladium Mall, Ahmedabad[6]	Ahmedabad	0.70	NA	SGH Realty LLP, , True Value Infrabuild LLP	50.00	Ongoing	2022 (estimated)
Phoenix Mall of Asia[1]	Hebbal, Bengaluru	1.20	NA	Sparkle One Mall Developers Private Limited	51.00	Ongoing	2024 (estimated)
Phoenix Millennium[1]	Wakad, Pune	1.10	NA	Alyssum Developers Private Limited	51.00	Ongoing	2024 (estimated)
Total		**11.74**					

Notes:

1. Our Company owns 51.00% of the outstanding equity shares of Island Star Mall Developers Private Limited. Insight Mall Developers Private Limited, Sparkle One Mall Developers Private Limited and Alyssum Developers Private Limited are wholly owned subsidiaries of Island Star Mall Developers Private Limited. The remaining shares in Island Star Mall Developers Private Limited are held by The Canadian Pension Plan Investment Board (“**CPPIB**”).

2. Our Company owns 91.97% of the outstanding equity shares of Vamona Developers Private Limited and 8.00% of the outstanding equity shares are owned by Butala Farm Lands Private Limited, a wholly-owned subsidiary of our Company. As a result, the effective shareholding of our Company in Vamona Developers Private Limited is 99.97%. The remaining shares in Vamona Developers Private Limited are held by the Promoter Group companies.

3. Our Company owns 50.00% of the outstanding equity shares of Classic Mall Development Company Private Limited. The remaining shares in Classic Mall Development Company Private Limited are held by a third party investor.

4. Our Company owns 0.01% of the outstanding equity shares of Starboard Hotels Private Limited. Our Company also owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 49.99% of the outstanding equity shares of Starboard Hotels Private Limited. Accordingly, the effective shareholding of our Company in Starboard Hotels Private Limited is 28.47%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in our Company owning 50.00% of the outstanding equity shares of Starboard Hotels Private Limited. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

5. We commenced operations at Phoenix Palassio, Lucknow on July 8, 2020 and it comprises 262 stores as of such date.

6. Our Company owns immediately in excess of 50.00% of the outstanding partnership interest of SGH Realty LLP. The remaining interest in SGH Realty LLP is held by a third party investor. SGH Realty LLP owns 100.00% of the outstanding partnership interest of True Value Infrabuild LLP.

Commercial office projects

Name of the Project	Location	Saleable Area / Gross Leasable Area, as of June 30, 2020 (in million square feet)	Gross Leasable Area owned by us, as of June 30, 2020 (in million square feet)	Company/ Project Specific Entity owning the Project	Effective Shareholding of Company in the Entity as at June 30, 2020 (%)	Status of the Project	Financial Year of Occupation Certificate/Completion Certificate
Phoenix House[1]	Lower Parel, Mumbai	0.10	0.10	The Phoenix Mills Limited	Project directly owned by our Company	Completed	1995
Centrium[2]	Kurla, Mumbai	0.25	0.10	Offbeat Developers Private Limited	100.00	Completed	2013
East Court	Viman Nagar, Pune	0.25	0.01	Vamona Developers Private Limited	99.97	Completed	2011
Art Guild House[2]	Kurla, Mumbai	0.80	0.63	Offbeat Developers Private Limited	100.0	Completed	2017
Phoenix Paragon Plaza[3]	Kurla, Mumbai	0.44	0.31	Graceworks Realty & Leisure Private Limited	66.69	Completed	2015
Fountainhead Tower 1[4]	Pune	0.17	0.17	Alliance Spaces Private Limited	75.02	Completed	2018
Fountainhead Towers 2 and 3[4]	Pune	0.66	0.66	Alliance Spaces Private Limited	75.02	Ongoing	2021 (estimated)
Offices at Phoenix Mall of Asia	Hebbal, Bengaluru	1.20	1.20	Sparkle One Mall Developers Private Limited	51.00	Planned	-
The Rise 1 (Commercial)	Lower Parel, Mumbai	1.03	1.03	The Phoenix Mills Limited	Project would be directly owned by our Company	Planned	-
Offices (Towers 1-B, 1-A and 2) at Phoenix Market City, Bengaluru	Bengaluru (E)	1.05	1.05	Island Star Mall Developers Private Limited	51.00	Planned	-
Offices at Phoenix Millennium	Wakad, Pune	0.60	0.60	Alyssum Developers Private Limited	51.00	Planned	-
Office tower at Palladium[5]	Chennai	0.42	0.42	Starboard Hotels Private Limited	28.47	Planned	-
Total		**6.97**	**6.28**				

Notes:

1. Total Saleable/Gross Leasable Area of Phoenix House is net of areas let out on a long lease basis.

2. The Gross Leasable Area owned by us in this project is the combined leasable area owned by our Company and our wholly owned subsidiary, Offbeat Developers Private Limited.

3. Our Company owns 22.67% of the outstanding equity shares of Graceworks Realty & Leisure Private Limited. Our Company also

owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 77.33% of the outstanding equity shares of Graceworks Realty & Leisure Private Limited. Accordingly, the effective shareholding of our Company in Graceworks Realty & Leisure Private Limited is 66.69%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in Graceworks Realty & Leisure Private Limited becoming a wholly owned subsidiary of our Company. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

4. Our Company owns 42.01% of the outstanding equity shares of Alliance Spaces Private Limited. Our Company also owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 57.99% of the outstanding equity shares of Alliance Spaces Private Limited. Accordingly, the effective shareholding of our Company in Alliance Spaces Private Limited is 75.02%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in Alliance Spaces Private Limited becoming a wholly owned subsidiary of our Company. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

5. Our Company owns 0.01% of the outstanding equity shares of Starboard Hotels Private Limited. Our Company also owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 49.99% of the outstanding equity shares of Starboard Hotels Private Limited. Accordingly, the effective shareholding of our Company in Starboard Hotels Private Limited is 28.47%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in our Company owning 50.00% of the outstanding equity shares of Starboard Hotels Private Limited. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

Residential Projects

Name of Project	Location	Saleable Area, as of June 30, 2020 (in million square feet)	Saleable Area Unsold, as of June 30, 2020 (in million square feet)	Company/ Project Specific Entity owning the Project	Effective Shareholding of Company in the Entity as at June 30, 2020 (%)	Status of the project	Financial Year of Occupation Certificate / Completion Certificate
Phoenix Towers[1]	Lower Parel, Mumbai	Fully sold	Fully sold	The Phoenix Mills Limited	Project directly owned by our Company	Completed	Completed
Crest, Chennai (Towers A and B)[2]	Chennai	0.26	0.03	Classic Housing Projects Private Limited	50.00	Completed	2018
Crest, Chennai (Tower C)[2]	Chennai	0.28	0.04	Classic Mall Development Company Private Limited	50.00	Completed	2018
Kessaku[3]	Bengaluru	1.03	0.74	Palladium Constructions Private Limited	79.45	Completed	2019
One Bangalore West[3]	Bengaluru	2.41	1.05	Palladium Constructions Private Limited	79.45	Ongoing[4]	Towers 1 to 5: 2017 Tower 6: 2019 Tower 7: 2024 (estimated) Towers 8 and 9: 2025 (estimated)
Total		**3.98**	**1.86**				

Notes:

1. Phoenix Towers comprises residential apartments that were built in partnership by the Company. There are no revenues earned from this residential project during the periods presented in this Preliminary Placement Document.

2. Our Company owns 50.00% of the outstanding equity shares of Classic Mall Development Company Private Limited. The remaining shares in Classic Mall Development Company Private Limited are held by third party investors.

3. Our Company owns 52.29% of the outstanding equity shares of Palladium Constructions Private Limited. Our Company also owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 47.71% of the outstanding equity shares of Palladium Constructions Private Limited. Accordingly, the effective shareholding of our Company in Palladium Constructions Private Limited is 79.45%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in Palladium Constructions Private Limited becoming a wholly-owned subsidiary of our Company. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

4. This project has nine towers. We have received occupation certificates for Towers 1 to 6 of this project. The remaining Towers 7 to 9 of this project are under construction.

Hospitality

Name of Project	Location	Number of Keys, as of June 30, 2020	Company/ Project Specific Entity owning the Project	Effective Shareholding of Company in the Entity as at June 30, 2020 (%)	Status of the Project
St. Regis[1]	Lower Parel, Mumbai	395	Pallazzio Hotels & Leisure Limited	73.00	Completed
Courtyard by Marriott[2]	Agra	193	Palladium Constructions Private Limited	79.45	Completed
Grand Hyatt[3]	Bengaluru	300 (estimated)	Island Star Mall Developers Private Limited	51.00	Planned

Notes:

1. Our Company currently owns 100.00% of the outstanding equity shares of Pallazzio Hotels & Leisure Limited. .Our Company and a third party investor own CCDs which upon conversion will result in dilution of our current 100.00% stake to 73.00%. Accordingly, the effective shareholding of our Company in Pallazzio Hotels & Leisure Limited, on a fully diluted basis, is 73.00%.

2. Our Company owns 52.29% of the outstanding equity shares of Palladium Constructions Private Limited. Our Company also owns 56.92% of the outstanding equity shares of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 47.71% of the outstanding equity shares) of Palladium Constructions Private Limited. Accordingly, the effective shareholding of our Company in Palladium Constructions Private Limited is 79.45%. Further, we are in the process of implementing a scheme of amalgamation with respect to Phoenix Hospitality Company Private Limited and our Company, which when effective would result in Palladium Constructions Private Limited becoming a wholly-owned subsidiary of our Company. For further details in relation to the PHCPL Amalgamation Scheme, please refer to "*Capital Structure*" on page 74.

3. Our Company owns 51.00% of the outstanding equity shares of Island Star Mall Developers Private Limited. The remaining shares in Island Star Mall Developers Private Limited are held by CPPIB.

Our Strengths

Diversified operational portfolio and several revenue streams

We are one of India's leading retail asset developers, owners and operators, with the largest retail portfolio among listed companies in India *(Source: CBRE Research)*. Our existing real estate development portfolio primarily comprises retail-led, mixed-use developments in prime locations, together with a number of other commercial office and residential developments. Our Completed and Ongoing Projects include retail mall, commercial office, hotel and residential developments in Mumbai, Chennai, Bengaluru, Pune, Lucknow, Bareilly, Agra, Ahmedabad and Indore. Our operations typically encompass most aspects of real estate development, including land acquisition, planning (including liaison and approvals), execution and marketing of projects, through to the leasing, management, operations, maintenance and sales, in case of residential developments, of the completed developments.

Our retail development portfolio consists of approximately 11.74 million square feet of Gross Leasable Area in nine Completed and four Ongoing Projects and two planned expansions. Our commercial office development portfolio consists of approximately 6.97 million square feet of total Saleable Area/Gross Leasable Area in six Completed, one Ongoing and five Planned Projects (including areas sold). Our residential development portfolio consists of approximately 3.98 million square feet of total Saleable Area in four Completed and one Ongoing Projects, of which we have sold approximately 2.12 million square feet of Saleable Area. Our hospitality portfolio consists of two Completed Projects with a total of 588 keys and one Planned Project with an estimated 300 keys. Our developments are located on freehold land owned by us or the respective project specific company that owns the project, except in the case of our High Street Phoenix and Palladium project in Lower Parel, Mumbai, where land is held by our Company in part on a freehold basis and in part on a leasehold basis (partly under a 999 year lease and partly on a perpetual lease basis). We believe our diversified portfolio provides us with stable cash flows from our completed assets and at the same time has the ability to provide significant cash flow growth as and when our under-development assets become operational.

Strategic presence in prime locations in India's largest cities with ability to enhance dominant consumption hubs

We have a track record of establishing "consumption-centres" in prime locations in several of India's largest cities, such as Mumbai, Pune, Bengaluru and Chennai. We believe that we were among the first real estate developers in India to introduce large retail-led mixed-use developments, which resulted in the creation of a large-scale, retail-led, mixed-use centre at High Street Phoenix, in turn creating location equity for Lower Parel, Mumbai. We focus on selective opportunities and believe that having projects located in prime locations of under-served micro-markets, with proximity to residential and commercial catchment areas, in India's largest cities allows us to attract high-end tenants, receive premium lease revenues and cater to large population of consumers with substantial discretionary incomes. Further, a majority of our developments are located on freehold land, owned by us or the respective project specific company that owns the project, with a clear and marketable title and initial construction approvals in place, which we believe provides us with the low-risk title advantage and high-return opportunity, as a result of appreciation of value of the underlying land over a period of time, and allows us to increase our profitability and enhance the value of our brand.

We are a leading developer of retail led mixed-used developments in India *(Source: CBRE Research)*. We believe that the business of developing and operating successful retail developments also depends on our ability to cater to the consumption pattern of target customers, including spending patterns and behaviour within a catchment area. We believe that the income earning potential of a retail property is closely linked to a property's tenant mix. We seek to leverage our long-standing relationships and presence in this market segment and believe we are able to maximize the potential of a particular catchment area by bringing together appropriate retail tenants. We also regularly evaluate the retail tenant mix at our retail developments to ensure that it caters to the evolving consumption and spending patterns of customers. As of June 30, 2020, we have four under-construction retail developments located in Bengaluru, Pune, Ahmedabad and Indore, which are expected to get completed in the next two to four years. With our strong brand and reputation, development track record and industry knowledge, we believe our under-construction assets, once operational, have the potential to become consumption hubs and a preferred choice for consumers. In addition to our retail developments, we also have a large portfolio of Grade-A commercial office developments, which have been developed to complement our mixed-use retail-led developments at strategic locations with strong tenant demand and, we believe, are consumption hubs for corporations to establish their front-end offices.

Robust execution and superior operational capabilities

We believe that our position as a successful asset developer in some of India's largest cities is largely due to our project execution capabilities, our quality of operation and our management team and superior architecture of our developments, which have enabled us to deliver over 19.27 million square feet of total Built-up Area across various geographies and categories in India. We select and partner with whom we believe to be reputed and highly qualified contractors, international architects and best-in-class equipment manufacturers, and we use quality construction materials and modern technology in our developments. We optimize the design of our projects in order to maximize utilization and benefits from the changing local development norms over time. We develop our projects in a phased manner to control over-supply in the immediate neighborhood. We have established standard operating procedures to implement project execution and have dedicated teams to oversee the design, engineering and construction phases of development, that allow us to complete our projects in a timely, cost-effective and quality-controlled manner. Over 15 years of development experience has enabled us to establish and enhance our process oriented approach and commitment to superior quality.

In addition, critical to our success at our retail and hospitality projects is the successful ongoing operation and management of our developments to provide a superior experience to our retail tenant as well as their customers. Our projects are designed to address various consumer concerns, such as adequate parking, aesthetics, comfort, safety and cleanliness, as well as the concerns of our retail tenants, such as the continuous supply of utilities and security. We believe our focus on these operation and management aspects has a significant impact on the success of our developments. We periodically upgrade our retail developments and hotels in terms of quality and facilities offered, including art installations and decor during the festival seasons and organizing concerts and events, in order to enhance visual impact and increase footfalls. We also track the revenues of our retail tenants and provide suggestions to underperforming retail tenants on how to improve revenues based on our operational experience. We believe that our focused initiatives that seek to enhance the quality and revenues of our retail tenants and our malls will lead to higher Consumption and Trading Density.

We believe the success of our developments is also attributable to our experienced, qualified and dedicated management team, many of whom have experience in diverse range of fields, including real estate development, operations and maintenance and spent over a decade working with us. As a result of our established brand name and reputation for project execution, we have been able to recruit and retain experienced senior and mid-level employees. We believe we provide our staff with competitive compensation packages and a cohesive work environment which we believe encourages responsibility, autonomy and innovation. We believe that the experience of our management team and their in-depth understanding of the real estate market in India will enable us to take advantage of both current and future market opportunities.

Strategic long-standing relationships with large retail tenants

We believe that we have an in-depth understanding of the retail market and the needs and preferences of retail consumers. We also believe that our retail developments are the preferred choice among retail tenants and consumers in the cities in which we operate and provide a platform for large retail tenants to expand their businesses with a common partner. To successfully lease out a retail development, we believe that the retail tenant's confidence in the developer is an important factor, especially in fast-growing and emerging cities where there may be few organized national developers. We continuously engage with our retail tenants to identify their individual needs, and assist in the design and layout of their stores in order to improve visual impact and increase footfall. We believe that our retail tenants have confidence in us, demonstrated by our longstanding relationships with several domestic and global retail brands, such as Zara, H&M, Mango, Armani Exchange, MAC, GAS, GAP, Steve Madden, Aldo, Sephora, Diesel, Lifestyle and PVR Cinemas, across our retail developments. Each of Zara, H&M, Mango, Armani Exchange, MAC, GAS, GAP, Steve Madden, Aldo, Sephora, Diesel, Lifestyle and PVR Cinemas, have outlets/cinemas across our several locations. We further believe that several of our global retail tenants have opened among their first few stores for their brands in India at our retail malls. We believe that such relationships may help us to secure retail tenants for our new developments and mitigate the risks that may arise from an inability to secure retail tenants for large spaces at suitable rates.

We believe we have a competitive advantage over our existing and potential competitors in cities where we are already present due to several factors, including the significant time outlay required for competitors to build and establish a profitable retail mall, our early mover advantage in large, retail-led developments in specific micro-markets, non-availability or low availability of large parcels of land in proximity to our retail developments, high entry costs for our competitors to develop similar projects in cities where our developments and projects are located, our established track record in mall management testified by various awards we have won and our established relationships with international brands. In particular, we believe that our strong market position along with our track record and the quality of our retail developments have enabled us to maximize our lease revenues by commanding a premium over market rent and achieve reduced vacancy levels as a result of established relationships with domestic and global retail tenants.

Diversified portfolio of commercial office projects and two completed luxury hotels

We have a large portfolio of commercial office developments, as part of our mixed-use retail-led developments, comprising of approximately 6.97 million square feet of total Saleable Area and Gross Leasable Area in Completed, Ongoing and Planned Projects (including areas sold). Our commercial office developments are strategically positioned in locations with strong tenant demand and have been commissioned with a focus on providing superior infrastructure and amenities to our tenants to meet their overall demands. Our commercial office developments further benefit from proximity and connectivity to major business, social and transportation hubs, making them a preferred option for corporations to establish their front-end offices. As of June 30, 2020, out of total Saleable Area of 2.01 million square feet in our commercial office Completed Projects, we have sold 0.69 million square feet, and out of the total Gross Leasable Area of 1.32 million square feet owned by us in our commercial office Completed Projects, we have leased 1.09 million square feet (including under executed letters of intent).

We are also the owner and developer of two completed luxury hotels, The St. Regis in Mumbai and the Courtyard by Marriot in Agra, comprising an aggregate of 588 keys, as of June 30, 2020. Our hotels are managed by Marriott pursuant to hotel operation and related agreements. These agreements give us access to Marriott’s management expertise, industry best practices, online reservation systems, marketing strategies, systems and processes, human resources and operational know-how, which we believe has established The St. Regis as an iconic hospitality destination in Mumbai, and the only existing hotel in India to be branded as “The St. Regis” – the uber luxury brand managed by Marriott International *(Source: Hotelivate)*. Over five-year period ended March 31, 2020, the average room rate at The St. Regis has grown at a CAGR of 8.35%. The principal amount of long-term loans from banks, financial institutions and NBFCs for The St. Regis, Mumbai, have reduced from ₹ 5,720.48 million as of March 31, 2015, to ₹ 4,244.31 million as of March 31, 2020. In addition, we also have one hotel Planned Project, Grand Hyatt, Bengaluru, which is estimated to comprise 300 keys, for which we have entered into a letter of intent with Hyatt India Consultancy Private Limited on January 17, 2020 in connection with the operation and branding of the hotel.

Prudent capital structure

While we have grown our portfolio of developments, both organically and inorganically, significantly over the years, we operate under a prudent capital structure model. We believe we are appropriately leveraged to expand our portfolio as a result of our strategy of purchasing assets when acquisition costs are low and we are able to obtain financing at suitable rates. We have also added rent-generating commercial office spaces to our existing retail centres to allow us to earn a regular fee income, and have been able to reduce indebtedness of our hotel projects as a result of strong cash flow generation by our hotels. As a result, our net debt to equity ratio has declined; as of March 31, 2018, March 31, 2019, March 31, 2020 and June 30, 2020, our net debt to equity was 1.06, 0.99, 0.96 and 1.00, respectively. In addition, for our Ongoing Projects, we defer the drawdown under our financing facilities until the structure of our under-construction properties reaches above ground level and fund the initial project related costs, including purchase of land, FSI/TDI purchases and cost of approvals, excavation, foundation and basement structure, by allocating equity or from our operating cash flows.

Strategic alliance to fund growth

Our Company entered into a joint venture with the CPPIB in April 2017 to grow our portfolio of developments. The investment of ₹ 16.62 billion by CPPIB was committed within the first 12 months of the joint venture in connection with the acquisition of one brownfield and two greenfield assets, Phoenix Millennium, Pune, Phoenix Mall of Asia, Bengaluru and Phoenix Citadel, Indore, respectively. As of June 30, 2020, Island Star Mall Developers Private Limited, the project specific company that owns these projects through its wholly-owned subsidiaries, has invested ₹ 5.20 billion, ₹ 8.62 billion and ₹ 3.50 billion in Phoenix Millennium, Pune, Phoenix Mall of Asia, Bengaluru and Phoenix Citadel, Indore, respectively, with no drawdowns been made under the financing facilities for these projects as yet. After the formation of this joint venture, in the financial years 2018 and 2019, our actual EBITDA outperformed our business plan EBITDA by 3.00% to 4.00% and grew from ₹ 1,087.00 million in the financial year 2017 to ₹ 1,457.00 million in the financial year 2020. We believe our business model has resulted in efficient utilization of capital resulting in lower debt and regular fee income, allowing us to have higher return on capital employed.

Our Strategy

Our focus is also to maintain our market position in India through the implementation of the following business strategy:

Continue to focus on retail-led mixed-use projects to grow revenues

We intend to focus on developing new retail-led mixed-use projects in prime locations with development sizes similar to our existing malls, including parking and other amenities, and which feature a diverse range of retail tenants and a combination of retail developments, commercial office and residential projects. We also intend to continue to develop and expand our existing developments, where such further development potential may be permitted on the basis of existing policies, rules and regulations and/or may become permissible on the basis of any changes in the existing policies, rules and regulations, subject to the approvals of our plans for such expansion by the relevant authorities. While we have three large-scale mixed-use retail projects located at Pune, Bengaluru and Indore, which are estimated to be completed in the next two to four years, we intend to continue to seek and identify opportunities to further develop new large-scale mixed-use developments in markets/micro-markets different from where our retail malls currently exist, such as, but not limited to, Navi Mumbai, Hyderabad, Chandigarh, New Delhi and Gurugram, expand our existing mixed-use projects by acquiring and developing adjacent or proximate land parcels and explore opportunities to enter new cities such as, but not limited to Kolkata. We are seeking to acquire a land parcel in Kolkata for which our Subsidiary, Mindstone Mall Developers Private Limited has entered into a memorandum of understanding, dated January 31, 2019, with a third party seller. We plan to develop a mixed-use development of approximately 1.60 million square feet of Gross Leasable Area on this land parcel; please refer to *"Risk Factors – Internal Risks - We may be unable to complete the acquisitions or registrations of land for future projects, which may adversely affect our financial condition and results of operations."* on page 59.

Our retail malls under development may, once completed, encompass retail and entertainment space, including food and beverage and multiplex facilities and outdoor space and also include one or more of commercial offices, hotel or for-sale residential apartment buildings aimed to attract a wide spectrum of consumers. We will continue to focus on generating revenues from this range of businesses to reduce our dependence on any one such business. In addition, our mixed-use projects will also include commercial or residential properties, which we may either lease or sell. We believe this will further allow us to diversify our sources of income. For example, our Phoenix MarketCity projects located at Mumbai, Chennai and Pune, generate revenues from a combination of both retail and commercial license fees/rental income and sales revenues. This combination of revenue streams also reduces our dependence on debt, with the profits from sales collections contributing towards financing our project costs.

Explore growth opportunities through development or acquisition of standalone malls and land

As part of our ongoing growth strategy, we intend to continue to evaluate the performance of retail business in certain non-competing micro-markets, including Mumbai, Bengaluru and Chennai and other growth locations in which we currently do not have a presence, such as Navi Mumbai, Hyderabad, Chandigarh, New Delhi, and Gurugram, for prospective growth opportunities. We believe that there is significant potential in these cities for standalone malls. We are in the process of identifying several opportunities for growth in these cities, including in relation to both the acquisition of land for the development of malls and the acquisition of certain existing, standalone under-development malls or operational malls, and are seeking to acquire greenfield and brownfield standalone malls. We have a track record of acquiring and integrating assets to grow our portfolio of developments. For example, we acquired Phoenix Citadel, Indore in July 2018, which is currently under construction and is estimated to commence operations in the financial year 2022. We also acquired Phoenix Palassio, Lucknow, a brownfield asset in August 2018 and were able to complete its construction and commence its operations on July 8, 2020. We believe that the acquisition of existing, standalone under-development malls or operating malls will enable us to grow our revenues under our Phoenix brand and management. We also believe that the prevailing economic scenario should make distressed asset sale opportunities to be available to us. We believe any such acquisitions will help to further diversify our portfolio into new growth locations in India.

We believe that geographical diversification of our developments will help to reduce our reliance on specific cities and allow us to capitalize on different growth trends in other cities. We believe our strategy in expanding into new locations with growth potential will enable us to effectively capture growth opportunities in different parts of India, broaden our revenue base and reduce risks arising from volatility of market conditions. Further, we anticipate that increases in economic activity in growth regions will result in an increase in demand for real estate development in those regions and will provide us with an early mover advantage.

Explore growth opportunities for our commercial office real estate portfolio

We will continue to explore opportunities for developing new Grade-A commercial office projects. Such projects could be located either as part of our mixed-use retail-led developments or undertaken on a standalone basis. We believe that the availability of suitable land with development potential in cities such as Mumbai, Bengaluru, Pune and Hyderabad among others is one of the determining factors for prospective commercial office projects. We are also exploring potential opportunities to add Grade-A commercial office space to our existing mixed-use Ongoing and Planned Projects through the effective use of balance / further floor space index development potential as rules and regulations permit. We currently have one commercial office Ongoing and five commercial office Planned Projects, which form part of our existing mixed-use Ongoing and Planned Projects in Pune, Chennai, Mumbai and Bengaluru, with the total proposed Gross Leasable Area of approximately 4.96 million square feet. We expect to grow our commercial office portfolio from approximately 1.32 million square feet, as of June 30, 2020 to approximately 6.28 million square feet, through the development of our commercial office Ongoing and Planned Projects, such as Offices at Phoenix Mall of Asia, Bengaluru, The Rise 1, Mumbai, Offices at Phoenix Market City Bangalore, Offices at Phoenix Millennium, Pune and Office Tower at Palladium, Chennai. We believe our strategy to include both retail and commercial space within a mixed-use development provides greater value to prospective tenants for commercial space. Additionally, going forward, we intend to lease our commercial office portfolio as compared to outright sales, which we believe will provide us with greater value for commercial space and increase the value of our portfolio.

Continue to focus on effective retail management strategies to optimize rental rates

We will continue to focus on effective retail management strategies to increase our license fees / rental income upon renewal of our license or rental agreements, which generally occurs every three to five years, as applicable. We manage our retail properties with the knowledge that there is a distinct difference between property management and mall management. We believe that creating an optimal retail tenant combination along with active engagement with both retail tenants and consumers, will help to drive revenue maximization and result in higher consumer spending at our retail developments. With higher Consumption rates (which translates to higher turnover for our retail tenants), we expect to command competitive lease rates from our retail tenants. In addition, we believe that retail tenants have confidence in us due to our commitment to quality and our operational expertise, which allows us to be selective in choosing anchor retail tenants. Ensuring high operational standards of property management at each of our developments, including housekeeping, security, maintenance through an experienced team and detailed operating policies and procedures, are also part of our ongoing efforts to optimize the rental rates that retail tenants are willing to pay.

Explore opportunities to complement our retail developments with our omni-channel platform

In addition to our strategies to grow our brick and mortar retail business, we are also exploring opportunities to utilize technology to provide shopping or service options to consumers through smart phones pursuant to our under-development online services and searchable mall concept, The Phoenix App, accessible via a range of devices. Through The Phoenix App, we intend to provide our consumers with online access to our retail malls in several cities covering functionalities such as loyalty program, parking pre-booking and navigation, hands-free shopping, in-mall real time navigation, event ticket booking, contact-less food ordering and customer chat bot. We believe that The Phoenix App will enhance our understanding of consumer behaviour and allow us to enter new markets and extend the geographical reach of our existing malls.

We also intend to provide the latest in-store merchandise along with a tailored shopping experience on a digital omni-channel platform through online sales and engagement. We believe that the omni-channel platform, once operational, would allow us to reach out to and serve more shoppers of our existing malls by providing them with a 24x7 convenient shopping experience with home delivery of in-store products, ship-to-store and pick up and select in-store and get delivered at home facilities. In addition to creating value for our customers, we believe that the omni-channel platform would create value for our retail partners through easy integration with their own multi-channel, incremental reduction of customer acquisition cost, possible increase in sales and bespoke marketing and offers to customers; and for us through such possible incremental sales, increase in catchment of our malls through same day delivery and in-mall pick-ups and better understanding of customer behaviour and preferences. We intend to leverage from this strategy by further strengthening the health and safety measures undertaken by us in order to provide a safe environment to the tenants, customers and other visitors of our properties.

Please refer to "*Risk Factors – Internal Risks - If we are unsuccessful in implementing our strategies, particularly our growth strategy, our business, financial condition and results of operations may be adversely affected*" on page 61.

Recent Developments

Since the end of 2019, COVID-19 spread to a majority of countries across the world, including India. The World Health Organization declared the outbreak of COVID-19 to be a public health emergency of international concern on January 30, 2020, and a global pandemic on March 11, 2020. The COVID-19 pandemic and the preventative or protective actions that Governments around the world have taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in several countries, including India. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown from March 25, 2020 onwards. The lockdown continues to remain in force in several cities, with limited relaxations being granted such as for opening of malls, offices, hotels and shops in other cities.

We are regularly monitoring the impact of COVID-19 on all aspects of our business and operations, including its impact on our tenants and the preventative or protective actions of the central, state and local Governments on the relevant aspects of our business and operations. On account of the lockdown, our operations were significantly disrupted, particularly at our retail malls and hotels. While operations at all of our retail malls were initially suspended due to the Government orders, we have been able to resume operations at all but two of our retail malls with certain restrictions. We resumed operations at Phoenix MarketCity Bengaluru, Phoenix United Lucknow and Phoenix United Bareilly from June 8, 2020 and at High Street Phoenix and Palladium, Phoenix MarketCity Mumbai and Phoenix MarketCity Pune from August 5, 2020, with certain restrictions. We also commenced operations at Phoenix Palassio Lucknow, a new mall from July 8, 2020, with certain restrictions. However, entertainment centers (including multiplexes), spas and bars at these malls continue to remain shut as per Government orders. Further, as per the Government orders, our retail malls in Chennai continue to remain shut. In addition, while food and beverage outlets (excluding bars) at our Phoenix MarketCity Bengaluru, Phoenix Palassio Lucknow, Phoenix United Lucknow and Phoenix United Bareilly are allowed to open, the food and beverage outlets at High Street Phoenix and Palladium, Phoenix MarketCity Mumbai and Phoenix MarketCity Pune may only offer home delivery. We have proactively engaged with our retail tenants and licensees in connection with the shutdown of their operations and the resultant downturn in their business, and have provided (and are providing) waivers and moratoriums on a portion or all of minimum guarantee rentals to be paid by them to us for a portion or all of the financial year 2021, resulting in our license fees and rental income in the financial year 2021 having a lesser percentage of minimum guarantee rental payments and a higher percentage of income attributable to revenue share arrangements with our retail tenants and licensees as compared to the prior financial year. This is also because in connection with the reduction of minimum guarantee rental commitments, our retail tenants and licensees have in many cases agreed to (or are generally in the process of agreeing to) provide us a higher revenue share arrangement than as set out in our existing rental agreements with them. We continue to engage with our retail tenants and licensees to effectuate this initiative and cannot assure you that all our retail tenants and licensees will agree to such measures.

The following table provides a comparative of Permissible Area leased by us between February 29, 2020 and August 10, 2020 for certain of our retail malls which have been permitted to re-open pursuant to the recent orders of applicable Government authorities as part of partial re-opening of businesses in India. In the table below, Permissible Area is that portion of Gross Leasable Area of each mall which has been permitted to re-open pursuant to the recent orders of applicable Government authorities as part of partial re-opening of businesses in India.

Our retail mall (Area approximated to nearest second decimal in million square feet)	**Permissible Area leased as of February 29, 2020***	**Permissible Area leased as of Aug 10, 2020**	**% of Permissible Area leased as of Aug 10, 2020 as compared to February 29, 2020**	**Portion of such Permissible Area open for business as of August 10, 2020**	**% of area open for business as compared to Permissible Area leased as of August 10, 2020**
HSP and Palladium	0.54	0.53	98.00%	0.50	95.00%
Phoenix MarketCity Pune	0.84	0.82	98.00%	0.76	93.00%
Phoenix MarketCity Bangalore	0.84	0.80	95.00%	0.72	91.00%
Phoenix MarketCity Mumbai	0.80	0.79	98.00%	0.74	94.00%

Note: For Gross Leasable Area for each of these retail malls, please refer to "Business – Our Developments – Large mixed-use retail developments" on page 23.

**As of February 29, 2020, all of the Gross Leasable Area in all our retail malls was permitted to be open. As such, such date has been used as the date for comparison with the Permissible Area leased as of August 10, 2020.*

Our hotel in Agra was temporarily shut starting from April 1, 2020 and has resumed operations from August 8, 2020. Further, as of August 18, 2020, restaurants at our hotel in Agra are allowed to serve guests. From April 1, 2020 to July 8, 2020, we operated the The St. Regis, Mumbai with significant restrictions as per the notification of the Maharashtra State Government permitting only stranded guests and guests requiring isolation. From July 6, 2020, we operated The St. Regis, Mumbai at a limited capacity, with current orders of applicable government authorities permitting 33% occupancy, restaurants (excluding bars) being permitted to serve resident hotel guests and hosting of certain open air events with limited persons attending.

Applicable Government orders imposed a shutdown of commercial offices from April 1, 2020, such orders were subsequently revised on May 1, 2020 to permit reopening of commercial offices but with limited occupancies at any given time. However, we did not face any significant disruptions in rental collections from our commercial office tenants for the quarter ended June 30, 2020. Operations, including sales, at our residential projects have witnessed a significant adverse effect.

We also faced interruption in construction activity at our under-construction sites during the months of April and May 2020, on account of the lockdowns enforced and constrained availability of labor, which have now gradually resumed in all of the cities with certain restrictions.

We have focused on maintaining business continuity and operational efficiencies during the lockdown and have taken several cost reduction measures to rationalize fixed costs across all our properties, including energy conservation, resource deployment and deferral of certain non-critical upgrades. We have also availed moratorium for a period of six months (until August 31, 2020) with respect to payment of interest on and repayment of principal of our outstanding indebtedness.

We have undertaken several significant initiatives at our properties in response to the pandemic and to promote the health and safety of tenants and visitors. Such initiatives include the status check through the *Aarogya Setu* application, quarantine stamp check, ultraviolet baggage disinfection machines, footwear sanitization mats, implementing and enforcing social distancing measures including compulsory wearing of masks, restricting number of customers inside a retail store at a given time and implementation of floor queue marking, conducting temperature checks, restricting the number of personnel that use elevators and common areas at any given time, installing several sanitizer stations, regulating traffic flow, reconfiguring the air-conditioning systems to enhance the number of fresh air changes as per recommended standards, encouraging digital payments, pre-booking of mall visits to avoid queues, contactless placement of orders at the food courts and disinfecting the premises. Maintenance personnel at our properties have been equipped with personal protective equipment and been trained for maintaining COVID-19 safety protocols.

We recognized total income of ₹ 1,478.36 million (including income from operations of ₹ 1,347.07 million) during the three months ended June 30, 2020, which was 76.55% lower when compared with such total income for the three months ended June 30, 2019. We are regularly monitoring the impact of the COVID-19 pandemic on our property, plant and equipment, capital work in progress, intangible assets, investments, inventories, trade receivables and other current assets. In preparation of our Unaudited Consolidated Interim Condensed Financial Statements as of and for the three months ended June 30, 2019 and 2020 and our Audited Consolidated Financial Statements as of and for the financial year 2020, we have assessed the impact and future uncertainties resulting from the COVID-19 pandemic and based on our assumptions and current estimates, we expect the carrying amount of our assets as reflected in the balance sheet as at June 30, 2020 to be recovered. In preparation of our Unaudited Consolidated Interim Condensed Financial Statements as of and for the three months ended June 30, 2019 and 2020, based on ongoing and yet to commence discussions with retail tenants and licensees for certain waivers and concessions on the rentals extended to such counterparties until March 31, 2021, the revenue accruals consider management estimates of the most likely agreeable amounts of waivers and concessions. The ultimate impact of the COVID-19 pandemic on the business and operations may, however, differ from that assessed by us due to the evolving nature of the pandemic and its response by various Government authorities. To the extent, the COVID-19 pandemic adversely affects us, it may also significantly increase the effect of other factors affecting our results of operations. Please refer to "*Risk Factors - Internal Risks – The COVID-19 pandemic adversely affects our business, financial condition, results of operations, cash flows, liquidity and performance, and it may reduce the demand for real estate in future*" on page 48.

Description of our Business

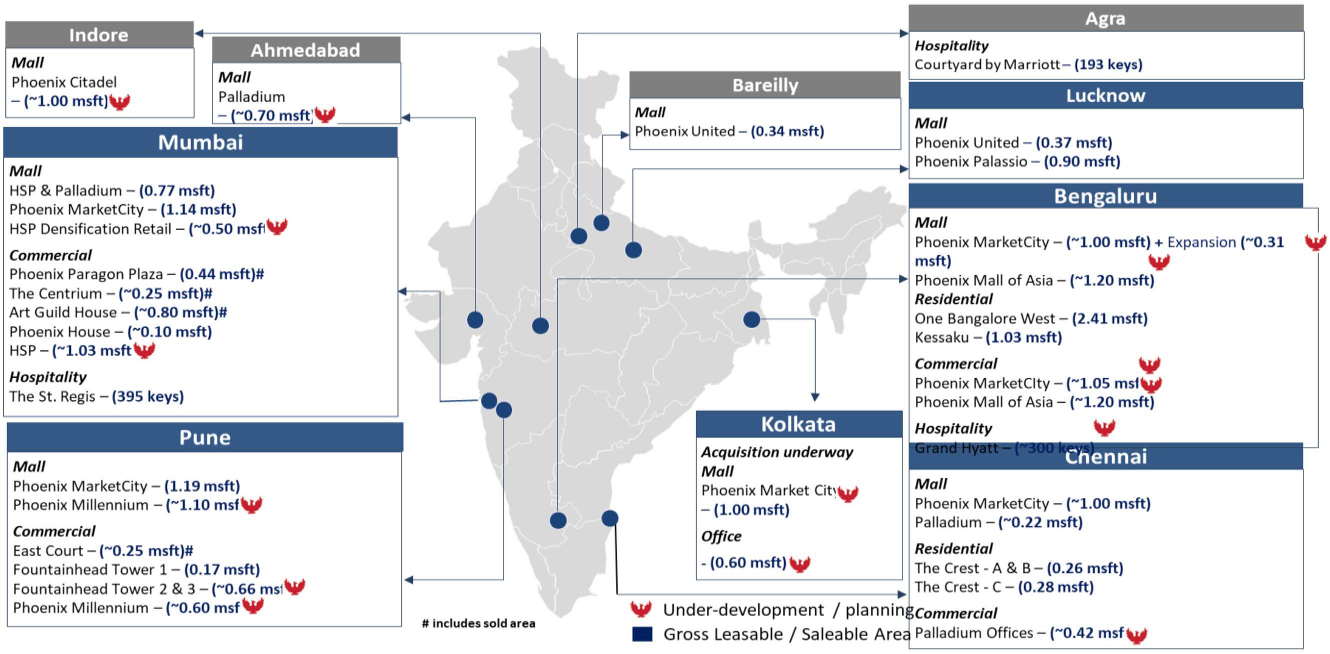
Our property portfolio includes Completed, Ongoing and Planned Projects that include mixed-use retail projects, commercial office projects, hospitality/hotel projects and residential projects.

Completed Projects are those projects with respect to which our Company, Subsidiary, Associate or our joint venture entity has completed the development and the occupation/completion certificate, as applicable, has been obtained from the relevant authorities by such entity.

Ongoing Projects are those projects in respect of which (i) all title or development rights, or other interest in the land is held either directly or indirectly by our Company, Subsidiary, Associate or our joint venture entity; (ii) the development or construction work is ongoing; and (iii) the requisite approvals for commencement of development, including the commencement certificate, have been obtained by such entity.

Planned Projects are those projects in respect of which (i) all title or development rights or other interest in the land is held either directly or indirectly by our Company, Subsidiary, Associate or our joint venture entity; (ii) development right agreements are in the process of execution; (iii) preliminary management development plans and designs are in place; (iv) requisite applications for approvals and conversion of usage, if applicable, have been made; and (v) architects have been identified and the planning has commenced. Local real estate regulations permit us to apply for the layout approvals as per intended use and construction as and when required.

The following map illustrates the locations of our projects across India, as of June 30, 2020:



Note: Phoenix Palassio, Lucknow commenced its operations with effect from July 8, 2020.

Large Mixed-Use Retail Developments

Our retail portfolio comprises nine Completed Projects with approximately 6.93 million square feet of Gross Leasable Area, as of June 30, 2020. For the quarter ended June 30, 2020, rental income from our retail developments was ₹ 843.00 million. Consumption and rental income of our retail developments grew at a CAGR of 15.00% and 14.00%, respectively, from financial year 2013 to financial year 2020 (in determination of CAGR for the financial year 2020, the period for which the retail development was closed due to COVID-19 is excluded). The table below sets our Consumption and rental income for our retail developments for the financial years 2013 to 2020:

Financial Year	Consumption (₹ in billions)	Rental Income (₹ in billions)
2013	25.70	4.20
2014	40.30	5.70
2015	49.30	6.50
2016	54.00	7.10
2017	57.80	7.70
2018	63.20	8.70
2019	68.90	9.90
2020	69.30	10.20

The following is a description of our mixed-use retail Completed and Ongoing Projects:

Completed Retail Developments

High Street Phoenix and Palladium

As a result of development and its central location between South Mumbai and suburbs, we believe that Lower Parel has emerged as a viable alternative to the South Mumbai business district for commercial and retail purposes. This mixed-use development consists of a combined Gross Leasable Area of approximately 0.87 million square feet of retail mall and commercial office space (net of areas let out on long lease basis), as of June 30, 2020. High Street Phoenix and Palladium, Mumbai is an iconic shopping location, located within India's one of the most expensive real estate *(Source: CBRE Research)*. Over the last 10 years, we have been able to optimize the hyper market space at High Street Phoenix and Palladium from 51,140 square feet (occupied by Big Bazaar) in 2010 and 52,645 square feet (of which 38,903 square feet was occupied by Big Bazaar and 13,742 square feet was occupied by Grand West Zone) in 2011 to 58,632 square feet (occupied by H&M and Grand West Zone) in 2020. As a result, rental income for this area grew at a CAGR of 20.22% from ₹ 36.21 million and ₹ 62.49 million in the financial years 2010 and 2012, respectively, to ₹ 226.46 million in the financial year 2020. For the financial years 2018, 2019 and 2020 and the quarter ended June 30, 2020, ₹ 3,022.00 million, ₹ 3,432.00 million, ₹ 3,486.00 million and ₹ 344.00 million of our total rental revenue, respectively, was attributable to the revenues of High Street Phoenix and Palladium.

As of June 30, 2020, there were 271 stores at High Street Phoenix and Palladium divided among distinct areas known as the "Skyzone," "Grand Galleria," "Grand Galleria Annexe," "Courtyard" and "Palladium". These areas were developed and became operational in phases over a period of time.

We are also at the planning stage for further additional development potential of approximately 1.53 million square (of which approximately 1.03 million square feet is attributable to commercial office development and the remaining 0.50 million square feet is attributable to retail development) as a result of our new development plan. We intend to undertake the expansion by repurchasing strata sold offices in the second and third floors of Skyzone, expanding Palladium by adding a lower ground floor having a Gross Leasable Area of approximately 0.05 million square feet, and expanding High Street Phoenix by approximately 0.10 million square feet on the second and third floors. Given that we are expanding our existing development, we expect to incur construction cost but no additional cost of land and TDR. Please refer to *"Risk Factors – Internal Risks - Our Ongoing and Planned Projects are exposed to a number of risks and uncertainties which may adversely affect our business, financial condition and results of operations"* on page 50.

Consumption, average Trading Density and rental income grew at a CAGR of 4.43%, 5.76% and 9.35%, respectively, from financial year 2014 to financial year 2020. The table below sets out Consumption, average Trading Density and rental income for the financial years 2014 to 2020:

Financial Year	Consumption (₹ in millions)	Average Trading Density (₹ per square foot per month)	Rental Income (₹ in millions)*
2014	13,185	2,263	2,039
2015	14,403	2,553	2,293
2016	15,438	2,741	2,601
2017	16,264	2,894	2,837
2018	16,456	3,034	3,022
2019	17,044	2,943	3,432
2020	17,102	3,167	3,486

** Rental income is comprised of the rent derived from the retail space in our High Street Phoenix and Palladium mall.*

Phoenix MarketCity Projects

"Phoenix MarketCity" projects, as have been built by us in Pune, Chennai, Bengaluru and Mumbai, are conceptualized as large-scale, retail-led real estate developments of over two to three million square feet of Built-Up Area, in prime locations that are in close proximity to high-catchment areas. All of our Phoenix MarketCity projects have been developed on freehold land owned by our Subsidiaries or Associates, as the case may be. Our Phoenix MarketCity projects encompass large retail stores, including several stores of varying sizes across all consumer categories, and multiple food and beverage outlets including fine dining, lounges, casual and quick service options. They also include large leisure and entertainment options, including cinemas, gaming, family entertainment centres and outdoor activities including concerts. Further, the Phoenix MarketCity projects may also include either commercial office and/or residential projects depending on the need of the specific micro-market. Therefore, we believe these projects optimize a mix of retail, entertainment and commercial office retail tenants and residential buyers in order to attract a wide spectrum of consumers. We own and operate Phoenix MarketCity projects in Mumbai, Chennai, Bengaluru and Pune. All of our Phoenix MarketCity projects are undertaken by project-specific companies. Subsequent to the completion of each Phoenix MarketCity project, we have continued to manage the developments.

Phoenix MarketCity Bangalore

Phoenix MarketCity Bangalore is a development located on Whitefield Road in the commercial area of Whitefield in Bengaluru with approximately 1.00 million square feet of Gross Leasable Area and approximately 0.39 million square feet of parking, as of June 30, 2020. Additionally, this project has a 0.31 million square feet of proposed Gross Leasable Area which is under planning, subject to regulatory approvals and other consents; please refer to *"Risk Factors – Internal Risks - Our Ongoing and Planned Projects are exposed to a number of risks and uncertainties which may adversely affect our business, financial condition and results of operations"* on page 50. Phoenix MarketCity Bangalore has 295 stores, as of June 30, 2020 and for the quarter ended June 30, 2020, rental income from Phoenix MarketCity Bengaluru was ₹ 120.00 million.

Consumption, average Trading Density and rental income grew at a CAGR of 19.25%, 13.87% and 13.08%, respectively, from financial year 2013 to financial year 2020. The table below sets out Consumption, average Trading Density and rental income for the financial years 2013 to 2020:

Financial Year	Consumption (₹ in millions)	Average Trading Density (₹ per square foot per month)	Rental Income (₹ in millions)
2013	3,832	723	603
2014	6,573	975	768
2015	7,753	1,131	876
2016	8,859	1,287	958
2017	10,200	1,444	1,090
2018	12,361	1,694	1,275
2019	12,843	1,680	1,392
2020	13,140	1,795	1,426

Our Company holds a 51.00% equity interest in Island Star Mall Developers Private Limited, the project-specific company that has developed and owns the project.

Phoenix MarketCity Pune. Phoenix MarketCity Pune is a development located at Viman Nagar, which is an affluent part of Pune *(Source: CBRE Research)*, with approximately 1.19 million square feet of Gross Leasable Area, as of June 30, 2020. Phoenix MarketCity Pune has become a consumption hub for consumers in Pune with sizeable residential and commercial catchment areas in the micro-market. As of June 30, 2020, Phoenix MarketCity Pune has 342 stores comprising highly sought-after brands with limited presence in Pune under single roof, including Scotch & Soda, Diesel, Armani Exchange, Superdry, Mont Blanc, GAP, Uni, H&M, Mango, Onitsuka Tiger, Bath & Body Works, Tommy Hilfiger, Sephora, GAS, Zara, MAC, Charles & Keith, Steve Madden, Ethos and Aldo. For the quarter ended June 30, 2020, rental income from Phoenix MarketCity Pune was ₹ 125.00 million.

Over the financial years 2019 and 2020, 36.00% of the Gross Leasable Area in Phoenix MarketCity Pune has been repriced with an average increase of 25.00% in the minimum guaranteed rental income. During the financial years 2019 and 2020, we re-leased or renewed approximately 0.43 million square feet of Gross Leasable Area at Phoenix MarketCity Pune with 169 of our retail tenants. There has also been a significant increase in minimum guaranteed rental income from a number of our retail tenants during the financial years 2019 and 2020, as illustrated below:

Increase in estimated minimum guaranteed rental income between:	Number of tenants
10.0% and 24.0%	44
25.0% and 49.0%,	50
50.0% to 74.0%	17
75.0% to 100.0%	5
Over 100.0%	12

50.00% and 47.00% of the leases on the upper ground floor and first floor, respectively, were repriced at minimum guaranteed rental income of more than ₹ 250 per square foot per month. In addition, approximately 0.21 million square feet and approximately 0.26 million square feet of our leases are getting expired in the financial years 2021 and 2022, respectively, which provide us with an opportunity to re-price our leases at the time of renewal. Of 0.47 million square feet of our leases expiring in the next two financial years, 0.17, 0.10, 0.14, 0.06 and 0.01 million square feet are attributable to the lower ground, ground, first, second and third floors, respectively.

With the growth of 12.18% CAGR in the average Trading Density from financial year 2013 to financial year 2020, we believe the Trading Density growth rate of Phoenix MarketCity Pune is similar to that of High Street Phoenix and Palladium. As Trading Density grows, store profitability is expected to increase, which could enable the retail tenants to pay higher rent. Additionally, Consumption and rental income grew at a CAGR of 15.59% and 14.66%, respectively, from financial year 2013 to financial year 2020. The table below sets out Consumption, average Trading Density and rental income for the financial years 2013 to 2020:

Financial Year	Consumption (₹ in millions)	Average Trading Density (₹ per square foot per month)	Rental Income (₹ in millions)
2013	4,568	650	640
2014	6,221	812	789
2015	7,650	975	941
2016	8,659	1,077	1,035
2017	9,629	1,208	1,202
2018	10,828	1,224	1,386
2019	12,207	1,334	1,589
2020	12,592	1,453	1,667

Our Company holds a 99.97% equity interest in Vamona Developers Private Limited, the project-specific company that has developed and owns the project.

Phoenix MarketCity Mumbai. Phoenix MarketCity Mumbai is a development located in the eastern Mumbai suburb of Kurla, within proximity of Bandra-Kurla complex. Phoenix MarketCity Mumbai comprises approximately 1.14 million square feet of Gross Leasable Area and approximately 0.43 million square feet of parking, as of June 30, 2020. Phoenix MarketCity Mumbai has 312 stores, as of June 30, 2020, and for the quarter ended June 30, 2020, rental income from Phoenix MarketCity Mumbai was ₹ 87.00 million.

Consumption, average Trading Density and rental income grew at a CAGR of 14.00%, 13.09% and 5.26%, respectively, from financial year 2014 to financial year 2020. The table below sets out Consumption, average Trading Density and rental income for the financial years 2014 to 2020:

Financial Year	Consumption (₹ in millions)	Average Trading Density (₹ per square foot per month)	Rental Income (₹ in millions)*
2014	4,460	586	934
2015	5,480	705	991
2016	5,957	797	954
2017	6,957	942	926
2018	8,143	1,044	1,102
2019	9,559	1,174	1,216
2020	9,790	1,226	1,270

Or Company holds a 100.00% equity interest in Offbeat Developers Private Limited, the project-specific company that has developed and owns the project.

Phoenix MarketCity Chennai. Phoenix MarketCity Chennai is a development located on Velachery Road at Velachery in central Chennai with approximately 1.00 million square feet of Gross Leasable Area and approximately 0.67 million square feet of parking, as of June 30, 2020. Phoenix MarketCity Chennai has 259 stores, as of June 30, 2020, and for the quarter ended June 30, 2020, rental income from Phoenix MarketCity Chennai was ₹ 131.00 million.

Consumption, average Trading Density and rental income grew at a CAGR of 6.90%, 2.05% and 10.14%, respectively, from financial year 2014 to financial year 2020. The table below sets out Consumption, average Trading Density and rental income for the financial years 2014 to 2020:

Financial Year	Consumption (₹ in millions)	Average Trading Density (₹ per square foot per month)	Rental Income (₹ in millions)
2014	6,938	1,226	858
2015	10,481	1,480	1,109
2016	11,289	1,572	1,196
2017	10,699	1,553	1,286
2018	10,742	1,489	1,394
2019	11,068	1,504	1,529
2020	10,356	1,385	1,532

Our Company holds a 50.00% equity interest in Classic Mall Development Company Private Limited, the project-specific company that has developed and owns the project.

Phoenix United, Lucknow

Phoenix United, Lucknow is located along National Highway NH25, leading to Kanpur, with approximately 0.37 million square feet of Gross Leasable Area and 127 stores, as of June 30, 2020.

Our Company holds a 100.00% equity interest in Upal Developers Private Limited, the project-specific company that has developed and owns the project.

Phoenix United, Bareilly

Phoenix United, Bareilly is located along the Pilibhit Bypass Road, with approximately 0.34 million square feet of Gross Leasable Area and 132 stores, as of June 30, 2020.

Our Company holds a 100.00% equity interest in Blackwood Developers Private Limited, the project-specific company that has developed and owns the project.

Palladium Mall, Chennai

Palladium Mall, Chennai, is located at Velachery, with approximately 0.22 million square feet of Gross Leasable Area and 86 stores, as of June 30, 2020.

Our Company holds an effective 28.47% equity interest in Starboard Hotels Private Limited, the project-specific company that has developed and owns the project. Please refer to *"— Our Developments"* above for details on the equity interest held by our Company in Starboard Hotels Private Limited.

Phoenix Palassio, Lucknow

Phoenix Palassio, Lucknow, is located at Gomti Nagar, with approximately 0.90 million square feet of Gross Leasable Area. Phoenix Palassio, Lucknow commenced operations from July 8, 2020 and has 262 stores, as of the same date. As of June 30, 2020, our Company invested ₹ 3.5 billion in Phoenix Palassio, Lucknow as equity.

Our Company holds a 100.00% equity interest in Destiny Retail Mall Developers Private Limited, the project-specific company that has developed and owns the project.

Ongoing Retail Developments

Phoenix Citadel Indore

Phoenix Citadel, Indore is our retail Ongoing Project located at By-Pass Road, NH3, Indore, on approximately 19.53 acres of freehold land owned by Insight Mall Developers Private Limited, with approximately 1.00 million square feet of proposed Gross Leasable Area, as of June 30, 2020. Phoenix Citadel Indore was acquired as a brownfield asset in July 2018, and is expected to commence operations in the financial year 2022. Phoenix Citadel Indore was acquired at a cost of ₹ 2,200 per square foot and we expect the construction cost of this project to be ₹ 3,600 per square foot; please refer to *"Risk Factors – Internal Risks - Certain information in this Preliminary Placement Document is based on management estimates and information provided by our retail tenants, especially Consumption data. Other statistical and financial data contained in this Preliminary Placement Document may be incomplete or unreliable"* on page 62. This project has witnessed strong leasing traction.

Our Company holds a 51.00% equity interest in Island Star Mall Developers Private Limited, which in turn wholly owns Insight Mall Developers Private Limited, the project-specific company that is developing and owns the project.

Palladium Mall, Ahmedabad

Palladium Mall, Ahmedabad is our retail Ongoing Project is being developed by SGH Realty LLP along with True Value Infrabuild LLP on approximately 5.16 acres of freehold land, located at Thaltej, Ahmedabad, with approximately 0.70 million square feet of proposed Gross Leasable Area, as of June 30, 2020. The project is expected to be operational in the financial year 2022.

Our Company owns immediately in excess of 50.00% of the outstanding partnership interest of SGH Realty LLP, the remaining interest in SGH Realty LLP is held by a third party investor. Further, SGH Realty LLP owns 100.00% of the outstanding partnership interest of True Value Infrabuild LLP.

Phoenix Mall of Asia, Bengaluru

Phoenix Mall of Asia, Bengaluru is our retail Ongoing Project located at Hebbal, on approximately 13.10 acres of freehold land owned by Sparkle One Mall Developers Private Limited, with approximately 1.20 million square feet of proposed Gross Leasable Area, as of June 30, 2020. Once operational, Phoenix Mall of Asia, Bengaluru is expected to offer several facilities and amenities to its customers including a 14 screen multiplex and tiered atrium with cafes and restaurants. As of June 30, 2020, our Company invested ₹ 8.62 billion in Phoenix Mall of Asia, Bengaluru as equity, and the project specific company that owns this project had not incurred any indebtedness. The project is expected to be operational in the financial year 2024. This project has witnessed strong leasing traction.

Our Company holds a 51.00% equity interest in Island Star Mall Developers Private Limited, which in turn wholly owns Sparkle One Mall Developers Private Limited, the project-specific company that is developing and owns the project.

Phoenix Millennium, Pune

Phoenix Millennium, Pune is our retail Ongoing Project located at Wakad, on approximately 15.13 acres of freehold land owned by Alyssum Developers Private Limited, with approximately 1.10 million square feet of proposed Gross Leasable Area, as of June 30, 2020. As of June 30, 2020, our Company invested ₹ 5.20 billion in Phoenix Millennium, Pune as equity, and the project specific company that owns this project had not incurred any indebtedness. The project is expected to be operational in the financial year 2024.

Our Company holds a 51.00% equity interest in Island Star Mall Developers Private Limited, which in turn wholly owns Alyssum Developers Private Limited, the project-specific company that is developing and owns the project.

Please refer to *"Risk Factors – Internal Risks - Our Ongoing and Planned Projects are exposed to a number of risks and uncertainties which may adversely affect our business, financial condition and results of operations"* on page 50.

Commercial Office Projects

The following is a description of our commercial office Completed, Ongoing and Planned Projects:

Completed Commercial Office Projects

Phoenix House, Mumbai

Phoenix House, Mumbai is our commercial office Completed Project located at Lower Parel, Mumbai, on the land parcel on which our High Street Phoenix and Palladium, The St. Regis and Phoenix Towers projects are located.

Phoenix House, Mumbai, comprises approximately 0.10 million square feet of Gross Leasable Area (net of area let out on a long lease basis), of which we have leased/licensed approximately 93.72%, as of June 30, 2020.

Centrium, Mumbai

Centrium, Mumbai is our commercial office Completed Project located in the eastern Mumbai suburb of Kurla forming part of a mixed-use retail development, Phoenix MarketCity Mumbai. Centrium has approximately 0.25 million square feet of total Saleable Area/Gross Leasable Area, of which approximately 0.15 million square feet of SaleableArea/Gross Leasable Area has been sold. Out of the remaining 0.10 million square feet of Gross Leasable Area owned by us, we have leased/licensed 73.59%, as of June 30, 2020.

Our Company holds a 100.00% equity interest in Offbeat Developers Private Limited, the project-specific company that has developed the project.

East Court, Pune

East Court, Pune is our commercial office Completed Project located at Viman Nagar, Pune, forming part of the mixed-use retail development, Phoenix MarketCity Pune. As of June 30, 2020, East Court, Pune has approximately 0.25 million square feet of total Saleable Area/Gross Leasable Area, of which approximately 0.24 million square feet of Saleable Area/Gross Leasable has been sold..

Our Company holds a 99.97% equity interest in Vamona Developers Private Limited, the project-specific company that has developed the project.

Art Guild House, Mumbai

Art Guild House, Mumbai is our commercial office Completed Project forming part of the mixed-use retail development Phoenix MarketCity, located in the Mumbai suburb of Kurla. Art Guild House comprises approximately 0.80 million square feet of total Saleable Area/Gross Leasable Area, of which approximately 0.17 million square feet of Saleable Area/Gross Leasable Area has been sold. Out of the remaining 0.63 million square feet of Gross Leasable Area owned by us, we have leased/licensed 86.34%, as of June 30, 2020.

Our Company holds a 100.00% equity interest in Offbeat Developers Private Limited, the project-specific company that has developed the project.

Phoenix Paragon Plaza, Mumbai

Phoenix Paragon Plaza, Mumbai is our commercial office Completed Project forming part of the mixed-use retail development Phoenix MarketCity, located in the Mumbai suburb of Kurla. This development comprises approximately 0.44 million square feet of total Saleable/Gross Leasable Area and includes both retail and commercial space with the flexibility to interchange the use between two formats. The commercial office space of Phoenix Paragon Plaza comprises approximately 0.44 million square feet of total Saleable Area/Gross Leasable Area, of which approximately 0.13 million square feet of Saleable

Area/Gross Leasable Area has been sold. Out of the remaining 0.31 million square feet of Gross Leasable Area owned by us, we have leased/licensed 71.18%, as of June 30, 2020.

Our Company holds an effective 66.69% equity interest in Graceworks Realty & Leisure Private Limited, the project-specific company that has developed the project. Please refer to *"— Our Developments"* above for details on the equity interest held by our Company in Graceworks Realty & Leisure Private Limited.

Fountainhead (Tower 1), Pune

Fountainhead (Tower 1), Pune, is our commercial office Completed Project and part of our Phoenix MarketCity Pune mixed-use retail development located on Nagar Road in Pune. Fountainhead (Tower 1) comprises approximately 0.17 million square feet of Gross Leasable Area, of which we have leased/licensed 94.77%, as of June 30, 2020.

Our Company holds an effective 75.02% equity interest in Alliance Spaces Private Limited, the project-specific company that has developed the project. Please refer to *"— Our Developments"* above for details on the equity interest held by our Company in Alliance Spaces Private Limited.

Ongoing Commercial Office Project

Fountainhead (Towers 2 and 3), Pune

Fountainhead (Towers 2 and 3), Pune, is our commercial office Ongoing Project and part of our Phoenix MarketCity Pune mixed-use retail development located on Nagar Road in Pune. As of June 30, 2020, Fountainhead (Towers 2 and 3) comprises approximately 0.66 million square feet of proposed Gross Leasable Area. The construction of Towers 2 and 3 of the project is complete and the occupation certificate is awaited. The project is expected to be operational in the financial year 2021**.**

Our Company holds an effective 75.02% equity interest in Alliance Spaces Private Limited, the project-specific company that is developing the project. Please refer to *"— Our Developments*" above for details on the equity interest held by our Company in Alliance Spaces Private Limited.

Please refer to *"Risk Factors – Internal Risks - Our Ongoing and Planned Projects are exposed to a number of risks and uncertainties which may adversely affect our business, financial condition and results of operations"* on page 50.

Planned Commercial Office Projects

Offices at Phoenix Mall of Asia, Bengaluru

Offices at Phoenix Mall of Asia, Bengaluru is our commercial office Planned Project and part of our mixed-use retail Ongoing Project, Phoenix Mall of Asia, Bengaluru, located at Hebbal, comprising approximately 1.20 million square feet of proposed Gross Leasable Area, as of June 30, 2020, which is subject to planning and regulatory approvals and other consents.

Our Company holds a 51.00% equity interest in Island Star Mall Developers Private Limited, which in turn wholly owns Sparkle One Mall Developers Private Limited, the project-specific company that is developing and owns the project.

The Rise 1

The Rise 1 at High Street Phoenix and Palladium, Mumbai is our commercial office Planned Project and part of our mixed-used retail Completed Project, High Street Phoenix and Palladium, Mumbai, located at Lower Parel, comprising approximately 1.03 million square feet of proposed Gross Leasable Area, as of June 30, 2020, which is subject to planning and regulatory approvals and other consents.

Offices at Phoenix Market City, Bengaluru

Offices at Phoenix Market City, Bengaluru, which comprises Towers 1-B, 1-A and 2, is our commercial office Planned Project and part of our mixed-use retail Ongoing Project, Phoenix MarketCity, Bangalore, comprising approximately 1.05 million square feet of proposed Gross Leasable Area, as of June 30, 2020, which is subject to planning and regulatory approvals and other consents.

Our Company holds a 51.00% equity interest in Island Star Mall Developers Private Limited, the project-specific company that is developing and owns the project.

Offices at Phoenix Millennium, Pune

Offices at Phoenix Millennium, Pune is our commercial office Planned Project and part of our mixed-use retail Ongoing Project, Phoenix Millennium, Pune, located at Wakad, comprising approximately 0.60 million square feet of proposed Gross Leasable Area, as of June 30, 2020, which is subject to planning and regulatory approvals and other consents.

Our Company holds a 51.00% equity interest in Island Star Mall Developers Private Limited, which in turn wholly owns Alyssum Developers Private Limited, the project-specific company that is developing and owns the project.

Office Tower at Palladium, Chennai

Office Tower at Palladium, Chennai, is our commercial office Planned Project and part of our mixed-use retail Completed Project, Palladium Mall, Chennai, comprising approximately 0.42 million square feet of proposed Gross Leasable Area, as of June 30, 2020, which is subject to planning and regulatory approvals and other consents.

Our Company holds an effective 28.47% equity interest in Starboard Hotels Private Limited, the project-specific company that is developing the project. Please refer to *"— Our Developments*" above for details on the equity interest held by our Company in Starboard Hotels Private Limited.

Please refer to *"Risk Factors – Internal Risks - Our Ongoing and Planned Projects are exposed to a number of risks and uncertainties which may adversely affect our business, financial condition and results of operations"* on page 50.

Residential Projects

The following is a description of our residential Completed and Ongoing Projects:

Completed Residential Projects

Crest, Chennai

Crest is our residential project located on Velachery Main Road in Chennai that forms part of the Phoenix MarketCity Chennai development. Crest Towers A and B have been developed by Classic Housing Projects Private Limited and comprise a total Saleable Area of approximately 0.26 million square feet. Crest Tower C has been developed by Classic Mall Development Company Private Limited and comprises a total Saleable Area of approximately 0.28 million square feet. As of June 30, 2020, we sold approximately 0.48 million square feet of Saleable Area, respectively, in Towers A, B and C.

Our Company holds a 50.00% equity interest in Classic Housing Projects Private Limited, the project-specific company that developed Towers A and B and a 50.00% equity interest in Classic Mall Development Company Private Limited, the project-specific company that developed Tower C.

Kessaku, Bengaluru

Kessaku is our residential apartment project located at Rajkumar Road, Rajajinagar in West Bengaluru, with a total Saleable Area of approximately 1.03 million square feet, as of June 30, 2020. Kessaku, Bengaluru comprises of five towers, namely Sora, Niwa, Mizu, Faia and Zefa, and offers a diverse range of amenities to its residents including tennis, badminton and squash courts, billiards and snooker tables, a bowling alley, multi-purpose indoor courts, an indoor games room, indoor and outdoor pools, a gymnasium, a yoga room, a jogging track, a spa and salon, children's play area, a mini theater, a reading room, a pool side café, a banquet hall, a doctor's room, a garden club and a sky club. During the financial year 2020, approximately 0.06 million square feet of Saleable Area in Sora, Niwa and Mizu towers of Kessaku, Bengaluru has been sold at an average base price of approximately ₹ 15,500 per square foot. We currently have an inventory of approximately 0.74 million square feet of Saleable Area in this project.

Our Company holds an effective 79.45% equity interest in Palladium Constructions Private Limited, the project-specific company that developed the project and the remaining equity interest is held by Phoenix Hospitality Company Private Limited (PHCPL). Please refer to *"– Our Developments*" above for details on the equity interest held by our Company in Palladium Constructions Private Limited.

Ongoing Residential Project

One Bangalore West, Bengaluru

One Bangalore West is our residential Ongoing Project located at Rajkumar Road, Rajajinagar in West Bengaluru with a total Saleable Area of approximately 2.41 million square feet, as of June 30, 2020.

This project comprises of nine towers. We have received occupation certificates for Towers 1 to 6, comprising total Saleable

Area of approximately 1.51 million square feet. During the financial year 2020, approximately 0.03 million square feet out of the total Saleable Area in Towers 1 to 6 has been sold at an average base price of ₹ 15,260 per square foot. As of June 30, 2020, we have an inventory of approximately 0.19 million square feet of Saleable Area in Towers 1 to 6. Further, Towers 7 to 9, comprising total Saleable Area of approximately 0.90 million square feet, are currently under construction and are expected to be completed in the next four to five years. During the financial year 2020, approximately 0.02 million square feet in Tower 7 out of the total Saleable Area in Towers 7 to 9 has been sold at an average base price of ₹ 14,400 per square foot. As of June 30, 2020, we have an inventory of approximately 0.86 million square feet of Saleable Area in the Towers 7 to 9.

Our Company holds an effective 79.45% equity interest in Palladium Constructions Private Limited, the project-specific company that is developing the project. Please refer to *"— Our Developments"* above for details on the equity interest held by our Company in Palladium Constructions Private Limited.

Please refer to *"Risk Factors – Internal Risks - Our Ongoing and Planned Projects are exposed to a number of risks and uncertainties which may adversely affect our business, financial condition and results of operations"* on page 50.

Hospitality Services

Our hospitality services include two hospitality Completed Projects, The St. Regis in Mumbai and the Courtyard by Marriott in Agra and one hospitality Planned Project, Grand Hyatt in Bengaluru.

Completed Hotel Projects

The St. Regis, Mumbai

The St. Regis, Mumbai is our luxury hotel located within our High Street Phoenix and Palladium mixed-use retail development at Lower Parel in Mumbai with 395 keys including serviced apartments, ten food and beverage venues, six event venues (comprising ball rooms and prefunction areas) and eleven meeting rooms and business centres comprising approximately 42,000 square feet of events space and an extensive health club (gymnasium) and a spa. The hotel has been operational since financial year 2012. The average occupancy during the financial year 2020 was 78.0% and the average room rate per night was ₹ 12,241.

The St. Regis, Mumbai was developed and is owned by our wholly-owned subsidiary, Pallazzio Hotels & Leisure Limited. In September, 2014, Pallazzio Hotels & Leisure Limited entered into various agreements with certain Starwood entities, including an operating agreement with Starwood Hotels and Resorts India Private Limited and a trademark license and technical assistance agreement with Starwood Asia Pacific Hotels and Resorts Pte. Ltd., among others, for the management, marketing, technical services and branding of this hotel to be operated under the trademark of St. Regis, a luxury hotel brand owned by Starwood. The hotel was rebranded as The St. Regis, Mumbai in the third quarter of 2015.

Our Company currently owns 100.00% of the outstanding equity shares of Pallazzio Hotels & Leisure Limited. Our Company and a third party investor own CCDs which upon conversion will result in dilution of our current 100.00% stake to 73.00%. Accordingly, the effective shareholding of our Company in Pallazzio Hotels & Leisure Limited, the project specific company that owns the project on a fully diluted basis is 73.00%.

Courtyard by Marriott, Agra

Courtyard by Marriott, Agra is a premium leisure and business hotel located at Taj Nagri on Fatehbad Road in Agra, in close proximity to the Taj Mahal, with 193 keys, four restaurants and a bar, and a banquet hall. The hotel has been operational since financial year 2015 and is operated by the Marriott group. The average occupancy during the financial year 2020 was 65.00% and the average room rate per night was ₹ 4,352. Palladium Constructions Private Limited, the project-specific company that owns this project, has entered into a hotel operating agreement and other related agreements with Marriott Hotels India Private Limited and its affiliates for the operation, marketing, technical services and branding of the hotel to be operated under the trademark of Courtyard by Marriott. The amenities offered to guests include, among others, a swimming pool, fitness centre and meeting rooms.

Our Company holds an effective 79.45% equity interest in Palladium Constructions Private Limited, the project specific company that owns the project. Please refer to *"— Our Developments"* above for details on the equity interest held by our Company in Palladium Constructions Private Limited.

Planned Hotel Project

Grand Hyatt, Bengaluru

Grand Hyatt, Bengaluru is our hospitality Planned Project with an estimated 300 keys. We have entered into a term sheet dated January 17, 2020 with Hyatt India Consultancy Private Limited with respect to this hotel project. Please refer to *"Risk Factors – Internal Risks - Our Ongoing and Planned Projects are exposed to a number of risks and uncertainties which may adversely affect our business, financial condition and results of operations"* on page 50.

The real estate development process

We utilize a multi-stage execution methodology for the development of projects, consisting of land identification and acquisition, analysis of the local market potential and development regulations, achieving financial closure, design development, obtaining consents, authorizations and approvals required for development, project preparation, project management and execution, procurement and vendor development, marketing, leasing and sales and post-completion asset maintenance and management.

Land identification and acquisition of ownership interests or development rights

We have a dedicated team that analyzes and monitors existing and future customer profiles and requirements, industry economics, property market trends and government policies. This team identifies areas which it believes have future growth potential. We also use the feedback we receive from customers, along with our relationships with property consultants, constructors, sub-contractors and suppliers, to assess future market demand and industry outlook. After we have identified a potential development site, we evaluate and estimate the costs which will be incurred for the development of the project. This process is jointly undertaken by the project development department and our team which identified the land.

Prior to undertaking each project, we conduct due diligence and assessment exercises in relation to immovable properties and financial viability of the project. Once we have identified a plot that may be suitable for development, our local counsel conducts due diligence in respect of land we intend to develop, including a review of land records, planning records and ownership records. During the course of our due diligence, we carry out various technical and approval-related due diligence, and wherever possible, we seek to obtain conversion of land into commercial land parcel and receive requisite approvals to commence constructions during the course of our due diligence. Assuming that our investigations reveal no significant problems with the identified land, we enter into negotiations to seek to reach a preliminary agreement with the landowners to acquire the land.

Obtaining consents, authorizations and approvals

Once we have identified and reached an agreement to acquire title to the land, we seek requisite governmental and regulatory consents, sanctions, authorizations and approvals, including siting, development plan and environmental approvals. We believe our experience in working with governmental and regulatory authorities to obtain such approvals has given us an understanding of the regulatory regime in which we operate, thereby enabling us to obtain requisite approvals on a timely basis and to obtain approvals for the development of the maximum permitted square footage for a given plot size.

Project preparation, including design and architecture

After a detailed review of the site parameters, project cost estimate and project development timetable, we formalize an architectural brief which is subsequently finalized either internally or with selected external architects and consultants, depending on the size and complexity of the project.

Project execution

Each of the project-specific companies will enter into an engineering, procurement and construction contract or work order with various contractors for the engineering, procurement and construction of the project. We closely monitor the development process, construction, quality, safety, actual and estimated project costs and construction schedules.

Financial closure and drawdown of our financing facilities

We typically fund our projects through project-specific bank borrowings. We defer the drawdown under our financing facilities until the structure of our under-construction properties reaches above ground level and fund the initial project related costs, including purchase of land, FSI/TDI purchases and cost of approvals, excavation, foundation and basement structure, by subscribing for or selling equity shares or from our operating cash flows.

Marketing, including sales or leasing, and post-completion

Our sales and marketing department is responsible for procuring customers for the units in our retail developments. Our units are leased through word of mouth, newspapers, internet and billboard advertising, launch events and corporate presentations.

We seek to foster good relations with our customers. In each of our retail developments, we provide our customers with a pre-occupancy inspection accompanied by our site engineers.

Residential Sales Process

We have established a sales process for our residential developments pursuant to which our sales and collections teams engage with prospective purchasers of our residential apartments, whether directly or through real estate brokers and/or agents. Generally, purchasers enter into agreements with the Company and/or the relevant project specific Subsidiary or Associate for the purchase of the relevant apartment that they are looking to acquire and pay an up-front deposit of a percentage amount of the agreed sale price of the apartment. During construction of the residential development, purchasers will then make incremental payments on completion of certain key construction milestones and once possession is handed over to them. Our sales team has flexibility in the sales process to deal with the individual circumstances of different purchasers so as to ensure purchaser satisfaction and an optimal result for both the purchaser and the Company on a case by case basis.

Banks and financial institutions approve our residential projects based on the permissions and approvals received from statutory bodies and may agree to finance a purchaser of an apartment within such a project based on the repayment capacity of such purchaser. The banks and financial institutions will then directly pay us contracted installments on behalf of the relevant purchaser, as per the agreed payment schedule.

Awards and Recognitions

We have won several awards for our retail, residential, commercial and hospitality projects, including:

Development/ Project	Name of Award	Awarded By	Year of Award
Retail			
High Street Phoenix and Palladium	Most admired shopping centre of the year - National	Times Network	2018
	Shopping centre of the year Luxury	Times Network	2018
	Shopping centre of the year Luxury West	CMO Asia	2018
	Best Digital Marketing Campaign of the year - HSPWISHCIRCLE (Palladium)	CMO Asia	2018
	For Brand excellence in Retail & Real Estate Sector	Golden Globe Tigers	2019
	Brand Excellence Awards	ABP News Awards	2019
	Best festive décor	TAVF Awards	2019
	Most admired shopping centre of the year - marketing and consumer promotions	ET Now	2020
	Shopping centre of the year	ET Now	2020
	Most admired shopping centre of the year - Retailers Choice (Palladium)	BTVI	2020
	Shopping centre of the year Luxury West (Palladium)	BTVI	2020
	Best Retail Estate Developer Shopping Malls (HSP and Palladium)	BTVI	2020
	Most admired shopping centre of the year - National	Times Network	2019
Phoenix MarketCity, Bangalore	Shopping centre of the year Metros (South)	The Golden Globe Tigers Awards	2019
	Best Thematic Decoration Tallest Christmas Tree in the Country	A Times Network	2018
	The Time Trailblazers Award	Times Business Award	2019
	Best IP of the year - Phoenix Festival Season 2	TAVF Awards	2020
	Most Admired Marketing Campaign of the Year - Holiday Land	BTVI	2020
	Most admired shopping centre of the year	Times Business Award	2019
	Excellence and Leadership in Branding & Marketing Market Leadership Award.	The Golden Globe Tiger	2019
	Most Admired Marketing Campaign of the Year - Phoenix Festival Season 2	ET Now	2019
Phoenix MarketCity and Palladium Chennai	Most Luxurious Shopping Destination of the year (Palladium)	Times retail icon award	2019
	Largest Cricket BAT (PMC Chennai & Palladium)	Guinness World Records	2019
	Best Shopping Mall (PMC Chennai)	Times Retail Icon Award	2019
	Best Customer Shopping Mall (PMC Chennai)	Global Awards	2020
	Shopping Centre (Luxury) (Palladium Chennai)	Global Awards	2020
Phoenix MarketCity, Mumbai	Best Customer experience - shopping mall	CMO Asia	2018
	Best digital marketing campaign - #HAUTESPRING	CMO Asia	2018

Development/ Project	Name of Award	Awarded By	Year of Award
	Shopping centre of the year west	CMO Asia	2018
	Iconic mall of central suburbs	Mid day	2018
	Popular Shopping Mall	ET Business Icon Awards	2019
	Best Shopping Mall of the Country	GIAA - Genius Indian Achievers Award	2019
	Popular F&B Destination of the City - Dublin Square	Times Hospitality Icon Award	2019
	Best Entertainment Venue	TAVF Awards	2019
	Safe Retail Facility Award	HSE Summit & Awards India	2019
Phoenix MarketCity, Pune	Shopping Centre of the Year	Pride of Maharashtra Awards	2018
	Best Social Media Marketing Campaign	Pride of Maharashtra Awards	2019
	Most Admired Shopping Centre of the year	Asian Shopping Mall Leadership Awards	2018
	Luxury Mall of Maharashtra	My Maharashtra Awards	2019
	Best Festive Décor - Sheesh Mahal	TAVF Awards	2019
	The Good Life Moment - The most Admired Marketing Campaign of the Year	BTVI National Awards for Marketing Excellence	2019
	Best Thematic Décor - Wax Of Fame	BTVI National Awards for Marketing Excellence	2019
	Marketing Campaign of the year – Royal Diwali	ABP news presents Brand Excellence Awards	2019
	Shopping Centre (Luxury West)	ET Now - Global Awards	2019
Phoenix United, Lucknow	Most admired shopping centre of the year - Non Metro North	Images Shopping Centre Awards	2019
	Most admired shopping centre of the year - retailers choice	Global awards	2019
	Most admired shopping centre	Pride of Uttar Pradesh	2019
	Most admired food court of the year	Images food service award	2019
	Best turn around centre	Umbrella Aegis	2019
	Best Activation Campaign	Umbrella Aegis	2019
	Shopping Centre of the Year	Pride of Uttar Pradesh	2020
Residential			
Kessaku	Luxury Project of the year	Estrade Real Estate Award	2016
	Developer Website India	Asia Pacific Development Property Awards	2018
	Best Uber Luxury Project	Times Business Awards 2019	2019
	Bengaluru Brand Summit & HOT Brands 2019	Paul Writer	2019
	Residential High Rise Development	Asia Pacific Development Property Awards	2020
One Bangalore West	Special Mention for Search Marketing Campaign	Masters of Modern Marketing Awards	2018
	Best Luxury Residential Project	Confederation of Real Estate Associates, CREA (I)	2018
	Best Online Advertisement Campaign	3rd Edition Digital Enterprises Awards	2019
	Developer Website	Asia Pacific Property Awards	2020
	Marketing Campaign of the year	Stars of the Industry Awards	2019
Hospitality			
The St. Regis, Mumbai	Best Restaurant Design (5 Star Hotel) - Yuuka	Food Food Awards	2018
	Best World Cuisine Restaurant (5 Star Hotel) - Seven Kitchen	Food Food Awards	2018
	Excellence in Restaurant Wine Program	India Wine Awards	2018
	Best Bar & Lounge (5 Star Hotel - Luna)	Food Food Awards (South & West)	2019
	Best Indian - Premium Dining (South Mumbai) - Sahib Room & Kipling Bar	Times Food Nightlife Awards	2019
	Best Oriental & Japanese (Premium Dining South Mumbai) - By the Mekong	Times Food Nightlife Awards	2019
	INCA F&B Director of the Year - Sharad Singh	India Nightlife Convention & Awards	2019
Courtyard by Marriott, Agra	Highest External Ready Talent	APEC Region	2018
	The Best Indian Speciality Restaurant Agra	Food & Hospitality Awards	2018
	9.1 out of 10 - Hotels.com	Loved by Guest Awards	2019
	Best 5 Star Hotel of the year	UP Hotel Industry Leadership Awards	2019
	Best Employer Brands Awards	14th Employer Brands Awards	2019
	Top 10% of Hotels Worldwide	Trip Advisor Travelers Choice Awards	2020

Competition

The real estate development industry in India, while fragmented and regionalized, is highly competitive. We face competition in the cities where our business activities are presently focused, from various Indian retail, commercial, residential and hospitality development and operating companies. Our retail mall competitors in India include the DLF, Prestige and Blackstone India groups.

Given our strategy of expanding our business activities to include real estate development in other cities, we face competition from various Indian commercial and retail real estate investment and development companies with significant operations elsewhere in India. Given the fragmented nature of the real estate development industry in India, we often do not have adequate information about the projects our competitors are developing and accordingly, we run the risk of underestimating supply in the market. As we seek to diversify our regional focus, we face the risk that some of our competitors, who are also engaged in real estate development, may be better known in other markets, enjoy better relationships with landowners and international or domestic joint venture partners, gain early access to information regarding attractive parcels of land and be better placed to acquire such land. We and certain of our retail tenants compete with other retail distribution channels, including e-commerce, department stores and malls, in attracting customers. Moreover, we compete with an increasing number of commercial real estate developers. Increasing competition could result in price and supply volatility, which could cause our business to suffer. We may also face competition in the future from certain foreign real estate development companies operating in India or which may in the future enter the Indian market.

Information Technology

We use information technology systems to ensure operational efficiency and security, cost reduction, better customer service, smooth and continuous supply of information and growth in communication capabilities and method. With respect to our retail mall business, we use a real estate investment and property investment software, "Yardi", which enables us to manage our business processes including procurement, accounting, inventory management and budgeting. We also use "Pathfinder" to record all the transactions of our retailer tenants, which allows us to analyze our revenue sharing model. With respect to our hospitality business, we use a property management system, "Opera" to manage day-to-day activities in our hotel operations i.e., from handling reservations to managing accounting and billing. With respect to our residential business, we use enterprise resource system and customer relationship management solutions such as In4velocity systems to manage our business processes, budgeting, construction management and account and finance. We also use functional software program such as AutoCAD, Adobe, Microsoft Project and Google SketchUp (to execute phases of our construction activities). Additionally, we use a cloud-based software, Oracle Human Capital Management in order to effectively manage our human resource assets.

Insurance

We maintain insurance coverage with several Indian insurance companies. The insurance that we procure varies with respect to project and largely includes coverage for property damage and business interruption risks such as standard fire and special perils and consequential loss (fire). Additionally, we also maintain policies in relation to directors' and officers' liability, comprehensive general liability, cyber protect digital business and cyber security insurance, commercial crime insurance and art insurance.

Employees

As of June 30, 2020, the Company, its Subsidiaries and Associates have a total of 1,845 employees. None of our employees are represented by any labour or workers' unions. Since commencement of our real estate development operations, we have not experienced any work stoppages or strikes.

We believe that a skilled and motivated employee base is essential for our competitive advantage. As such, and also to ensure that our employees have the training and tools needed to be successful in today's competitive environment, we are committed to building teams and invest resources in the development of the expertise and know-how of our employees as well as in employee satisfaction.

Environment, Health and Safety

We are committed to provide a safe and healthy environment to all our employees, contractors, tenants and their customers, residents and visitors by conforming to applicable health, safety and environmental legislations, standards and other requirements in our operations. To ensure the effective implementation of our EHS management system, we emphasize on eliminating hazards and reducing risks with respect to our operations by providing awareness and training to our employees and our contractors' employees to enable them to execute their work in a safe manner. We also perform periodic internal and external audit of our work procedures.

We encourage our employees to work proactively toward eliminating or minimizing the impact of hazards to people and the environment. We encourage the adoption of occupational health and safety procedures as an integral part of our operations.

Intellectual Property

We have a total of 166 registered trademarks held either directly by us or through our Subsidiaries including the trademarks "High Street Phoenix", "Phoenix MarketCity" and the Phoenix logo-bird. We have a total of 31 trademarks that are pending registration, which have been applied for directly by us or through our Subsidiaries. Please refer to "*Risk Factors – Internal Risks - Some of the marks used by us are pending registration and the inability to use any such mark could adversely affect our business and results of operations*" on page 61.

Corporate Social Responsibility

In accordance with Section 135 of the Companies Act, 2013, the Board has formed a Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee has framed a CSR policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by Central Government. Our CSR activities are focused in the areas of health care and sanitation, education, ensuring environmental sustainability, women empowerment, conservation of natural resources, rural development and promotion and development of traditional arts and handicrafts. We also contribute to the Prime Minister's National Relief Fund or any other fund set up by the Government for socio-economic development and welfare of the socially and economically backward groups.

Properties

The corporate office of our Company is located at Shree Laxmi Woolen Mills Estate, second Floor, R.R. Hosiery Building, Off. Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, Maharashtra, India. For details of our retail, commercial office, residential and hospitality projects, please refer to *"— Our Developments"* on page 156.

ORGANIZATIONAL STRUCTURE

Corporate History

Our Company was incorporated under the Indian Companies Act, 1882, by the Registrar of Joint Stock Companies, Bombay on January 27, 1905, as The Phoenix Mills Limited, a company with limited liability. The CIN of our Company is L17100MH1905PLC000200.

The registered office of our Company is located at 462, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India. The corporate office of our Company is located at Shree Laxmi Woolen Mills Estate, 2nd Floor, R.R. Hosiery Building, Off. Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, Maharashtra, India.

Organizational Structure

As of the date of this Preliminary Placement Document, our Subsidiaries and Associates are as set forth below:

THE PHOENIX MILLS LIMITED

SUBSIDIARIES

1. Alliance Spaces Private Limited#
2. Alyssum Developers Private Limited*
3. Bellona Hospitality Services Limited
4. Big Apple Real Estate Private Limited
5. Blackwood Developers Private Limited**
6. Butala Farm Lands Private Limited
7. Enhance Holdings Private Limited
8. Gangetic Developers Private Limited**
9. Graceworks Realty and Leisure Private Limited#
10. Island Star Mall Developers Private Limited
11. Insight Mall Developers Private Limited*
12. Market City Management Private Limited
13. Market City Resources Private Limited
14. Mugwort Land Holdings Private Limited
15. Offbeat Developers Private Limited
16. Palladium Constructions Private Limited
17. Pallazzio Hotels and Leisure Limited
18. Phoenix Hospitality Company Private Limited
19. Pinnacle Real Estate Development Private Limited
20. Plutocrat Commercial Real Estate Private Limited
21. Sangam Infrabuild Corporation Private Limited**
22. Savannah Phoenix Private Limited
23. Sparkle One Mall Developers Private Limited*
24. Upal Developers Private Limited**
25. Mindstone Mall Developers Private Limited***
26. Destiny Retail Mall Developers Private Limited
27. Sparkle Two Mall Developers Private Limited*
28. Vamona Developers Private Limited
29. Rentcierge Developers Private Limited***
30. SGH Realty LLP
31. True Value Infrabuild LLP

ASSOCIATES

1. Classic Housing Projects Private Limited
2. Classic Mall Development Company Limited
3. Starboard Hotels Private Limited#
4. Mirabel Entertainment Private Limited#
5. Columbus Investment Advisory Private Limited^

**subsidiary of Island Star Mall Developers Private Limited*
***subsidiary of Big Apple Real Estate Private Limited*
****subsidiary of Offbeat Developers Private Limited*
#subsidiary/associate of Phoenix Hospitality Company Private Limited
^associate of Market City Resources Private Limited

The scheme of amalgamation amongst our Company and PHCPL

Our Board, pursuant to their resolution dated August 7, 2019, has approved a scheme of amalgamation between our Company and one of our Subsidiaries, Phoenix Hospitality Company Private Limited ("**PHCPL**"), in terms of Sections 230 to 232 of the Companies Act, 2013 ("**PHCPL Amalgamation Scheme**"), and the Company filed applications dated August 30, 2019, with the Stock Exchanges (along with the PHCPL Amalgamation Scheme) for obtaining their no-objection/observation letters, in accordance with Regulation 37 of the SEBI Listing Regulations. In response to the same, the Stock Exchanges provided their no-objection vide letters each dated November 4, 2019. Thereafter, our Company filed the PHCPL Amalgamation Scheme before the National Company Law Tribunal, Mumbai Bench ("**NCLT**") on December 17, 2019. The NCLT, *vide* its order dated May 4, 2020, admitted the PHCPL Amalgamation Scheme and directed that the Shareholders' meeting be held on July 17, 2020, for the purpose of approving the PHCPL Amalgamation Scheme. Subsequently, the Company filed an application dated July 8, 2020, with the NCLT, seeking an extension for holding the Shareholders' meeting. The matter is currently pending.

Upon the PHCPL Amalgamation Scheme becoming effective, please note that (i) certain of our Subsidiaries namely, Alliance Spaces Private Limited, Graceworks Realty and Leisure Private Limited and Palladium Constructions Private Limited, would become our wholly owned subsidiaries.

For further details in relation to the PHCPL Amalgamation Scheme, please see the section entitled "*Capital Structure*" on page 74.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the Articles of Association, our Company is required to have not less than three and not more than 15 Directors, provided that our Company may appoint more than 15 Directors after passing a special resolution in a general meeting of Shareholders. As on the date of this Preliminary Placement Document, our Board comprises of eight Directors which includes three Executive Directors, one Non-Executive Director and four Independent Directors.

The following table sets forth details regarding our Board of Directors:

Sr. no.	Name, Age, Address, Occupation, DIN and Nationality	Designation and Term
1.	**Atul Ruia** **Age:** 49 **Address:** Ruia House, 19, Bhau Saheb Hire Marg, Malabar Hill, Mumbai – 400 006, Maharashtra, India. **Occupation:** Business **DIN:** 00087396 **Nationality:** Indian	**Designation**: Chairman and Non-Executive Director **Term:** Not liable to retire by rotation
2.	**Shishir Shrivastava** **Age:** 44 **Address:** 1/1, Prakash CHS, Relief Road, Santacruz (West), Mumbai – 400 054, Maharashtra, India. **Occupation:** Service **DIN:** 01266095 **Nationality:** Indian	**Designation:** Managing Director **Term:** Five years with effect from July 30, 2016 and liable to retire by rotation
3.	**Pradumna Kanodia** **Age:** 55 **Address:** 1003, 10th Floor, B-Wing, Phoenix Towers, 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India. **Occupation:** Service **DIN:** 01602690 **Nationality:** Indian	**Designation:** Director – Finance and Chief Financial Officer **Term:** Five years with effect from April 28, 2016 and liable to retire by rotation
4.	**Rajendra Kalkar** **Age:** 52 **Address:** 803 B, Phoenix Tower, Senapati Bapat Marg, Lower Parel, Delisle Road, Mumbai – 400 013, Maharashtra, India **Occupation:** Service **DIN:** 03269314 **Nationality:** Indian	**Designation:** Whole – Time Director **Term:** Five years with effect from December 10, 2018 and liable to retire by rotation
5.	**Amit Dalal** **Age:** 57	**Designation:** Independent Director **Term:** Five years with effect from

Sr. no.	Name, Age, Address, Occupation, DIN and Nationality	Designation and Term
	Address: 81, Sherman, 22, Narayan Dhabolkar Road, Mumbai – 400 006, Maharashtra, India. **Occupation:** Service **DIN:** 00297603 **Nationality:** Indian	April 1, 2019
6.	**Amit Dabriwala** **Age:** 47 **Address:** 43A, Anita Building, Mount Pleasant Road, Opp. Varsha Bungalow, Malabar Hill, Mumbai – 400 006, Maharashtra, India. **Occupation:** Service **DIN:** 00164763 **Nationality:** Indian	**Designation:** Independent Director **Term:** Five years with effect from April 1, 2019
7.	**Sivaramakrishnan Iyer** **Age:** 53 **Address:** B-1901, Runwal Pride, Behind R-Mall, LBS Marg, Mulund (West), Mumbai – 400 080, Maharashtra, India. **Occupation:** Business **DIN:** 00503487 **Nationality:** Indian	**Designation:** Independent Director **Term:** Five years with effect from April 1, 2019
8.	**Shweta Vyas** **Age:** 39 **Address:** T 02, Soudamini Apartments, Kanakapura Main Road, Udayapura, A Block, Bengaluru – 560 082, Karnataka, India. **Occupation:** Service **DIN:** 06996110 **Nationality:** Indian	**Designation:** Additional Independent Director **Term:** Five years with effect from October 14, 2019, subject to approval of members at general meeting

Relationship between our Directors

None of the Directors are related to any other Director.

Brief Biographies of our Directors

Atul Ruia, aged 49, is the Chairman and Non-Executive Director of our Company. He holds a bachelor's degree of science in economics from the University of Pennsylvania. He was involved in launching High Street Phoenix at Lower Parel, Mumbai and has been involved in establishing the Phoenix Market City projects across India. Currently, he is a member of the board of directors of other companies such as R.R. Hosiery Private Limited and Ashok Apparels Private Limited. He has been a member of our Board since November 19, 1996.

Shishir Shrivastava, aged 44, is the Managing Director of our Company. He holds a diploma in hotel management and catering technology from the National Council for Hotel Management and Catering Technology, New Delhi. He has been with our Company since 2002 in various capacities in the areas of corporate strategy, private equity fund raising and investor relations. He was involved in launching High Street Phoenix at Lower Parel, Mumbai. He has been involved in establishing the Phoenix Market City projects across India. He was involved in the re-branding of the Palladium Hotel to The St. Regis, Mumbai. Currently, he is a member of the board of directors of other companies such as Pallazzio Hotels and Leisure Limited and Upal Hotels Private Limited. He has been a member of our Board since March 18, 2010.

Pradumna Kanodia, aged 55, is the Director - Finance and Chief Financial Officer of our Company. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Company Secretaries of India. In our Company, he heads the finance and accounts teams and plays a role in fund raising and liaising with banks for debt funding. Currently, he is a member of the board of directors of other companies such as Acme Hospitality Services Private Limited and Pallazzio Hotels and Leisure Limited. He has been a member of our Board since April 28, 2011.

Rajendra Kalkar, aged 52, is the Whole – Time Director of our Company. He holds a bachelor's degree in electrical engineering from Rajasthan University, and a post graduate diploma in export marketing management from the Baroda Productivity Council. Currently, he is a member of the board of directors of other companies such as Big Apple Real Estate Private Limited and Mugwort Land Holdings Private Limited. He has oversight of High Street Phoenix Centre with a focus on future development of the property. He additionally manages several corporate responsibilities for all operational malls. He has been a member of our Board since December 10, 2018.

Amit Dalal, aged 57, is an Independent Director of our Company. He holds a master's degree in business administration from the University of Massachusetts, United States of America. He has also been an executive director at Tata Investment Corporation Limited since January 1, 2010. Currently, he is a member of the board of directors of other companies such as Simto Investment Company Limited and Sutlej Textiles and Industries Limited. He has been a member of our Board since February 21, 2007.

Amit Dabriwala, aged 47, is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Calcutta. He is the managing director of United Credit Securities Limited, and has been associated with the capital markets since 1996. He is a member of the board of directors of other companies such as Alyssum Developers Private Limited and Vamona Developers Private Limited. He has been a member of our Board since December 31, 2005.

Sivaramakrishnan Iyer, aged 53, is an Independent Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India Currently, he is a member of the board of directors of other companies including Praj Industries Limited and Samco Ventures Private Limited. He has been a member of our Board since October 31, 2006.

Shweta Vyas, aged 39, is an additional Independent Director of our Company. She holds a bachelor's degree in commerce from the University of Mumbai and a post graduate diploma in business management from the K. J. Somaiya Institute of Management Studies and Research. She has worked in the international private banking department at Barclays Wealth, India and in the banking department at Standard Chartered Bank, India. She was also associated with Birla Sun Life Insurance Company Limited as an agency manager. She is associated with The Art of Living foundation and is actively involved with its corporate training arm. She is a member of the board of directors of other companies such as Island Star Mall Developers Private Limited and Alyssum Developers Private Limited. She has been a member of our Board since October 14, 2014.

Confirmations

Neither our Promoter nor any of our Directors is a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Borrowing Powers of our Board

Pursuant to a special resolution passed by the Shareholders on August 26, 2014 and in accordance with provisions of the Companies Act, 2013, the Board has been authorised to borrow monies in excess of the aggregate paid-up capital and free reserves of our Company, i.e. reserves not set apart for any specific purpose, and provided that the total amount borrowed or to be borrowed by the Board shall not, at any time, exceed the limit of ₹ 12,500 million.

Terms of Appointment of the Executive Directors and the Non-Executive Director

The appointment of Atul Ruia, Shishir Srivastava, Pradumna Kanodia and Rajendra Kalkar are governed by the resolutions passed by our Board and Shareholders, which cover the terms of such appointment and are implemented in conjunction with the service rules of our Company. Remuneration paid to them, which are recommended by the Nomination and Remuneration Committee and approved by the Board, are within the limits set by the Shareholders in their general meetings.

Set forth below are details of the compensation (and other terms and benefits) paid by our Company to Atul Ruia, Shishir Srivastava, Pradumna Kanodia and Rajendra Kalkar during the current financial year and the last three financial years:

Payment or benefit to Directors

The remuneration paid to our Directors for the current Fiscal and Fiscals 2020, 2019 and 2018 are as follows:

1. Remuneration paid to Executive Directors and Non-Executive Director:

The details of the remuneration paid to the Executive Directors and the Non-Executive Director for the current Fiscal and Fiscals 2020, 2019 and 2018 are set forth in the table below:

(*₹ in million*)

Sr. no.	Name of the Director	Fiscal 2021 (for the four months ended July 31, 2020)	Fiscal 2020	Fiscal 2019	Fiscal 2018
1.	Atul Ruia*	-	63.55	19.97	10.16
2.	Shishir Srivastava**	-	-	-	-
3.	Pradumna Kanodia***	-	-	-	-
4.	Rajendra Kalkar****	1.46	11.15	2.84	-
5.	Ashokkumar Ruia*****	-	-	47.37	10.16

** Atul Ruia was redesignated as a Non-Executive Director on December 11, 2019, and does not draw any remuneration from the Company as per the terms of his appointment approved by the Board.*
*** Shishir Srivastava does not draw any remuneration from the Company as per the terms of his appointment approved by the Shareholders.*
**** Pradumna Kanodia does not draw any remuneration from the Company as per the terms of his appointment approved by the Shareholders.*
***** Rajendra Kalkar was appointed to the Board as a Director on December 10, 2018.*
****** Ashokkumar Ruia retired as the Chairman and Managing Director of the Company with effect from August 8, 2018.*

2. Remuneration paid to Independent Directors:

The details of the remuneration (which includes sitting fees and commission) paid to the Independent Directors for the current Fiscal and Fiscals 2020, 2019 and 2018, are set forth in the table below:

(*₹ in million*)

Sr. no.	Name of the Director	Fiscal 2021 (for the four months ended July 31, 2020)	Fiscal 2020	Fiscal 2019	Fiscal 2018
1.	Amit Dalal	0.06	0.42	0.63	0.45
2.	Amit Dabriwala	0.09	0.56	0.80	0.60
3.	Sivaramakrishnan Iyer	0.06	0.48	0.51	0.42
4.	Shweta Vyas	0.09	0.56	0.72	0.51

Shareholding of Directors in our Company

Other than as stated below, none of the Directors hold any Equity Shares in the Company, as of the date of filing this Preliminary Placement Document:

Sr. no.	Name of the Director	No. of Equity Shares Held	% of the issued and paid-up Equity Share capital
1.	Atul Ruia	3,957,737	2.58
2.	Shishir Srivastava	78,301*	0.05
3.	Rajendra Kalkar	500**	Negligible

** Additionally, Shishir Srivastava holds 11,000 stock options which were granted under the ESOP 2007.*
*** Additionally, Rajendra Kalkar holds 54,000 stock options which were granted under the ESOP 2007.*

Interest of Directors

Our Directors may be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, or to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, out of the present Issue in terms of this Preliminary Placement Document. For details of the Equity Shares held by our Directors, please refer to "– *Shareholding of Directors in our Company*" above. Our Directors may also to be interested to the extent of their remuneration, reimbursement of expenses, perquisites and other benefits to which they are entitled as per their terms of appointment. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members. Our Independent Directors may also be deemed to be interested to the extent of sitting fees and commission payable to them for attending meetings of the Board or committees thereof as well as to the extent of remuneration and other reimbursement of expenses payable to them.

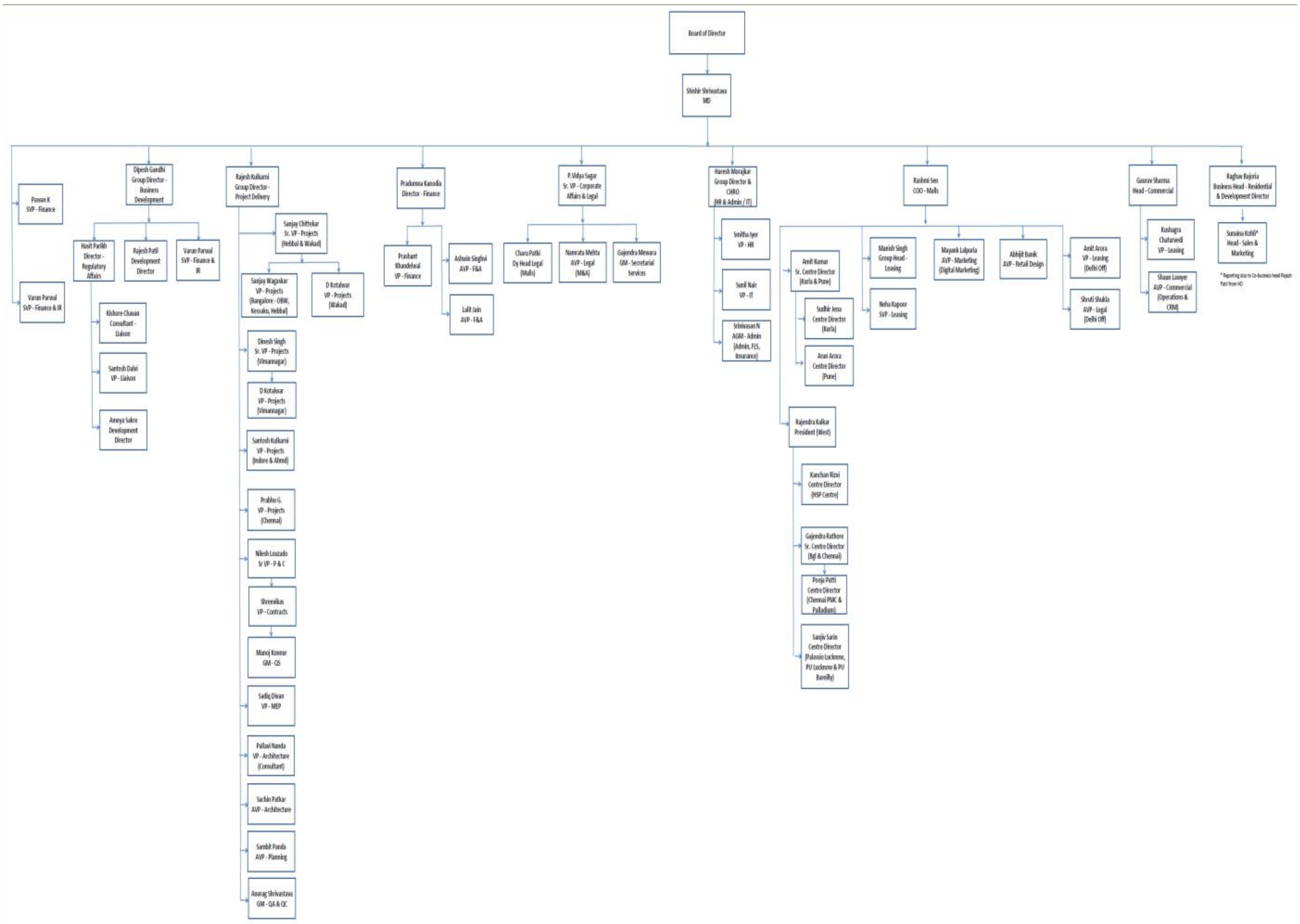
Our Executive Directors and Non-Executive Director may also be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Related Party Transactions

For details in relation to the related party transactions entered into by the Directors with our Company during the last three Fiscals immediately preceding the year of circulation of this Preliminary Placement Document, please see the sections entitled "*Financial Information*" and "*Related Party Transactions*" on pages 253 and 47 respectively.

Management Organisation Structure



Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Corporate Social Responsibility Committee; and (v) Risk Management Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

Sr. no.	Committee	Name and Designation of Members
1.	Audit Committee	(1) Amit Dabriwala, Chairperson (2) Atul Ruia, Member (3) Shweta Vyas, Member
2.	Nomination and Remuneration Committee	(1) Shweta Vyas, Chairperson (2) Atul Ruia, Member (3) Amit Dabriwala, Member (4) Sivaramakrishnan Iyer, Member
3.	Stakeholders' Relationship Committee	(1) Amit Dabriwala, Chairperson (2) Atul Ruia, Member (3) Shishir Shrivastava, Member
4.	Corporate Social Responsibility Committee	(1) Atul Ruia, Chairperson (2) Pradumna Kanodia, Member (3) Shweta Vyas, Member
5.	Risk Management Committee	(1) Atul Ruia, Chairperson (2) Shishir Shrivastava, Member (3) Pradumna Kanodia, Member (4) Rajendra Kalkar, Member

Key Managerial Personnel

In addition to Shishir Shrivastava, Managing Director of our Company, Pradumna Kanodia, Director – Finance and Chief Financial Officer of our Company and Rajendra Kalkar, Whole – Time Director of our Company, Gajendra Mewara, Company Secretary and Compliance Officer of our Company, is a Key Managerial Personnel. For details of the brief biographies of our Executive Directors, please see "*Brief biographies of our Directors*" on page 183. The brief biography of Gajendra Mewara is given below:

Gajendra Mewara, aged 36, is the Company Secretary and Compliance Officer of the Company. He holds a bachelor's degree in commerce and a bachelor's degree in law from Jai Narain Vyas University, Jodhpur, and is also an associate member of The Institute of Company Secretaries of India. He has over ten years of experience in the secretarial, legal and compliance domain, having worked in the organizations such as Birla Sun Life Insurance Company Limited and Metropolis Healthcare Limited. His last assignment was with Mahindra & Mahindra Limited. He has been associated with our Company since December 19, 2018.

None of the above mentioned Key Managerial Personnel are related to each other and neither are they related to our Promoter or Directors.

All our Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

Except as disclosed below and under " – *Shareholding of Directors in our Company*" on page 185, none of the Key Managerial Personnel hold any Equity Shares as on the date of this Preliminary Placement Document.

Sr. no.	Name of the Key Managerial Personnel	No. of Equity Shares Held	% of the issued and paid-up Equity Share capital
1.	Gajendra Mewara	25	Negligible

Interests of Key Managerial Personnel

Other than the interest of the Managing Director and whole-time Directors of our Company, as disclosed under the section entitled "*Board of Directors and Key Managerial Personnel - Interest of Directors*" on page 186, the Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. The key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, to the extent of any Equity Shares held by them.

Other Confirmations

None of the Directors, Promoter or Key Managerial Personnel has any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interest of other persons.

Neither our Company, nor the Directors or Promoter have been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters as defined under the SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoter are debarred from accessing capital markets under any order or direction made by SEBI.

None of our Directors, Promoter or Key Managerial Personnel of our Company intends to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9(1) of the SEBI Insider Trading Regulations applies to our Company and its employees and requires our Company to implement a code of internal procedures and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading, which lays down the procedure for preserving the confidentiality of unpublished price sensitive information, and preventing misuse of such information.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on August 14, 2020, and June 30, 2020, are set forth below.

As on August 14, 2020:

Table I - Summary Statement holding of specified securities:

Category of shareholder (I)	Nos. of shareholders (II)	No. of fully paid up equity shares held (III)	No. of shares underlying Depository Receipts (IV)	Total nos. shares held (V) = (III)+(IV)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VI) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (VIII)
								No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	8	90,714,487	0	90,714,487	59.11	90,714,487	59.11	0	0	0	0	90,714,487
(B) Public	16,138	62,751,703	0	62,751,703	40.89	62,751,703	40.89	0	0	NA	NA	62,445,931
(C) Non Promoter- Non Public	0	0	0	0	0	0	0	0	0	NA	NA	0
(C1) Shares underlying DRs	0	0	0	0	0.00	0	0.00	0	0	NA	NA	0
(C2) Shares held by Employee Trusts	0	0	0	0	0.00	0	0.00	0	0	NA	NA	0
Total	16,146	153,466,190	0	153,466,190	100.00	153,466,190	100.00	0	0	0	0	153,160,418

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group:

Category & Name of the Shareholders (I)	No. of shareholder (II)	No. of fully paid up equity shares held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V = III+IV)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered* (VIII)		Number of equity shares held in dematerialized form (IX)
								No.	As a % of total Shares held	No.	As a % of total shares held	
Indian												
Individuals/Hindu undivided Family	3	4,505,525	0	4,505,525	2.94	4,505,525	2.94	0	0.00	0	0.00	4,505,525
Atul Ashokkumar Ruia	1	3,957,737	0	3,957,737	2.58	3,957,737	2.58	0	0.00	0	0.00	3,957,737
Amla Ashokkumar Ruia	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Gayatri Atul Ruia	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Atul Ruia Family Trust (Ashokkumar Radhakrishna Ruia Holding as Trustee for Atul Ruia Family Trust)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Ashok Ruia Family Trust (Atul Ashokkumar Ruia Holding as Trustee for Ashok Ruia Family Trust)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Sharanya A. Ruia Beneficiary Trust	1	278,935	0	278,935	0.18	278,935	0.18	0	0.00	0	0.00	278,935
Sharmila Dalmia	1	268,853	0	268,853	0.18	268,853	0.18	0	0.00	0	0.00	268,853
Central Government/ State Government(s)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Financial Institutions/ Banks	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Any Other (specify)	5	86,208,962	0	86,208,962	56.17	86,208,962	56.17	0	0	0	0.00	86,208,962

Category & Name of the Shareholders (I)	No. of shareholder (II)	No. of fully paid up equity shares held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V = III+IV)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered* (VIII)		Number of equity shares held in dematerialized form (IX)
								No.	As a % of total Shares held	No.	As a % of total shares held	
Bodies Corporate	5	86,208,962	0	86,208,962	56.17	86,208,962	56.17	0	0	0	0.00	86,208,962
Ruia International Holding Company Private Limited	1	49,347,248	0	49,347,248	32.16	49,347,248	32.16	0	0.00	0	0.00	49,347,248
Senior Advisory Services Private Limited (Formerly known as Senior Holding Private Limited)	1	15,490,049	0	15,490,049	10.09	15,490,049	10.09	0	0.00	0	0.00	15,490,049
Radhakrishna Ramnarain Private Limited	1	11,667,800	0	11,667,800	7.60	11,667,800	7.60	0	0.00	0	0.00	11,667,800
Ashok Apparels Private Limited	1	9,670,665	0	9,670,665	6.30	9,670,665	6.30	0	0.00	0	0.00	9,670,665
Ashton Real Estate Development Private Limited	1	33,200	0	33,200	0.02	33200	0.02	0	0.00	0	0.00	33,200
Sub-Total (A)(1)	8	90,714,487	0	90,714,487	59.11	90,714,487	59.11	0	0.00	0	0.00	90,714,487
Foreign	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Government	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Institutions	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Foreign Portfolio Investor	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Any Other (specify)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Sub-Total (A)(2)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Total Shareholding	8	90,714,487	0	90,714,487	59.11	90,714,487	59.11	0	0	0	0	90,714,487

Category & Name of the Shareholders (I)	No. of shareholder (II)	No. of fully paid up equity shares held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V = III+IV)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered* (VIII)		Number of equity shares held in dematerialized form (IX)
								No.	As a % of total Shares held	No.	As a % of total shares held	
of Promoter and Promoter Group (A)= (A)(1)+(A)(2)												

** The term encumbrance has the same meaning as assigned to it in Regulation 28(3) of the SEBI Takeover Regulations.*

Table III - Statement showing shareholding pattern of the Public shareholder:

Category & Name of the Shareholders (I)	Nos. of shareholder (II)	No. of fully paid up equity share s held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V= III+IV)	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered (VIII)		Number of equity shares held in dematerialized form (IX)
								No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
Mutual Funds/	16	16,684,138	0	16,684,138	10.87	16,684,138	10.87	0	0.00	NA	NA	15,589,781
Venture Capital Funds	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Alternate Investment Funds	6	940,408	0	940,408	0.61	940,408	0.61	0	0.00	NA	NA	940,408
Foreign Venture Capital Investors	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Foreign Portfolio Investors	167	38,037,795	0	38,037,795	24.79	38,037,795	24.79	0	0.00	NA	NA	39,496,483
Financial Institutions/ Banks	2	10,577	0	10,577	0.01	10,577	0.01	0	0.00	NA	NA	10,577
Insurance Companies	3	1,147,689	0	1,147,689	0.75	1,147,689	0.75	0	0.00	NA	NA	962,937
Provident Funds/ Pension Funds	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Any Other –Specify	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Sub-Total (B)(1)	194	56,820,607	0	56,820,607	37.02	56,820,607	37.02	0	0.00	NA	NA	56,820,607
Central Government/ State Government(s)/ President of India	1	6,953	0	6,953	0.00	6,953	0.00	0	0.00	NA	NA	6,953
Sub-Total (B)(2)	1	6,953	0	6,953	0.00	6,953	0.00	0	0.00	NA	NA	6,953
Non-institutions												
Individuals -												
Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	14,939	3,414,994	0	3,414,994	2.23	3,414,994	2.23	0	0.00	NA	NA	3,113,972
Individual shareholders holding nominal share capital in excess of Rs. 2	1	176,725	0	176,725	0.12	176,725	0.12	0	0.00	NA	NA	176,725

Category & Name of the Shareholders (I)	Nos. of shareholder (II)	No. of fully paid up equity share s held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V= III+IV)	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered (VIII)		Number of equity shares held in dematerialized form (IX)
								No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
lakhs.												
NBFCs registered with RBI	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Employee Trusts	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Any Other (specify)	1,003	2,332,424	0	2,332,424	1.52	2,332,424	1.52	0	0.00	NA	NA	2,327,674
Trusts	2	8,500	0	8,500	0.01	8,500	0.01	0	0.00	NA	NA	8,500
Clearing member	94	272,395	0	272,395	0.18	272,395	0.18	0	0.00	NA	NA	272,395
Bodies Corporate	229	851,638	0	851,638	0.55	851,638	0.55	0	0.00	NA	NA	846,888
Non-Resident Indian (NRI) (Repatriable)	270	50,264	0	50,264	0.03	50,264	0.03	0	0.00	NA	NA	50,264
HUF	270	60,895	0	60,895	0.04	60,895	0.04	0	0.00	NA	NA	60,895
Other - Non-Resident Indian (NRI) (Non-Repatriable)	134	115,250	0	115,250	0.08	115,250	0.08	0	0.00	NA	NA	115,250
Directors & Relatives	3	79,301	0	79,301	0.05	79,301	0.05	0	0.00	NA	NA	79,301
Investor Education and Protection Fund	1	894,181	0	894,181	0.58	894,181	0.58	0	0.00	NA	NA	894,181
Sub-Total (B)(3)	15,943	5,924,143	0	5,924,143	3.86	5,924,143	3.86	0	0.00	NA	NA	5,618,371
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	16,138	62,751,703	0	62,751,703	40.89	62,751,703	40.89	0	0.00	NA	NA	62,445,931

Table IV - Statement showing shareholding pattern of the Non-Promoter – Non-Public Shareholder:

Category & Name of the Shareholders (I)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
						No.	As a % of total Shares held	No. (Not applicable)	As a % of total shares held (Not applicable)	
Custodian/DR Holder	0	0	0	0	0.00	0	0.00	0	0.00	NA
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0.00	0	0.00	0	0.00	NA
Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0	0.00	0	0.00	0	0.00	NA

<u>As on June 30, 2020:</u>

Table I - Summary Statement holding of specified securities:

Category of shareholder (I)	Nos. of shareholders (II)	No. of fully paid up equity shares held (III)	No. of shares underlying Depository Receipts (IV)	Total nos. shares held (V) = (III)+(IV)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VI) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (VIII)
								No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	8	90,714,487	0	90,714,487	59.11	90,714,487	59.11	0	0	0	0	90,714,487
(B) Public	16,044	62,750,703	0	62,750,703	40.89	62,750,703	40.89	0	0	NA	NA	62,445,931
(C) Non Promoter- Non Public	0	0	0	0	0	0	0	0	0	NA	NA	0
(C1) Shares underlying DRs	0	0	0	0	0.00	0	0.00	0	0	NA	NA	0
(C2) Shares held by Employee Trusts	0	0	0	0	0.00	0	0.00	0	0	NA	NA	0
Total	16,052	153,465,190	0	153,465,190	100.00	153,465,190	100.00	0	0	0	0	153,160,418

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group:

Category & Name of the Shareholders (I)	No. of shareholder (II)	No. of fully paid up equity shares held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V = III+IV)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered* (VIII)		Number of equity shares held in dematerialized form (IX)
								No.	As a % of total Shares held	No.	As a % of total shares held	
Indian												
Individuals/Hindu undivided Family	3	4,505,525	0	4,505,525	2.94	4,505,525	2.94	0	0.00	0	0.00	4,505,525
Atul Ashokkumar Ruia	1	3,957,737	0	3,957,737	2.58	3,957,737	2.58	0	0.00	0	0.00	3,957,737
Amla Ashokkumar Ruia	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Gayatri Atul Ruia	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Atul Ruia Family Trust (Ashokkumar Radhakrishna Ruia Holding as Trustee for Atul Ruia Family Trust)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Ashok Ruia Family Trust (Atul Ashokkumar Ruia Holding as Trustee for Ashok Ruia Family Trust)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Sharanya A.Ruia Beneficiary Trust	1	278,935	0	278,935	0.18	278,935	0.18	0	0.00	0	0.00	278,935
Sharmila Dalmia	1	268,853	0	268,853	0.18	268,853	0.18	0	0.00	0	0.00	268,853
Central Government/ State Government(s)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Financial Institutions/ Banks	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Any Other (specify)	5	86,208,962	0	86,208,962	56.17	86,208,962	56.17	0	0	0	0.00	86,208,962
Bodies Corporate	5	86,208,962	0	86,208,962	56.17	86,208,962	56.17	0	0	0	0.00	86,208,962
Ruia International Holding Company Private Limited	1	49,347,248	0	49,347,248	32.16	49,347,248	32.16	0	0.00	0	0.00	49,347,248

Category & Name of the Shareholders (I)	No. of shareholder (II)	No. of fully paid up equity shares held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V = III+IV)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered* (VIII)		Number of equity shares held in dematerialized form (IX)
								No.	As a % of total Shares held	No.	As a % of total shares held	
Senior Advisory Services Private Limited (Formerly known as Senior Holding Private Limited)	1	15,490,049	0	15,490,049	10.09	15,490,049	10.09	0	0.00	0	0.00	15,490,049
Radhakrishna Ramnarain Private Limited	1	11,667,800	0	11,667,800	7.60	11,667,800	7.60	0	0.00	0	0.00	11,667,800
Ashok Apparels Private Limited	1	9,670,665	0	9,670,665	6.30	9,670,665	6.30	0	0.00	0	0.00	9,670,665
Ashton Real Estate Development Private Limited	1	33,200	0	33,200	0.02	33200	0.02	0	0.00	0	0.00	33,200
Sub-Total (A)(1)	8	90,714,487	0	90,714,487	59.11	90,714,487	59.11	0	0.00	0	0.00	90,714,487
Foreign	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Government	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Institutions	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Foreign Portfolio Investor	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Any Other (specify)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Sub-Total (A)(2)	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8	90,714,487	0	90,714,487	59.11	90,714,487	59.11	0	0	0	0	90,714,487

** The term encumbrance has the same meaning as assigned to it in Regulation 28(3) of the SEBI Takeover Regulations.*

Table III - Statement showing shareholding pattern of the Public shareholder:

Category & Name of the Shareholders (I)	Nos. of shareholder (II)	No. of fully paid up equity share s held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V= III+IV)	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered (VIII)		Number of equity shares held in dematerialized form (IX)
								No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
Mutual Funds/	14	15,589,781	0	15589781	10.16	15,589,781	10.16	0	0.00	NA	NA	15,589,781
Venture Capital Funds	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Alternate Investment Funds	6	940,408	0	940408	0.61	940,408	0.61	0	0.00	NA	NA	940,408
Foreign Venture Capital Investors	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Foreign Portfolio Investors	174	39,496,483	0	39496483	25.74	39,496,483	25.74	0	0.00	NA	NA	39,496,483
Financial Institutions/ Banks	2	13,275	0	13275	0.01	13,275	0.01	0	0.00	NA	NA	13,275
Insurance Companies	3	962,937	0	962937	0.63	962,937	0.63	0	0.00	NA	NA	962,937
Provident Funds/ Pension Funds	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Any Other –Specify	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Sub-Total (B)(1)	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Central Government/ State Government(s)/ President of India	1	6,953	0	6953	0.00	6953	0.00	0	0.00	NA	NA	6,953
Sub-Total (B)(2)	1	6,953	0	6953	0.00	6953	0.00	0	0.00	NA	NA	6,953
Non-institutions												
Individuals -												
Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	14,893	3,437,933	0	3437933	2.24	3,437,933	2.24	0	0.00	NA	NA	3,137,911
Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	1	176,725	0	176725	0.12	176,725	0.12	0	0.00	NA	NA	176,725
NBFCs registered with RBI	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0

Category & Name of the Shareholders (I)	Nos. of shareholder (II)	No. of fully paid up equity share s held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V= III+IV)	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered (VIII)		Number of equity shares held in dematerialized form (IX)
								No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total share s held (Not applicable) (b)	
Employee Trusts	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Any Other (specify)	950	2,126,208	0	2,126,208	1.39	2,126,208	1.39	0	0.00	NA	NA	2,121,458
Trusts	2	8,500	0	8,500	0.01	8,500	0.01	0	0.00	NA	NA	8,500
Clearing member	49	36,600	0	36,600	0.02	36,600	0.02	0	0.00	NA	NA	36,600
Bodies Corporate	236	878,871	0	878,871	0.57	878,871	0.57	0	0.00	NA	NA	874,121
Non-Resident Indian (NRI) (Repatriable)	133	116,550	0	116,550	0.08	116,550	0.08	0	0.00	NA	NA	116,550
HUF	275	63,710	0	63,710	0.04	63,710	0.04	0	0.00	NA	NA	63,710
Other - Non-Resident Indian (NRI) (Non-Repatriable)	133	116,550	0	116,550	0.08	116,550	0.08	0	0.00	NA	NA	116,550
Directors & Relatives	3	79,301	0	79,301	0.05	79,301	0.05	0	0.00	NA	NA	79,301
Investor Education and Protection Fund	1	894,181	0	894,181	0.58	894,181	0.58	0	0.00	NA	NA	894,181
Sub-Total (B)(3)	15,844	5,740,866	0	5,740,866	3.74	5,740,866	3.74	0	0.00	NA	NA	5,436,094
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	16,044	62,750,703	0	62,750,703	40.89	62,750,703	40.89	0	0.00	NA	NA	62,445,931

Table IV - Statement showing shareholding pattern of the Non-Promoter – Non-Public Shareholder:

Category & Name of the Shareholders (I)	No. of shareholders (II)	No. of fully paid up equity shares held (III)	Nos. of shares underlying Depository Receipts (IV)	Total nos. shares held (V = III+IV)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VI)	Number of Voting Rights held in each class of securities (VII)	Total as a % of (A+B+C)	Number of Locked in shares (VII)		Number of Shares pledged or otherwise encumbered (VIII)		Number of equity shares held in dematerialized form (IX)
								No.	As a % of total Shares held	No. (Not applicable)	As a % of total shares held (Not applicable)	
Custodian/DR Holder	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment of Application Amount, Allocation and Allotment. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also, please see the sections entitled "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 216 and 223, respectively.

Our Company, the Book Running Lead Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, through the mechanism of a Qualified Institutions Placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and other applicable provisions of the Companies Act, a company, being a listed company in India may issue equity shares to Eligible QIBs, provided that certain conditions are met:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify (a) that the Allotment is proposed to be made pursuant to the QIP; and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose amongst other things, the particulars of this Issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of this Issue, the contribution made by the Promoter or Directors either as part of this Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be Allotted through this Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to seek the approval the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Preliminary Placement Document) and Application Form serially numbered and addressed specifically to the Eligible QIBs to whom this Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or shall have withdrawn or abandoned such invitation or offer made by our Company; however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be permitted under applicable law; and

- our Promoter and Directors are not fugitive economic offenders.

For details in relation to the Preferential Issue, please see attached the section entitled "*Capital Structure*" on page 74.

In accordance with the SEBI ICDR Regulations, the Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees.

At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be Allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares offered under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

The "Relevant Date" referred to above means the date of the meeting in which the Capital Raising Committee decides to open this Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the special resolution passed by our Shareholders by way of a postal ballot on August 13, 2020, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue and within 60 days from the date of receipt of Application Amount from the Successful Bidders. For details of refund of Application Amount, please see the section entitled "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 211.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The Issue was approved by the Board of Directors on June 29, 2020 and the Capital Raising Committee on July 13, 2020. Subsequently, our Shareholders through a special resolution passed by way of a postal ballot approved the Issue on August 13, 2020.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 2,500 million; and
- five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", please see the section entitled "*—Bid Process—Application Form*" on page 207.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For further information, see sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 216 and 223, respectively. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to this Issue on the Stock Exchanges on August 18, 2020. Our Company shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

Issue Procedure

1. On Issue Opening Date, our Company and the Book Running Lead Managers, shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form will be dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules.

2. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the Book Running Lead Managers, at their sole discretion. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the Book Running Lead Managers.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail ID, PAN, phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

   - details of the depository account to which the Equity Shares should be credited;

   - Equity Shares held by the Eligible QIBs in our Company prior to the Issue; and

   - a representation that it is either (i) outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S and the applicable laws of the jurisdiction where those offers and sales are made, or (ii) a "qualified institutional buyer" as defined in Rule 144A purchasing the Equity Shares pursuant to Section 4(a)(2) under the Securities Act, and it has agreed to certain other representations set forth in the sections entitled "*Representation by Investors*" and "*Transfer Restrictions and Purchaser Representations*" on pages 3 and 223 and certain other representations made in the Application Form.

     Note: Eligible FPIs are required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

5. Each Bidder shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "THE PHOENIX MILLS LIMITED – QIP ESCROW ACCOUNT" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. No payment shall be made by Bidders in cash. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment and the filing of return of Allotment by our Company with the RoC, or receipt of final

listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder was not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "- *Refunds*" on page 212.

6. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly completed Application Form is submitted by a Bidder, whether signed or not and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, on or after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Managers, determine the final terms, including (i) the Issue Price, (ii) the number of Equity Shares to be Allocated to each Successful Bidder; and (iii) the Successful Bidders to whom such Equity Shares shall be Allocated. Upon such determination, the Book Running Lead Managers will send the serially numbered CAN to Successful Bidders who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the Book Running Lead Managers.**

8. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

9. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

10. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

11. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

12. Our Company will then apply for the final trading approvals from the Stock Exchanges.

13. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

14. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions (which are resident in India);
- Mutual Funds;
- pension funds with minimum corpus of ₹ 250 million;
- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies;

subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

NOTE: FVCIS AND NON-RESIDENT MULTILATERAL AND BILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES, IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD.

In terms of the SEBI FPI Regulations and the FEMA Rules, the issue of Equity Shares to a single Eligible FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of the post-Issue Equity Share capital of our Company. In case the total holding of an FPI, including its investor group, increases to 10% or more of the total paid-up equity capital of a company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by the company, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure and subject to the conditions specified by the SEBI FPI Regulations and the FEMA Rules in this regard and the company and the investor will be prohibited from making any further portfolio investment in the company and also required to comply with applicable reporting requirements. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

The existing individual and aggregate investment limits for an FPI in our Company is, 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the sectoral cap applicable to our Company in accordance with the FEMA Rules, respectively.

Further, with effect from April 1, 2020, the limit of total holdings of all Eligible FPIs put together shall be the sectoral cap applicable to a company, depending on the sector, as per FEMA Rules. Prior to March 31, 2020, the aggregate FPI limit could have been decreased by a company to certain prescribed lower threshold limits with the approval of the shareholders through a special resolution. Further, in case a company decreased its aggregate limit, it may increase such aggregate limit to the prescribed limits with shareholder approval through a special resolution. However, a company shall not be allowed to reduce the aggregate FPI limit to a lower threshold once such limit has been increased.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed CDSL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit, a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to our Promoter.

Our Company and the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made all the following representations, warranties, acknowledgements, agreements and undertakings given or made under the sections entitled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 3, 216, and 223, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly

and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter;

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding Equity Shares which shall not be deemed to be a person related to the Promoter;

4. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Eligible QIB confirms that, and consents to, its name and percentage of post-Issue shareholding (assuming full subscription in this Issue) being included as a "proposed Allottee" in this Issue in the Placement Document. However the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

6. The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets, and is not an FVCIs or a non-resident multilateral or bilateral development financial institution;

7. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

8. The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

9. The Eligible QIB confirms that its Bid would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

10. The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. The Eligible QIB further agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;

11. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

12. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as proposed Allottees and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However the Eligible QIB further acknowledges and agrees, that disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

13. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

14. The Eligible QIB confirms that:

a. It will make payment of its Application Amount along with submission of the Application Form before the Issue Closing Date;

b. if it is within the United States, it is a U.S. QIB who is or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; and

c. if it is outside the United States, it is purchasing the Equity Shares in an offshore transaction in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate.

15. The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. The Eligible QIBs confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

17. The Eligible QIB acknowledges that no Allotment shall be made to it if the price at which they have Bid for in the Issue is lower than the Issue Price; and

18. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company, on a fully diluted basis.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN / PAN ALLOTMENT LETTER, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares that may be Allotted to such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through any BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the Eligible QIB, the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (if applicable). Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Name of Book Running Lead Manager	Address	Contact Person	Website and Email ID	Telephone and Facsimile
CLSA India Private Limited	8/F, Dalamal House, Nariman Point, Mumbai 400 021, Maharashtra, India	Sarfaraz Agboatwala / Prachi Chandgothia	**Website**: www.india.clsa.com **Email ID**: clsa.projecthotfoot@clsa.com	**Telephone**: +91 (22) 6650 5050 **Facsimile**: +91 (22) 2284 0271
HSBC Securities and Capital Markets (India) Private Limited	52/60, M. G. Road Fort, Mumbai – 400 001	Ayush Jain / Sanjana Maniar	**Website**: https://www.business.hsbc.co.in/en-gb/in/generic/ipo-open-offer-and-buyback **Email ID**: ayush1.jain@hsbc.co.in / sanjana.maniar@hsbc.co.in	**Telephone**: +91 22 2268 5555 **Facsimile**: +91 22 66536207
Kotak Mahindra Capital Company Limited	27 BKC, 1st Floor, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India	Karl Sahukar	**Website**: www.investmentbank.kotak.com **Email ID**: phoenixmills.qip@kotak.com	**Telephone**: +91 22 4336 0000 **Facsimile**: +91 22 6713 2447
UBS Securities India Private Limited	2/F, 2 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India	Jasmine Kaur	**Website**: www.ubs.com/indianoffers **Email ID**: ol-phoenixmills@ubs.com	**Telephone**: +91 (22) 6155 6000 **Facsimile**: +91 (22) 6155 6292

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders, Bidding in the Issue, shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the Escrow Account in the name of "THE PHOENIX MILLS LIMITED – QIP ESCROW ACCOUNT" with Axis Bank Limited, our Escrow Bank, in terms of the Escrow Agreement. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for, along with the submission of the Application Form submitted by it in accordance with the applicable laws and during the Issue Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer from the Bidder's own bank account. Payments made through cheques or demand draft or cash shall be liable to be rejected. Further, if the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in the Escrow Account only for the purposes of (i) adjustment against allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "- *Refunds*" on page 212.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Further, our Company may offer a discount of not more than 5% of the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations and in accordance with the special resolution passed by our Shareholders by way of a postal ballot on August 13, 2020.

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them the, Issue Price and the Application Amount for the Equity Shares Allotted shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to furnish all details that may be required by the Book Running Lead Managers, and to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board (or a duly constituted committee thereof) will approve the Allotment to the Allottees in consultation with the Book Running Lead Managers.

QIBS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM PURSUANT TO THE ISSUE.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in the section entitled "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions in the Placement Agreement, at the Allotment of Equity Shares is completed by the Designated Date provided in the respective CANs.

In accordance with the SEBI ICDR Regulations, the Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for obtaining listing approvals. Post receipt of listing approvals and credit of Equity Shares into the beneficiary accounts of the Eligible QIBs, our Company will apply for the trading approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010, issued by SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within one Working Day from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that monies with interest of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by our Company shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued, and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013, the Depositories and other applicable laws.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder as set out in the Application Form. For details, please see the section entitled "- *Refunds*" on page 212.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

Bank Account Details

Each Eligible QIB shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "THE PHOENIX MILLS LIMITED – QIP ESCROW ACCOUNT" to our Company until receipt of notice from the Book Running Lead Managers, of the receipt of the final listing and trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act in the Application Form and enclose a copy of the PAN card or PAN allotment letter (as applicable) along with the Application Form. Application Forms without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the placement agreement dated August 18, 2020 with our Company, pursuant to which the Book Running Lead Managers have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable efforts basis to be placed with the QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Managers, and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For further information, please see the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 216 and 223, respectively.

Relationship with the Book Running Lead Managers

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, please see the section entitled "*Offshore Derivative Instruments*" on page 8.

From time to time, the Book Running Lead Managers, and their affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to commercial banking, investment banking, advisory, trading services for our Company, its Subsidiaries, its Associates, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their respective affiliates and associates.

Lock-up

Our Company undertakes that it will not for a period of 60 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Managers, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above. Provided that, the foregoing restriction shall not apply to (i) an issuance of Equity Shares or options pursuant to any employee stock option scheme formulated by our Company; (ii) the Preferential Issue, if undertaken by our Company; (iii) PHCPL Amalgamation Scheme and (iv) an issuance of Equity Shares by our Company pursuant to any acquisition, merger or amalgamation undertaken by our Company with the prior written consent of the Book Running Lead Managers (such consent shall not be unreasonably withheld).

Our Company acknowledges that our Promoter and each member of our Promoter Group has undertaken that it will not for a period of 60 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Managers, directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Provided that, the foregoing restriction shall not apply to (i) any sale of Equity Shares held by our Promoter and/or members of our Promoter Group up to 7% of the post-Issue shareholding of our Company, or up to 1.25 crore Equity Shares held by our Promoter and/or our Promoter Group, whichever is higher (ii) PHCPL Amalgamation Scheme; or (d) the Preferential Issue, if undertaken by our Company, to the extent and in the manner permitted by applicable law.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder.

Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors", "Representations by Investors" and "Transfer Restrictions and Purchaser Representations" on pages 1, 3 and 223, respectively.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under the section entitled "*Transfer Restrictions and Purchaser Representations*" on page 223.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this Preliminary Placement Document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Preliminary Placement Document, and any offers made under this Preliminary Placement Document, you represent to the Issuer and the Managers that you will not provide this Preliminary Placement Document or communicate any offers made under this Preliminary Placement Document to, or make any applications or receive any offers for Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act. Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by the Company, or within 12 months after their sale by a selling security holder (or the Managers) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Equity Shares.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Issuer. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), ("**BVI Companies**"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Canada

The Equity Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Preliminary Placement Document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Cayman Islands

No offer or invitation to subscribe for the Equity Shares may be made to the public in the Cayman Islands.

Dubai International Financial Centre

The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), neither the Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(i) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Managers for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the Equity Shares shall require the Issuer or the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. This Preliminary Placement Document is not a prospectus for the purposes of the Prospectus Regulation. The Issuer does not authorize the making of any offer of the Equity Shares in circumstances in which an obligation arises for the Issuer to publish a prospectus for such offer.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for those securities, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

This Preliminary Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
(ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
(iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
(iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Norway

This Preliminary Placement Document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this Preliminary Placement Document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The Equity Shares may not be offered or sold, directly or indirectly, in Norway except to professional clients (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Qatar

This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient, upon that person's request and initiative, and for the recipient's personal use only and is not intended to be available to the public. Nothing in this Preliminary Placement Document constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Preliminary Placement Document and the underlying instruments have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Preliminary Placement Document by the recipient to third parties in Qatar or the Qatar Financial Centre beyond these terms is not authorized and shall be at the liability of the recipient.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this Preliminary Placement Document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 3-123-2017 dated December 27, 2017 as amended by resolution number 1-104-2019 dated September 30, 2019, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial adviser.

Singapore

Each Manager has acknowledged that this Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Equity Shares, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are ''prescribed capital markets products'' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Africa

Due to restrictions under the securities laws of South Africa, no "*offer to the public*" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) is being made in connection with the issue of the Equity Shares in South Africa. Accordingly, this Preliminary Placement Document does not, nor is it intended to, constitute a "*registered prospectus*" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

(i) the offer, transfer, sale, renunciation or delivery is to:
- persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;
- the South African Public Investment Corporation;
- persons or entities regulated by the Reserve Bank of South Africa;
- authorised financial service providers under South African law;
- financial institutions recognised as such under South African law;
- a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or
- any combination of the person in (i) to (vi); or

(ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this Preliminary Placement Document should not be considered as "*advice*" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

Sultanate of Oman

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman ("**Oman**") without the prior consent of the Capital Market Authority ("**Oman CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of the Equity Shares described in this Preliminary Placement Document will not take place inside Oman. This Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA. Additionally, this Preliminary Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Preliminary Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Preliminary Placement Document nor any other offering or marketing material relating to the offering, the Company, the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Preliminary Placement Document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

UAE (excluding Dubai International Financial Centre)

This Preliminary Placement Document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the "**UAE**") or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, please see the section entitled "Selling Restrictions" on page 216.

United States Transfer Restrictions and Purchaser Representations

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Outside the United States

Each subscriber of the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the subscriber acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

2. the subscriber and the person, if any, for whose account or benefit the subscriber is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not subscribed to the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

3. the subscriber is not an affiliate (as defined in Rule 405 of the Securities Act) of our Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from our Company or an affiliate (as defined in Rule 405 of the Securities Act) thereof in the initial distribution of the Equity Shares;

4. the subscriber is aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Preliminary Placement Document;

5. the subscriber is subscribing for the Equity Shares in compliance with laws of jurisdictions applicable to it;

6. the Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S under the Securities Act; and

7. the subscriber acknowledges that our Company, the Book Running Lead Managers and their respective affiliates (as defined in Rule 405 of the Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its subscription of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Within the United States

Each subscriber of the Equity Shares within the United States subscribing pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act will be deemed to have represented and agreed that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the subscriber is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

2. the subscriber acknowledges that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;

3. the subscriber is a U.S. QIB and is aware that the sale to it is being made in a transaction not subject to the registration requirements of the Securities Act and is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer;

4. the subscriber is aware that the Equity Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

5. if in the future, the subscriber decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only to a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, in accordance with Regulation S under the Securities Act or in accordance with Rule 144 under the Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Equity Shares;

7. the subscriber will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

8. our Company shall not recognise any offer, sale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions;

9. the subscriber acknowledges that our Company, the Book Running Lead Managers and their respective affiliates (as defined in Rule 405 of the Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its subscription of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and

10. the Equity Shares may not be acquired by or transferred to (i) any person that is, or that is acting on behalf of or investing assets of, (A) an "employee benefit plan" (as defined in section 3(3) of ERISA) that is subject to the fiduciary responsibility provisions of Title I of ERISA, (B) a "plan" (as defined in Section 4975(e)(1) of the Internal Revenue Code) that is subject to Section 4975 of the Internal Revenue Code or (C) an entity whose underlying assets are deemed to include assets of an employee benefit plan or a plan described in (A) or (B) by reason of such employee benefit plan's or plan's investment in the entity (collectively, a "**Benefit Plan Investor**") or (ii) any person that is, or that is acting on behalf of or investing the assets of a governmental, church or non-U.S. plan that is subject to Similar Law, unless in each case such person's acquisition, holding and disposition of the Equity Shares will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code or a non-exempt violation of any Similar Law, in the case of a plan subject to Similar Law.

11. each subscriber or transferee of Equity Shares or any interest therein that is using assets of a benefit plan investor subject to ERISA or to Section 4975 of the Code (a "benefit plan"), including any fiduciary purchasing Equity Shares on behalf of a benefit plan ("**Plan Fiduciary**"), will be deemed to have represented by its acquisition of the Equity Shares that:

    a) none of the Company, the Book Running Lead Managers, agents, dealers and similar parties, or any of their respective affiliated entities (the "**Transaction Parties**"), has provided or will provide advice with respect to the acquisition of Equity Shares by the benefit plan, other than to the Plan Fiduciary which is independent of the Transaction Parties, and the Plan Fiduciary either: (a) is a bank as defined in Section 202 of the Investment Advisers Act of 1940 (the "**Advisers Act**"), or similar institution that is regulated and supervised and subject to periodic examination by a State or Federal agency; (b) is an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a benefit plan; (c) is an investment adviser registered under the Advisers Act, or, if not registered an as investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; (d) is a broker-dealer registered under the Securities Exchange Act of 1934, as amended; or (e) has, and at all times that the benefit plan is invested in Equity Shares will have, total assets of at least U.S. $50,000,000 under its management or control (provided that this clause (e) shall not be satisfied if the Plan Fiduciary is either (i) the owner or a relative of the owner of an investing individual retirement account or (ii) a participant or beneficiary of the benefit plan investing in Equity Shares in such capacity);

b) the Plan Fiduciary is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies, including the acquisition by the benefit plan of Equity Shares;

c) the Plan Fiduciary is a "fiduciary" with respect to the benefit plan within the meaning of Section 3(21) of ERISA, Section 4975 of the Code, or both, and is responsible for exercising independent judgment in evaluating the benefit plan's acquisition of Equity Shares;

d) none of the Transaction Parties has exercised any authority to cause the benefit plan to invest in Equity Shares or to negotiate the terms of the benefit plan's investment in Equity Shares; and

e) the Plan Fiduciary has been informed by the Transaction Parties: (a) that none of the Transaction Parties is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity, and that no such entity has given investment advice or otherwise made a recommendation, in connection with the benefit plan's acquisition of Equity Shares; and (b) of the existence and nature of the Transaction Parties financial interests in the benefit plan's acquisition of Equity Shares.

The above representations are intended to comply with the DOL's Reg. Sections 29 C.F.R. 2510.3-21(a) and (c)(1) as promulgated on April 8, 2016 (81 Fed. Reg. 20,997). If these regulations are revoked, repealed or no longer effective, these representations shall be deemed to be no longer in effect.

None of the Transaction Parties is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the acquisition of any Equity Shares by any benefit plan.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June, 1994. The capital market (equities) segment commenced operations in November, 1994, and operations in the derivatives segment commenced in June, 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, govern the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Disclosure under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2004, BSE introduced its new generation trading platform, BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

SEBI Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, to prohibit and penalize insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations, were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, members of the promoter group, key managerial personnel, directors as well as continual disclosures by every promoter, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹ 1 million over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000, and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is a brief summary of some of the existing provisions of the Memorandum of Association and Articles of Association, the Companies Act and certain other related legislation relating to the rights attached to the Equity Shares. Prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

As on the date of this Preliminary Placement Document, our Company's authorised share capital is ₹ 450,000,000 divided into 225,000,000 Equity Shares of ₹ 2 each. As on the date of this Preliminary Placement Document, our Company's issued, subscribed and paid-up capital is ₹ 306,932,380 divided into 153,466,190 Equity Shares of ₹ 2 each. The Equity Shares are listed on the Stock Exchanges.

The security identification codes for the Equity Shares are as follows:

ISIN	INE211B01039
BSE Code	503100
NSE Symbol	PHOENIXLTD

Articles

Our Company is governed by its Articles.

Dividends

The Articles provide that dividend may be paid upon a recommendation of the Board and approval by a majority of the Shareholders, who shall not increase the amount of the dividend recommended by the Board. However, the Board is not under an obligation to recommend a dividend. According to the Articles, the dividend shall be paid in proportion to the amount paid up or credited as paid up on each share where a larger amount is paid up or credited as paid up on some shares than on others, but where capital is paid up in advance of calls carrying interest, such capital whilst carrying interest shall not confer a right to participate in profits or dividend. No dividend shall be payable except out of the profits of our Company of any year or other period and no dividend shall carry any interest against our Company. The profit transferred from capital reserve to general reserve and available for distribution to shareholders shall be taken into account for declaration and payment of dividend. The Directors may declare interim dividend as justified by the position of our Company. A transfer shall not pass the right to any dividend declared thereon before the registration of such transfer. No Shareholder shall be entitled to receive payment of any interest or dividend while any money may be due or owing from him to our Company in respect of any shares held by him and the Directors may deduct all the money so due from him from the dividends or interest payable to him. Unless otherwise directed, any dividend may be paid by cheque or by warrant or by a payslip or receipt having force of cheque or warrant sent through post to the registered address of the Shareholder and in the case of joint holders to any one of them first named in the register of Shareholders; and our Company shall not be liable for cheque or warrant or dividend lost in transmission or lost due to forged endorsement or fraudulent recovery.

Capitalization of Profits

The Articles provide that any general meeting, upon recommendation of the Directors, may resolve that any moneys, investments or other assets forming a part of our Company's undivided profit for the time being, standing to the credit of the reserve fund, or to the credit of profit and loss account or any capital redemption reserve account, or in the hands of our Company and available for distribution as dividend or any amount standing to the credit of the share premium account be capitalised. The capitalization may be done among Shareholders in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such Shareholders in paying up in full either at par or at premium, any unissued shares or debentures of our Company which shall be distributed or directed towards payment of the uncalled liability on any issued shares or debentures, and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest.

Pre-Emptive Rights and Alteration of Share Capital

The Articles provide that where it is proposed to increase the subscribed capital of our Company by allotment of further shares, such shares shall be offered to the persons who, at the date of the offer, hold shares of our Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made by a notice specifying the number of shares offered and limited to a time period, not being less than 15 days from the date of the offer which shall be deemed to include the right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. If the offer is not accepted it is deemed to have been declined. The Board is authorised to distribute any new shares not subscribed for by the pre-emptive rights holders in the manner that it deems most beneficial to our Company.

The Articles provide that our Company may from time to time by a special resolution, subject to confirmation by court, reduce its capital in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called up again or otherwise. Except as so far otherwise provided by the conditions of the issue or by the Articles any capital raised by the creation of new shares shall be considered as a part of the existing capital. Our Company has the power to modify rights and privileges attached to a class of shares with the consent of the holders of three-fourths of that class in writing or with the sanction of a special resolution passed at a separate meeting of the shareholders of that class and supported by the votes of holders of at least three-fourths of such shares.

The Articles provide that our Company may from time to time, in a general meeting:

- sub-divide or consolidate all of our shares or any of them and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such sub- division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others; and

- cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.

General Meetings of Shareholders

Our Company is required to hold an annual general meeting AGM every fifteen months in addition to any other general meetings, unless the Registrar of Companies shall have for any special reasons extended the time for holding any AGM for a period not exceeding 6 months. The AGM shall be held by the Company within nine months from the expiry of each financial year. Not less than 21 days' notice in writing of a general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the members entitled to vote and in case of any other meetings, with the consent of members holding not less than 95 per cent of such part of the paid-up share capital of our Company which gives a right to vote at the meeting. No meeting shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it was convened. Every Shareholder is entitled to attend a meeting and vote either in person or by proxy. All businesses to be transacted at an AGM shall be deemed special except the consideration of accounts, balance sheet and reports of the Board and Auditors, declaration of dividend, appointment of Directors in place of those retiring, the appointment of and fixation of remuneration of the Auditors. In case of an extraordinary general meeting EGM all business is deemed special. A statement setting out all material facts, including the nature of concern or interest, financial or otherwise in respect of every Director, in respect of special business to be transacted at the meeting, shall be annexed to the notice. The Board may also call an EGM whenever it thinks fit and it shall do so upon a requisition in writing by any Shareholder(s) holding in aggregate not less than one- tenth of the issued and paid-up capital upon which all calls or other sums then due have been paid.

The Articles provide that any accidental omission to give notice or any non-receipt of notice shall not invalidate the proceedings at a meeting. Where any resolution requires special notice, notice of the intention to move the resolution should be given to our Company by such number of members not less than one percent of total voting power that has been paid-up and our Company shall immediately on receipt of the notice of intention give its members notice of the resolution in the same manner as it gives notice of the meeting. The quorum requirements for a general meeting are as prescribed under Section 103 of the Companies Act, 2013. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting, a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

The Articles further provide that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. The meetings should be convened in the presence of a chairman. A resolution put to vote shall be decided on a show of hands, unless a poll is ordered to be taken by the chairman. At every AGM of our Company there shall be laid before the meeting, the Directors' report and audited statement of accounts, Auditor's report, proxies and the register of Directors' shareholding and a register of contracts or arrangements in which the Directors and key managerial personnel is interested as required under Section 170 of the Companies Act, 2013. Minutes of the AGM are to be maintained and shall be evidence of the proceedings recorded therein.

Voting Rights

Every Shareholder present in person shall have one vote on a show of hands, and on poll, the Shareholder present in person or by proxy shall have voting rights in proportion to his share of the paid-up capital of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of shares. If any Shareholder be of unsound mind, he may vote, in respect of his shares whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or other legal guardian may, on a poll, vote by proxy.

The instrument appointing a proxy and the power of attorney (or other authority, if any) under which it is signed is required to be lodged at the registered office at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death of the principal or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer of the share shall have been received by our Company at the registered office before the meeting. Further, no Shareholder shall be entitled to exercise any voting right personally or by proxy at any meeting of our Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid. No objection to the validity of a vote shall be made except during the meeting or poll and every vote not disallowed shall be deemed valid for all purposes of such meeting or poll. The Chairman of the meeting shall be the judge of the validity of the vote.

Register of Shareholders

Our Company is required to maintain a register of members wherein the particulars of the Shareholders are entered. For the purpose of determining the Shareholders, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board may deem expedient.

Annual Report and Financial Results

The annual report must be presented at the AGM. The report includes financial information, a corporate governance section and management's discussion and analysis and is sent to the company's shareholders.

Under the Companies Act, we must file our balance sheet and profit and loss account with the Registrar of Companies within thirty days from the date of the AGM. As required under the listing agreements with the Stock Exchanges, copies are required to be simultaneously sent to the stock exchanges on which the shares are listed. We must also publish our financial results within 48 hours of the conclusion of the Board or committee meeting in which the financial results were approved in at least one English language daily newspaper circulating in the whole or substantially the whole of India and also in a daily newspaper published in the language of the region of the Registered Office (*i.e.*, Marathi).

Directors

The Articles provide that the number of Directors shall not be less than three and not be more than fifteen. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act and the Articles. Two-thirds of the total number of Directors is subject to retirement by rotation. Of such Directors, one-third, or if their number is not three or multiples of three, then the number nearest to one-third, must retire every year. The Directors to retire are those who have been the longest in office.

As provided under Section 161 of the Companies Act, 2013, the Director may be appointed by the Board or by the general meeting of the Shareholders. The Directors have the power to appoint any other persons as an additional Director but any Director so appointed shall hold office only up to the date of the next following AGM of our Company but the total number of Directors shall not at any time exceed the maximum strength. The Board shall also have the power to appoint any person to act as an alternate Director for a Director during the latter's absence for a period of not less than three months from the State of Bombay. The alternate Director shall vacate the office if and when the original Director returns to the State of Bombay and in case the office of the original Director is determined before he returns, the provisions of the Companies Act, 2013, and the Articles for automatic reappointment shall apply to the original Director and not the alternate Director.

The quorum for meetings of the Board is one-third of the total number of Directors (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher. However, where the number of interested Directors is equal to or exceeds two-thirds of total strength, the remaining number of Directors (i.e. Directors who are not interested) present at the meeting, shall be the quorum during such time.

Transfer of Equity Shares

The Equity Shares held through Depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the Depositories and the Depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of the Equity Shares held through a Depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the National Securities Depository Limited and the Central Depository Services India Limited. The SEBI requires that the Equity Shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the Stock Exchange.

Pursuant to the Equity Listing Agreement, in the event our Company has not affected the transfer of Equity Shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the loss of opportunity caused during the period of the delay. The Equity Shares are freely transferable.

Acquisition by our Company of its own Equity Shares

According to the Articles, the Company may purchase its own shares within the terms and framework of the Companies Act, after following such rules and guidelines as may be prescribed from time to time for this purpose.

Liquidation Rights

Subject to the rights of creditors, of employees and of the holders of any other shares entitled by their terms of issue to preferential repayment over the shares, in the event of a winding-up of our Company, the holders of the Equity Shares are entitled to be repaid the amounts of capital paid up or credited as paid up on such shares or in case of a shortfall, proportionately. All surplus assets after payments due to employees, the holders of any preference shares and other creditors belong to the holders of the ordinary shares in proportion to the amount paid up or credited as paid up on such shares, respectively, at the commencement of the winding-up.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

To,

The Board of Directors
The Phoenix Mills Limited
462, Senapati Bapat Marg
Lower Parel
Mumbai – 400 013
Maharashtra, India

Sub: Qualified Institutions Placement of equity shares of face value ₹ 2 each ("Equity Shares") (such placement, the "Issue") by The Phoenix Mills Limited (the "Company") under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and Sections 42 and 62 of the Companies Act, 2013 (the "Issue").

STATUTORY AUDITOR'S CERTIFICATE ON STATEMENT OF TAX BENEFITS

1. This certificate is issued in accordance with the terms of our engagement with the Company having its registered office at at 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India.

2. The accompanying Statement contains details of possible special direct tax benefits available to the Company and the shareholders of the Company as given in Annexure ("the Statement") which we have initialed for identification purposes only.

Management's Responsibility

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The management is also responsible for ensuring adherence that the details provided for verification are correct.

Auditor's Responsibility

5. We have performed the following procedures:

   We have read the applicable provisions under Income Tax Act, 1961 and inquired with Mr. Pradumana Kanodia, Director (Finance) and Chief Financial Officer of the Company who have the responsibility for financial and accounting matters to ascertain the possible special direct tax benefits available to the Company and the shareholders of the Company.

   The foregoing procedures do not constitute an audit done in accordance with Standards on Auditing in India. Also, they would not necessarily reveal matters of significance with respect to confirmation as provided in the above paragraph.

6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)(the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act 2013. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. According to the information and explanations provided to us and based on our examination of records and inquiries of certain officials as mentioned above, who have responsibility for financial and accounting matters, we are of the view that as on date of this certificate, the possible special direct tax benefits available to the Company and the shareholders of the Company under the applicable tax laws in India are given in **Annexure – I**, applicable for the financial year ended March 31, 2021 and relevant to the assessment year 2021-22, presently in force in India.

9. We do not express any opinion or provide any assurance as to whether:

   (i) the Company, its shareholders and/or shareholders will continue to obtain these tax benefits in future;
   (ii) the conditions prescribed for availing the tax benefits, where applicable have been/would be met; or
   (iii) the revenue authorities/courts will concur with the views expressed herein.

Other Matters

10. Several of these benefits are dependent on the Company and/or shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and/or shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company and/or shareholders may or may not choose to fulfill.

11. The benefits discussed in the Annexure are not exhaustive. We are informed that this Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing taxation laws, each investor is advised to consult with his or her own taxation consultant with respect to the specific tax implications arising out of their participation in the Issue.

12. We undertake to update you of any changes in the above-mentioned position until the Equity Shares issued by the Company pursuant to the Issue commence trading on BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"). In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares issued pursuant to the Issue, commence trading on the Stock Exchanges.

13. The contents of this Annexure are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

14. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Preliminary Placement Document/ Placement Document prepared in connection with the Issue.

Restriction on Use

15. The enclosed Annexure – I is issued in connection with the Issue and the contents of the Annexure, in full or in part, can be disclosed in the preliminary placement document, the placement document and other documents or materials in relation to the Issue.

16. This certificate has been issued at the request of the Company for use in connection with the Issue and may accordingly be furnished as required to the Stock Exchanges or any other regulatory authorities as required and shared with and relied on by the Placement Agents, legal counsel and any other advisors and intermediaries appointed in relation to the Issue.

For **D T S & Associates LLP**
Chartered Accountants
Firm Registration Number: 142412W/W100595

Ashish G. Mistry
Partner
Membership Number: 132639
UDIN:

Annexure - I

Statement of possible special direct tax benefits available to the Company and its shareholders

The information provided below sets out the possible special direct tax benefits in the hands of The Phoenix Mills Limited ("PML" or "the Company") and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current direct tax laws presently in force in India. Several of these benefits are dependent upon fulfilling the conditions prescribed under the relevant direct tax laws. Hence, the ability of the Company and / or its shareholders, to derive the direct tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives any of them face, they may or may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications on purchase, ownership and disposing of listed equity shares, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits and consequences. The statement below covers only relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

The law stated below is as per the Income-tax Act, 1961 as amended from time to time and applicable for financial year 2020-21 relevant to assessment year 2021-22.

SPECIAL TAX BENEFITS UNDER THE INCOME TAX ACT, 1961, ("IT ACT") IN THE HANDS OF PHOENIX MILLS LIMITED AND ITS SHAREHOLDERS

Special tax benefits available to the Company under IT Act

1. Standard Deduction under section 24B – Income from House Property

A standard deduction rate of 30% is allowed on the Net Annual Value of the property. This deduction is that it is allowed even when the actual expenditure on the property is higher or lower. License fees income of the Company is chargeable under the head Income from House Property. Direct cost (other than municipal taxes and interest) and proportionate common cost incurred by the Company for earning license fees is disallowed.

2. Lower corporate tax rate under section 115BAA

A new section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 i.e. AY 2020-21 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives and comply with other conditions specified in section 115BAA.

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 ("Circular") clarifying that since the MAT provisions under section 115JB itself would not apply where a domestic company exercises option of lower tax rate under section 115BAA, the tax credit under section 115JAA for MAT paid by the domestic company, shall not be available consequent to exercising the option under section 115BAA. Corresponding amendment has been inserted under section 115JAA dealing with MAT credit.

PML has opted the above option of claiming lower tax rate under section 115BAA in its audited financial statements for the year ended March 2020.

Special tax benefits available to the shareholders under IT Act

There are no special tax benefits available to the shareholders of the Company under the provisions of IT Act. However, an Indian corporate shareholder receiving dividend income would be eligible to claim deduction under section 80M of the IT Act of the amount of dividend paid by it from its dividend income received from any other company and subject to fulfillment of conditions prescribed therein. The said deduction shall be restricted to the amount of dividend distributed in turn by the shareholder company.

Key point for shareholders under IT Act

Under section 56(2)(x) of the Act and subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

a. where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceeds ₹ 50,000/-, the whole FMV;

b. where the shares are received for a consideration less than FMV but exceeding ₹ 50,000/-, the aggregate FMV in excess of the consideration paid.

Rule 11UA of the Income-tax Rules, 1962 ("the Rules") provides for the method for determination of the FMV of various properties.

For Phoenix Mills Limited

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(Director – Finance and Chief Financial Officer)

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain material U.S. federal income tax consequences to a U.S. holder (as defined below) of the purchase, ownership and disposition of Equity Shares acquired pursuant to this Issue. This summary does not address any aspect of U.S. federal non-income tax laws, such as U.S. federal estate and gift tax laws, or state, local or non-U.S. tax laws, and does not purport to be a comprehensive description of all of the U.S. tax considerations that may be relevant to a particular person's decision to acquire Equity Shares.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The discussion applies to you only if you acquire the Equity Shares in this Issue and you hold the Equity Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). This section does not apply to you if you are a member of a special class of holders subject to special tax rules, including:

- a broker;
- a dealer in securities, commodities or non-U.S. currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- a tax-exempt organization;
- an insurance company;
- a regulated investment company;
- an accrual method taxpayer subject to special tax accounting rules as a result of its use of financial statements;
- an investor who is a U.S. expatriate, former U.S. citizen or former long term resident of the United States;
- a controlled foreign corporation;
- a passive foreign investment company;
- a mutual fund;
- an individual retirement or other tax-deferred account;
- a holder liable for alternative minimum tax;
- a holder that actually, indirectly or constructively owns 10% or more of (i) the total combined voting power of all classes of the Company voting stock or (ii) the total value of all classes of the Company stock;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a holder that holds Equity Shares as part of a straddle, hedging, constructive sale, conversion or other integrated transaction for U.S. federal income tax purposes; or
- a U.S. holder (as defined below) whose functional currency is not the U.S. Dollar.

This section is based on the Code, existing and proposed income tax regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing are subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company ("**PFIC**") rules, referred to below, require the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion. This discussion is not binding on the U.S. Internal Revenue Service ("**IRS**") or the courts. No ruling has been or will be sought from the IRS with respect to the positions and issues discussed herein, and there can be no assurance that the

IRS or a court will not take a different position concerning the U.S. federal income tax consequences of an investment in the Equity Shares or that any such position would not be sustained.

You are a "**U.S. holder**" if you are a beneficial owner of Equity Shares that acquired the shares pursuant to this Issue and you are for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a U.S. domestic corporation, or other entity treated as a domestic corporation for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorised to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

In addition, this discussion is limited to U.S. holders who are not resident in India for purposes of the Income Tax Treaty between the United States and India.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Equity Shares, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the Equity Shares that is a partnership and partners in such a partnership should consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares.

Taxation of Dividends

Subject to the PFIC rules described below under "PFIC Considerations", if you are a U.S. holder you must include in your gross income as a dividend the gross amount of any distributions of cash or property (other than certain pro rata distributions of Equity Shares) with respect to Equity Shares, to the extent the distribution is paid by our Company out of its current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend as ordinary income at the time of actual or constructive receipt. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Equity Shares and thereafter as capital gain from the sale or exchange of such Equity Shares. Notwithstanding the foregoing, our Company does not intend to maintain calculations of its earnings and profits as determined for U.S. federal income tax purposes. Consequently, distributions generally will be reported as dividend income for U.S. information reporting purposes.

You should not include the amount of any Indian tax paid by our Company with respect to the dividend payment, as that tax is, under Indian law, a liability of our Company and not the shareholders.

Subject to the PFIC rules described below under "PFIC Considerations", dividends paid by a non-U.S. corporation generally will be taxed at the preferential tax rates applicable to long-term capital gain of non-corporate taxpayers if (a) such non-U.S. corporation is eligible for the benefits of certain U.S. treaties or the dividend is paid by such non-U.S. corporation with respect to stock that is readily tradable on an established securities market in the United States, (b) the U.S. holder receiving such dividend is an individual, estate, or trust, and (c) such dividend is paid on shares that have been held by such U.S. holder for at least 61 days during the 121-day period beginning 60 days before the "ex-dividend date." If the requirements of the immediately preceding sentence are not satisfied, a dividend paid by a non-U.S. corporation to a U.S. holder, including a U.S. holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). The dividend rules are complex, and each U.S. holder should consult its own tax advisor regarding the dividend rules.

Dividends received generally will be income from non-U.S. sources, which may be relevant in calculating your U.S. foreign tax credit limitation. Such non-U.S. source income generally will be "passive category income", which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. holder's particular circumstances. You should consult your own tax advisor to determine the foreign tax credit implications of owning the Equity Shares.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. Dollar value of the Indian Rupee payments made, determined at the spot Indian Rupee/U.S. Dollar exchange rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. Dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. Dollars will be treated as ordinary income or loss. The gain or loss generally will be ordinary income or loss from sources within the United States for foreign tax credit limitation purposes.

Taxation of Sale, Exchange or Other Taxable Disposition of Equity Shares

Subject to the PFIC rules discussed below under "PFIC Considerations", if you are a U.S. holder and you sell, exchange or otherwise dispose of your Equity Shares in a taxable disposition, you generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount realized and your tax basis, determined in U.S. Dollars, in your Equity Shares. Gain or loss recognised on such a sale, exchange or other disposition of Equity Shares generally will be long-term capital gain if the U.S. holder has held the Equity Shares for more than one year. Long- term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) are generally taxed at preferential rates (currently at a maximum rate of 20%). The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met. Your ability to deduct capital losses is subject to limitations.

Medicare Tax

Certain U.S. holders who are individuals, estates or trusts are required to pay a 3.8% Medicare surtax on all or part of that holder's "net investment income", which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the Equity Shares, subject to certain limitations and exceptions. Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the Equity Shares.

PFIC Considerations

The Code provides special rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of, shares of stock in a PFIC. A non-U.S. corporation will be treated as a PFIC for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (generally based on the average of the fair market values of the assets determined at the end of each quarterly period) are "passive assets," which generally means that they produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. In determining whether a non-U.S. corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Based on the current and projected composition of our income and assets, and the valuation of our assets, we do not expect to become a PFIC in the current taxable year or the foreseeable future. However, no assurance can be given that our Company will not be considered a PFIC in the current or any future taxable year. Our Company's possible status as a PFIC must be determined for each year and cannot be determined until the end of each taxable year. Because this determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond our Company's control, including the amount and nature of our Company's income, as well as on the market valuation of our Company's assets, including goodwill, and Equity Shares, and because certain aspects of the PFIC rules are not entirely certain, there can be no assurance that our Company is not a PFIC and will not become a PFIC or that the IRS will agree with our conclusion regarding our PFIC status. If our Company was currently or were to become a PFIC, U.S. holders of Equity Shares would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

A U.S. holder that holds stock in a non-U.S. corporation during any taxable year in which the corporation is treated as a PFIC is subject to special tax rules with respect to (a) any gain realized on the sale, exchange or other disposition of the stock and (b) any "excess distribution" by the corporation to the holder, unless the holder elects to treat the PFIC as a "qualified electing fund" ("**QEF**") or makes a "mark-to-market" election, each as discussed below. An "excess distribution" is that portion of a distribution with respect to PFIC stock that exceeds 125% of the average of such distributions over the preceding three-year period or, if shorter, the U.S. holder's holding period for its shares. Excess distributions and gains on the sale, exchange or other disposition of stock of a corporation which was a PFIC at any time during the U.S. holder's holding period are allocated rateably to each day of the U.S. holder's holding period. Amounts allocated to the taxable year in which the disposition occurs and amounts allocated to any period in the shareholder's holding period before the first day of the first taxable year that the corporation was a PFIC will be taxed as ordinary income (rather than capital gain) earned in the taxable year of the disposition. Amounts allocated to each of the other taxable years in the U.S. holder's holding period are not included in gross income for the year of the disposition, but are subject to a tax (equal to the highest ordinary income tax rates in effect for those years, and increased by an interest charge at the rate applicable to income tax deficiencies) that is added to the tax otherwise due for the taxable year in which the disposition occurs. The tax liability for amounts allocated to years before the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Equity Shares cannot be treated as capital, even if a U.S. holder held such Equity Shares as capital assets. The preferential U.S. federal income tax rates for dividends and long-term capital gain of individual U.S. holders (as well as certain trusts and estates) would not apply, and special rates would apply for calculating the amount of the foreign tax credit with respect to excess distributions.

If a corporation is a PFIC for any taxable year during which a U.S. holder holds shares in the corporation, then the corporation generally will continue to be treated as a PFIC with respect to the holder's shares, even if the corporation no longer satisfies the passive income and passive asset tests described above, unless the U.S. holder terminates this deemed PFIC status by electing to recognise gain, which will be taxed under the excess distribution rules as if such shares had been sold on the last day of the last taxable year for which the corporation was a PFIC.

The excess distribution rules may be avoided if a U.S. holder makes a QEF election effective beginning with the first taxable year in the holder's holding period in which the corporation is a PFIC. A U.S. holder that makes a QEF election is required to include in income its pro rata share of the PFIC's ordinary earnings and net capital gain as ordinary income and long-term capital gain, respectively, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. A U.S. holder whose QEF election is effective after the first taxable year during the holder's holding period in which the corporation is a PFIC will continue to be subject to the excess distribution rules for years beginning with such first taxable year for which the QEF election is effective.

In general, a U.S. holder makes a QEF election by attaching a completed IRS Form 8621 to a timely filed (taking into account any extensions) U.S. federal income tax return for the year beginning with which the QEF election is to be effective. In certain circumstances, a U.S. holder may be able to make a retroactive QEF election. A QEF election can be revoked only with the consent of the IRS. In order for a U.S. holder to make a valid QEF election, the corporation must annually provide or make available to the holder certain information. Our Company does not intend to provide to U.S. holders the information required to make a valid QEF election and our Company currently makes no undertaking to provide such information. Accordingly, it is currently anticipated that a U.S. holder will not be able to avoid the special tax rules described above by making the QEF election.

As an alternative to making a QEF election, a U.S. holder may make a "mark-to-market" election with respect to its PFIC shares if the shares meet certain minimum trading requirements. If a U.S. holder makes a valid mark-to-market election for the first tax year in which such holder holds (or is deemed to hold) stock in a corporation and for which such corporation is determined to be a PFIC, such holder generally will not be subject to the PFIC rules described above in respect of its stock. Instead, a U.S. holder that makes a mark-to-market election will be required to include in income each year an amount equal to the excess, if any, of the fair market value of the shares that the holder owns as of the close of the taxable year over the holder's adjusted tax basis in the shares. The U.S. holder will be entitled to a deduction for the excess, if any, of the holder's adjusted tax basis in the shares over the fair market value of the shares as of the close of the taxable year; provided, however, that the deduction will be limited to the extent of any net mark-to-market gains with respect to the shares included by the U.S. holder under the election for prior taxable years. The U.S. holder's basis in the shares will be adjusted to reflect the amounts included or deducted pursuant to the election. Amounts included in income pursuant to a mark-to-market election, as well as gain on the sale, exchange or other taxable disposition of the shares, will be treated as ordinary income. The deductible portion of any mark-to-market loss, as well as loss on a sale, exchange or other disposition of shares to the extent that the amount of such loss does not exceed net mark-to-market gains previously included in income, will be treated as ordinary loss.

The mark-to-market election applies to the taxable year for which the election is made and all subsequent taxable years, unless the shares cease to meet applicable trading requirements (described below) or the IRS consents to its revocation. The excess distribution rules generally do not apply to a U.S. holder for tax years for which a mark-to-market election is in effect. However, if a U.S. holder makes a mark-to-market election for PFIC stock after the beginning of the holder's holding period for the stock, a coordination rule applies to ensure that the holder does not avoid the tax and interest charge with respect to amounts attributable to periods before the election.

A mark-to-market election is available only if the shares are considered "marketable" for these purposes. Shares will be marketable if they are regularly traded on a national securities exchange that is registered with the Securities and Exchange Commission or on a non-U.S. exchange or market that the IRS determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. For these purposes, shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. Each U.S. holder should ask its own tax advisor whether a mark-to-market election is available or desirable.

A U.S. holder of PFIC stock must generally file an IRS Form 8621 annually. A U.S. holder must also provide such other information as may be required by the U.S. Treasury Department if the U.S. holder (i) receives certain direct or indirect distributions from a PFIC, (ii) recognises gain on a direct or indirect disposition of PFIC stock, or (iii) makes certain elections (including a QEF election or a mark-to-market election) reportable on IRS Form 8621.

U.S. holders are urged to consult their tax advisors as to our Company's status as a PFIC, and, if our Company is treated as a PFIC, as to the effect on them of, and the reporting requirements with respect to, the PFIC rules and the desirability of making, and the availability of, either a QEF election or a mark-to-market election with respect to our Equity Shares. Our Company provides no advice on taxation matters.

Information with Respect to Foreign Financial Assets

In addition, certain U.S. holders may be subject to certain reporting obligations with respect to Equity Shares if the aggregate value of these and certain other "specified foreign financial assets" exceeds $50,000. If required, this disclosure is made by filing Form 8938 with the IRS. Significant penalties can apply if U.S. holders are required to make this disclosure and fail to do so. In addition, a U.S. holder should consider the possible obligation for online filing of a FinCEN Report 114—Foreign Bank and Financial Accounts Report as a result of holding Equity Shares. U.S. holders are thus encouraged to consult their U.S. tax advisors with respect to these and other reporting requirements that may apply to their acquisition of Equity Shares.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to distributions made on our Equity Shares within the U.S. to a non-corporate U.S. holder and to the proceeds from the sale, exchange, redemption or other disposition of Equity Shares by a non-corporate U.S. holder to or through a U.S. office of a broker. Payments made (and sales or other dispositions effected at an office) outside the U.S. will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. federal income tax may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (or otherwise establishes, in the manner provided by law, an exemption from backup withholding) or to report dividends required to be shown on the U.S. holder's U.S. federal income tax returns.

Backup withholding is not an additional income tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as credit against the U.S. holder's U.S. federal income tax liability provided that the appropriate returns are filed.

You should consult your own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to the Placement, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, non-U.S. tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations.

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are initiated by us and also by other parties. These legal proceedings are primarily in the nature of, amongst others, civil suits, title and land disputes, criminal proceedings, tax disputes, writ petitions, and petitions pending before various authorities.

There is no outstanding legal proceeding which has been considered material in accordance with the Company's "Policy for Determination of Materiality of Events or Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations.

*Additionally, the Company has, in accordance with the resolution passed by the Capital Raising Committee, solely for the purpose of this Issue on August 18, 2020, also disclosed in this section (i) all outstanding criminal litigation against the Company, its Subsidiaries, its Associates and its Directors; (ii) all outstanding civil litigation and tax proceedings involving any of the Company, its Subsidiaries and/or its Associates, which involve an amount equivalent to or above ₹ 38.85 million which is approximately 1% of the consolidated net profit after tax of the Company as per the audited consolidated financial statements of the Company as of and for the financial year ended March 31, 2020 ("**Materiality Threshold**"); (iii) all outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) involving any of the Company, its Subsidiaries, its Associates and its Directors;(iv) all outstanding litigation/disputes pertaining to the title of the real estate assets owned by any of the Company, its Subsidiaries, its Associates and where such entities have been impleaded as a party; and (v) any other outstanding litigations, involving any of the Company, its Subsidiaries, its Associates or its Directors, where the monetary sum involved is not quantifiable or is below the Materiality Threshold, or where an adverse outcome would, in the opinion of the Board, materially and adversely affect the business, operations, prospects, reputation or financial position of the Company.*

Further, other than as disclosed in this section, (i) there are no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter during the last three years immediately preceding the year of circulation of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Preliminary Placement Document involving the Company or any of its Subsidiaries nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving the Company or its Subsidiaries; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of the Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Preliminary Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of the Company, its Subsidiaries, its Associates, its Directors and/or its Promoter from third parties (excluding statutory/regulatory/governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of the Company, its Subsidiaries, its Associates, its Directors and/or its Promoter, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

I. Litigation involving our Company, its Subsidiaries and its Associates

A. Criminal proceedings against our Company

Nil

B. Civil proceedings involving our Company

Against our Company

1. Master Rithik V Garapati, represented by his father and natural guardian (the "**Complainant**"), has filed a complaint ("**Complaint**") against our Company and others ("**Accused**") before the National Consumer Disputes Redressal Commission, New Delhi ("**National Commission**") on December 5, 2012, for the reimbursement of expenses incurred by the Complainant for treatment of the Complainant's hand injured due to the escalator of Phoenix Market City Mall,

Bangalore. The Complainant has claimed a sum of ₹ 163.32 million as total compensation with interest until payment of the full compensation, together with an additional sum of ₹ 72.67 million claimed towards medical expenses. Further, on December 5, 2012, an interim application was filed seeking an amount of ₹ 2.00 million as interim advance. Our Company has filed a reply before the National Commission on October 25, 2013, wherein it has sought dismissal of the Complaint on the grounds that there is no valid cause of action arising from the alleged deficiency of services as the Complainant does not fall within the meaning of "consumer" under the Consumer Protection Act, 1986. The Complainant on May 15, 2016, filed an application for the amendment of the Complaint stating that new facts had come to light and there were further developments post the filing of the Complaint. The matter is currently pending.

2. Narendrakumar Patwa ("**Applicant**") has filed a tenant eviction and rent suit ("**T.E. & R suit**") dated February 16, 2009, against our Company before the Small Causes Court, Mumbai for eviction and payment of the monthly rent for the godown rented to our Company. A decree dated December 21, 2015, had been passed for the payment of ₹ 5,500 and to hand over the quiet, vacant and peaceful possession of the godown i.e. suit premises, under the T.E. & R suit. Thereafter, the Applicant filed an application dated August 11, 2017, against our Company before the Small Causes Court, Mumbai for the determination of mesne profits from June 1, 2008 aggregating to up to ₹ 57.71 million. Our Company has filed its written statement on March 26, 2018 wherein it sought for rejection of the application on the grounds that it is not maintainable because, *inter alia*, our Company was not in use, occupation or possession of the premises during the relevant period for which the Applicant has claimed mesne profits. The matter is currently pending.

3. The Cotton Corporation of India ("**CCI**") had filed a suit dated December 20, 1980, ("**Suit**") against our Company before the Bombay High Court ("**High Court**") on the grounds of alleged contractual breach, claiming that our Company, in its capacity as a canalizing agent, had refused to accept delivery of cotton bales by CCI. Further, CCI has claimed damages of ₹ 8.40 million with interest at 20% per annum from the date of the suit till the judgment and thereafter at 6% per annum till payment. Pursuant to the notification of the High Court registry dated August 28, 2012, all suits pending before the High Court valued at ₹ 10.00 million or less would have to be filed before the City Civil Court, Mumbai, ("**City Civil Court**"). The Suit was therefore transferred to the City Civil Court on September 25, 2012. The City Civil Court passed an order dated July 4, 2018 ("**Order**"), directing our Company to pay a sum of ₹ 7.96 million to CCI and interest at 14% per annum on ₹ 7.29 million from July 1, 1979 till realization of the whole amount. Our Company filed a first appeal and civil application before the High Court on August 24, 2018, challenging the Order and seeking that the Order be set aside, together with a stay on the operation, effect and implementation of the Order pending disposal of the appeal.. The matter is currently pending.

By our Company

1. Our Company has filed a commercial suit and notice of motion dated July 5, 2017, against Phoenix Lotus Infrastructure Private Limited ("**PLIPL**") before the Bombay High Court seeking an order of restraint and injunction against PLIPL from using and infringing our Company's registered trademark – "PHOENIX" in any manner and / or from using the said mark "PHOENIX / PHOENIX FOREVER" or any similar or identical word to our Company's trademark for running their respective business in Hyderabad under the said mark. Further, our Company has claimed a sum of ₹ 50.00 million by way of damages suffered by our Company due to the alleged acts of passing off and infringement by PLIPL. PLIPL has filed a written statement before the Bombay High Court on January 8, 2018, refuting the claims made by our Company and seeking dismissal of the suit with costs. The Bombay High Court on July 17, 2017, granted our Company an ad-interim injunction restraining PLIPL from using the said mark of the Company. The matter is currently pending.

2. Our Company and Offbeat Developers Private Limited, had filed a writ petition before the Bombay High Court ("**High Court**") in a batch of 115 writ petitions whereby the amendments carried out in the Mumbai Municipal Corporation Act, 1888 ("**MMC Act**") with respect to the erstwhile basis and calculation of levying property tax was challenged. The High Court had granted an interim relief to the writ petitioners *vide* order dated February 24, 2014 ("**Interim Order**"), pursuant to which we were directed to deposit 50% of the Tax invoice raised by MCGM. Thereafter, the High Court passed its final order dated April 24, 2019 ("**Final Order**") whereby the Rules 20, 21 and 22 of the Capital Value Rules of years 2010 and 2015 were struck down on account of being *ultra vires* to the provisions of the MMC Act, assessment notices and final bills were set aside and quashed, and the capital value directed to be re determined. Pursuant to the Final Order, the Municipal Corporation of Greater Mumbai has filed a Special Leave Petition dated October 18, 2019, before the Supreme Court ("**SLP**") challenging the Final Order. The Supreme Court passed an interim order dated July 29, 2019, in the SLP, wherein it held that the Interim Orders passed by the High Court, shall continue and the parties will continue to deposit 50% of the tax invoice raised by MCGM and further the Order shall be applied to each party to the 115 petitions before the High Court. Our Company has filed an application for impleadment dated July 18, 2019, before the Supreme Court in the SLP on account of being a proper and necessary party to the proceedings. As per the directions of the Interim Order, our Company has to pay 50% of the amount payable for the billing period October 1, 2012 to March 31, 2020. In the event our Company, does not succeed in its application, then our Company will have to pay the balance 50% of tax assessment invoice. The matter is currently pending.

C. Criminal proceedings against our Subsidiaries

Nil

D. *Civil proceedings involving our Subsidiaries*

Against our Subsidiaries

1. Dynamix Realty filed a summary suit dated November 20, 2014, before the Bombay High Court against Graceworks Realty and Leisure Private Limited ("**GRLPL**") claiming a sum of ₹ 184.06 million being the amount payable under the agreement for sale of TDR between Dynamix Realty and GRLPL ("**Agreement**"). This sum of ₹ 184.06 million includes the outstanding amounts to be paid by GRLPL to Dynamix Realty under the Agreement, in addition to the interest accumulated on this outstanding amount at the rate of 15% per annum. GRLPL in its written statement dated December 14, 2015 contended that the suit was barred by limitation and GRLPL was prohibited from making payment of the last installment to Dynamix Realty, as directed by the Enforcement Directorate. The matter is currently pending.

By our Subsidiaries

2. Offbeat Developers Private Limited ("**ODPL**") and our Company had filed a writ petition before the Bombay High Court ("**High Court**") in a batch of 115 writ petitions whereby the amendments carried out in the Mumbai Municipal Corporation Act, 1888 ("**MMC Act**") with respect to the erstwhile basis and calculation of levying property tax was challenged. The High Court had granted an interim relief to the writ petitioners *vide* order dated February 24, 2014 ("**Interim Order**"), pursuant to which we were directed to deposit 50% of the Tax invoice raised by MCGM. Thereafter, the High Court passed its final order dated April 24, 2019 ("**Final Order**") whereby the Rules 20, 21 and 22 of the Capital Value Rules of years 2010 and 2015 were struck down on account of being *ultra vires* to the provisions of the MMC Act, assessment notices and final bills were set aside and quashed, and the capital value directed to be re determined. Pursuant to the Final Order, the Municipal Corporation of Greater Mumbai has filed a Special Leave Petition before the Supreme Court ("**SLP**") challenging the Final Order. The Supreme Court passed an interim order dated July 29, 2019 in the SLP, wherein it held that the Interim Order shall be applied to each party to the 115 petitions before the High Court. Our Company and ODPL filed an application for impleadment dated July 18, 2019 before the Supreme Court in the SLP on account of being a proper and necessary party to the proceedings. As per the directions of the Interim Order, ODPL has to pay 50% of amount payable for the billing period October 1, 2012 to March 31, 2020. In the event ODPL does not succeed in its application, ODPL will have to pay the balance 50% of tax assessment invoice. The matter is currently pending.

3. Offbeat Developers Private Limited ("**ODPL**") has filed a suit dated April 27, 2020 ("**Suit**") before the Bombay High Court seeking a permanent injunction and restraining against Roshan Kishore Nichani (the "**Defendant**") from committing acts of defamation by posting defamatory content against ODPL, its promoters and its directors on social media websites. In the Suit, ODPL has sought damages of ₹ 100.00 million towards loss of reputation. The Bombay High Court on June 2, 2020, granted ODPL an ad–interim order restraining the Defendant from posting any defamatory statements. The matter is currently pending.

4. Vamona Developers Private Limited ("**VDPL**") has filed a suit dated April 27, 2020 ("**Suit**") before the Bombay High Court seeking a permanent injunction and restraining against Roshan Kishore Nichani ("**Defendant**") from committing acts of defamation by posting defamatory content against VDPL, its promoters and its directors on social media websites. In the Suit, VDPL has sought damages of ₹ 100.00 million towards loss of reputation. The Bombay High Court on June 2, 2020, granted VDPL an ad–interim order restraining the Defendant from posting any defamatory statements. The matter is currently pending.

5. Palladium Constructions Private Limited ("**PCPL**") has filed a writ petition dated August 7, 2019, against the State of Karnataka, Bruhat Bengaluru Mahanagara Palike and Joint Director, Town Planning (South) ("**Respondents**") before the Karnataka High Court challenging the demand of ₹ 40.98 million approximately towards ground rent along with GST claimed by Bruhat Bengaluru Mahanagara Palike. PCPL has alleged that the demand for rent is illegal and not applicable. PCPL has also challenged the constitutional validity of Bye- Laws 3.8 to 3.10 of the Bruhat Bengaluru Mahanagara Palike Building Bye-Laws, 2003 which deal with the imposition of ground rent. PCPL has prayed for a refund of ₹ 37.03 million paid towards ground rent charges and a sum of ₹ 3.94 million paid towards GST on the same with interest at 18% p.a. till the date of refund. The matter is currently pending.

6. Subhash Dagadu Jadhav ("**Petitioner**"), has, on November 6, 2004, filed a public interest litigation (no. 4 of 2007) before the Bombay High Court ("**PIL**"), against, amongst others, the then Revenue Minister of Maharashtra ("**Respondent No. 2**") and Mukund Limited ("**Respondent No. 4**") praying that an order dated September 14, 2005 ("**Order**") passed by Respondent No. 2 in relation to a proposal to redevelop the land be set aside. The Order ruled that the land was sold in 1944 by way of a public auction and was of the absolute ownership of Respondent No. 4, as a result of which the State Government could not restrict the disposal of the land or the manner thereof by Respondent No. 4. Offbeat Developers Private Limited and Graceworks Realty & Leisure Private Limited impleaded themselves in the PIL with respect to their respective projects, although they were not named as Respondents by the Petitioner, since they

acquired a portion of the land in dispute from Respondent No. 4. The PIL has been admitted by the Bombay High Court. The matter is currently pending.

E. Criminal proceedings against our Associates

Nil

F. Civil proceedings involving our Associates

Against our Associates

Nil

By our Associates

Nil

G. Actions by statutory or regulatory authorities involving our Company, our Subsidiaries and our Associates

Involving our Company

Nil

Involving our Subsidiaries

1. The Karnataka State Pollution Control Board ("**KSPCB**") had issued two show-cause notices to Island Star Mall Developers Private Limited ("**Island**") each dated December 4, 2019 (the "**Notices**"), for imposing environmental compensation aggregating to ₹ 0.50 million for alleged non-compliance of the provisions of the Water (Prevention and Control of Pollution) Act, 1974. The National Green Tribunal had directed KPSCB to issue one of the two Notices issued to Island on December 4, 2019. Island *vide* its reply dated December 20, 2019, had requested for withdrawal of the Notices by submitting an explanation and stating that the imposition of the environmental compensation was unwarranted and unjustified. Further, Island *vide* its letter dated February 7, 2020, has paid the entire compensation under protest and has also requested an extension of one year for the necessary upgradation of the sewage treatment The matter is currently pending.

2. Alyssum Developers Private Limited ("**Alyssum**") had received a notice dated February 15, 2020, from the Senior Inspector of Police, Wakad Police Station, Pimpri Chinchwad City, (the "**Notice**") in relation to the construction activity of the mall. The Notice stated that the Wakad Police Station had received a lot of written and oral complaints from residents around the mall with regards to the noise and air pollution generated from the construction activity. The Notice further restricted Alyssum to stop construction activity from sunset till sunrise. Alyssum has filed their reply dated February 29, 2020, clarifying the compliances followed by them. Alyssum has received no further communication from the Wakad Police Station in the matter.

3. Alyssum Developers Private Limited ("**Alyssum**") had received a notice dated December 13, 2019, from the Senior Inspector of Police, Wakad Police Station, Pimpri Chinchwad City, (the "**Notice**") in relation to the construction activity of the mall. The Notice stated that the Wakad Police Station had received a lot of written and oral complaints from residents around the mall with regards to the noise and air pollution generated from the construction activity. The Notice further restricted Alyssum to stop construction activity from sunset till sunrise. Alyssum has filed their reply dated December 27, 2019, clarifying the compliances followed by them. Alyssum has received no further communication from the Wakad Police Station in the matter.

4. Alyssum Developers Private Limited ("**Alyssum**") had received a notice dated November 26, 2019 from the Pimpri Chinchwad Municipal Corporation ("**PCMC**") with reference to the complaint made to it by the Dalit Panther Party dated November 8, 2019 (the "**Complaint**"). The Complaint alleged that the Phoenix Market City mall at Wakad caused traffic, pollution, nuisance to the people residing near the Phoenix Market City mall and also that the mall workers were behaving arrogantly with the customers. The Complaint further alleged violation of statutory provisions with respect to contract labour. The PCMC had asked Alyssum to immediately take action and file a completion report with them. Alyssum has filed their reply dated December 18, 2019, clarifying the compliances followed by them. Alyssum has received no further communication from the PCMC in the matter.

5. Alyssum Developers Private Limited ("**Alyssum**") had received a notice dated November 26, 2019 from the Pimpri Chinchwad Municipal Corporation ("**PCMC**") with reference to the complaint made to it by the Republican Sena dated November 8, 2019 (the "**Complaint**"). The Complaint alleged that the Phoenix Market City mall at Wakad caused traffic, pollution, nuisance to the people residing near the Phoenix Market City mall and also that the mall workers were

arrogant with the customers. The Complaint further alleged violation of statutory provisions with respect to contract labour. The PCMC had asked Alyssum to immediately take action and file a completion report with them. Alyssum has filed their reply dated December 20, 2019, clarifying the compliances followed by them. Alyssum has received no further communication from the PCMC in the matter.

6. Phoenix Market City mall (Alyssum Developers Private Limited) ("**Alyssum**"), at Wakad has received a notice dated December 9, 2019, from the Pimpri Chinchwad Municipal Corporation ("**PCMC**"), (the "**Notice**") in relation to the construction activity of the mall. The Notice stated that the machinery used for the construction activity caused a lot of noise and air pollution. The Notice further mentioned that PCMC had also received complaints from the surrounding residents stating that due to the excavation activity at the site of the mall, a lot of dust was generated inconveniencing the nearby residents. PCMC had directed Alyssum to stop the noise pollution within 15 days from the receipt of the Notice and to file a reply failing which, appropriate action under Section 373(A) of the Maharashtra Municipal Corporation Act, 1949, would have be taken. Alyssum Developers Private Limited has filed their reply dated December 18, 2019, clarifying the compliances followed by them. Alyssum has received no further communication from the PCMC in the matter.

7. The Karnataka State Pollution Control Board ("**KSPCB**") had issued a show-cause notice to Island Star Mall Developers Private Limited ("**Island**") on July 19, 2019 (the "**SCN**"), for alleged non-compliance of the provisions of Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Environment (Protection) Act, 1986. Island *vide* its reply dated July 30, 2019, had requested for withdrawal of the SCN stating that there has not been any non-compliance and also stated that post the inspection by the deputy environmental officer on May 8, 2019, they were not intimated of any non-compliance. Island has received no further communication from the KSPCB in the matter.

Involving our Associates

Nil

H. Tax proceedings involving our Company, Subsidiaries and Associates

Direct Tax

1. The Office of the Assistant Commissioner of Income Tax, Income Tax Department ("**IT Department**") has passed an assessment order dated December 25, 2019, addressed to our Company in relation to the income pertaining to Fiscal 2017 addressed to our Company ("**Order**"), and raising a demand in relation to the disallowance of expenditure under Section 14A of the Income Tax Act, 1961 ("**IT Act**"), disallowance of interest expenditure under Section 36 of the IT Act, reallocation of expenses for various activities and addition of capital gains under Section 50C of the IT Act, amounting to ₹ 92.02 million. Our Company has filed an appeal dated March 7, 2019, against the Order before the Commissioner of Income Tax (Appeals), Mumbai. The matter is currently pending.

2. The Income Tax Department ("**IT Department**"), in its assessment orders each dated March 25, 2013 for Fiscals 2005, 2006, 2007, 2008, 2009 and 2010, (together, the "**IT Orders**") addressed to our Company, had raised a demand in relation to the reallocation of legal and professional expenses, security charges, miscellaneous expenses, salaries and wages, repairs and maintenance and advertisement and sales promotion expenses under the provisions of the Income Tax Act, 1961 ("**IT Act**"). The IT Orders also disallowed certain expenditure under Section 14A under the IT Act. Further, for Fiscals 2009 and 2010, the IT Department had also disallowed interest expenditure under Section 36(1)(iii) of the IT Act and made certain additions in relation to deemed rent under Section 23(1)(c) of the IT Act. Our Company has filed an appeal with the Income Tax Appellate Tribunal ("**ITAT**") against the IT Orders pursuant to which the ITAT on October 6, 2016, decided the appeal in favour of our Company. The IT Department has further filed an appeal against decision of the ITAT in the Bombay High Court. The cumulative tax demand under dispute amount to ₹ 154.33 million. The matter is currently pending.

3. Island Star Mall Developers Private Limited ("**Island**") in its return of income dated September 29, 2015, for the Fiscal 2015, declared a loss of ₹ 35.75 million. Island had further revised the return of income on March 29, 2017, declaring the same amount of loss but revising the claim of the tax deducted at source. The said instance was taken up for scrutiny under Section 143(2) of the Income Tax Act, 1961, (the "**IT Act**"). The Income Tax Department ("**IT Department**"), in its assessment order dated December 27, 2017, (the "**Order**") had made certain additions to the income and the total income of Island was assessed at ₹ 360.06 million under the normal provisions and ₹ 314.49 million under the minimum alternate tax provisions. Island has appealed the said Order before the Commissioner of Income Tax (Appeals), Mumbai. The demand in this case after adjusting for the refunds pertaining to Fiscals 2013, 2016 and 2017 stands at ₹ 62.49 million. The matter is currently pending.

Indirect Tax

1. Island Star Mall Developers Private Limited ("**Island**") received a show cause notice dated April 12, 2017 ("**SCN**") from the Commissioner of Central Excise and Service Tax, Bangalore-V Commissionerate, asking Island to show cause as to why (i) an amount of ₹ 365.46 million claimed as abatement in the returns filed for the period from October 2011 to 2015-2016 should not be treated as the wrong abatement claimed and considered as the taxable value towards the payment of service tax under the category "renting of immovable property services", (ii) an amount of ₹ 46.67 million, being the differential service tax payable (along with cesses) on the taxable services (i.e. supply of electricity and water to tenants) during the period between October, 2011 to 2015-2016, should not be demanded and recovered from Island under the proviso to sub-section (1) of Section 73 of the Finance Act, 1994, (iii) interest at applicable rate, should not be demanded on the aforesaid amount under Section 75 of the Finance Act, 1994, and (iv) penalties under the respective provisions of the Finance Act, 1994, should not be imposed on Island. Island issued a reply dated August 17, 2017, to the SCN, highlighting the need to drop the proceedings initiated through the SCN. Thereafter, the Commissioner of Central Tax, GST Commissionerate, Bengaluru East ("**Commissioner**"), issued a statement of demand dated January 10, 2018 ("**SoD**"), requesting Island to show cause as to why (i) the demand raised as a result of wrongful availment of abatement on electricity and water charges collected from taxable value, amounting to ₹ 20.32 million for the period between April, 2016, to June, 2017, should not be demanded and recovered under Section 73(1) of the Finance Act, 1994, and (ii) interest and penalty under the respective provisions of the Finance Act, 1994, should not be imposed on Island. Island issued a reply dated March 28, 2018, to the SoD, reiterating the need to drop the proceedings initiated through the SCN. Subsequently, the Commissioner passed an order dated December 17, 2018 ("**Order**"), dropping the proceedings initiated *vide* the SCN and SoD. Thereafter, pursuant to a review order dated April 24, 2019, passed by the Committee of Chief Commissioners, an appeal was filed on April 26, 2019, by the Commissioner before the Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Bangalore ("**CESTAT**"), praying for the (i) Order to be set aside, and (ii) confirmation of the demand raised in the SCN and SoD. In response, Island filed a memorandum of cross objection on June 28, 2019, before CESTAT. The matter is currently pending.

2. The Commissioner, Service Tax – I, Mumbai ("**Commissioner**"), issued show cause cum demand notices dated October 20, 2011, July 17, 2012, March 13, 2013, October 23, 2013, and April 16, 2014, (collectively, the "**SCNs**"), to Offbeat Developers Private Limited ("**Offbeat**"), asking the latter to show cause as to why (a) the service tax (including education cess and secondary higher education cess) of ₹ 87.89 million (for the period between July, 2010, to March, 2011), (b) the wrongly availed CENVAT credit (including education cess) of ₹ 83.37 million (for the period between April, 2007, to March, 2011) and (c) the wrongly utilised and availed CENVAT credit of (i) ₹ 39.00 million (for the period between April, 2011, to September, 2011), (ii) ₹ 90.16 million (for the period between October, 2011, to March, 2012), and (iii) ₹ 47.36 million (for the period between April, 2012, to June, 2012), should not recovered from Offbeat under Rule 14 of the CENVAT Credit Rules, 2004, read with Section 73 of the Finance Act, 1994. Offbeat, *vide* the SCNs, were also required to show cause as to why: (a) interest should not be recovered on the aforesaid amounts, under Section 75 of the Finance Act, 1994, read with Rule 15 of the CENVAT Credit Rules, 2004, and (b) penalties should not be imposed on Offbeat under the respective provisions of the Finance Act, 1994. Thereafter, Offbeat issued replies to the each of the SCNs *vide* letters dated March 14, 2012, October 10, 2012, April 10, 2013, November 21, 2013, and May 8, 2014, respectively, requesting the Commissioner to drop the proceedings initiated through the SCNs. Thereafter, the Principal Commissioner of Service Tax: II, Mumbai, passed an order dated July 28, 2015 ("**Order**"), confirming a total demand of ₹ 129.85 million in respect of the service tax liability to be paid by Offbeat, and disallowing the CENVAT credit of ₹ 130.04 million for the period between July, 2010, and June, 2012, in terms of the proviso to sub-section (1) of Section 73 of the Finance Act, 1994, read with Rule 14 of the CENVAT Credit Rules. The Order further imposed penalties of (a) ₹ 104.81 million under Section 78 of the Finance Act, 2004, read with Rule 15(3) of the CENVAT Credit Rules, 2004, (b) ₹ 54.20 million under Section 76 of the Finance Act, 2004, (c) ₹ 108.41 million under Rule 15(1) of the CENVAT Credit Rules, 2004, and (d) ₹ 0.05 million under Section 77 of the Finance Act, 2004, on Offbeat. Additionally, the Order imposed a late fee of ₹ 0.02 million for late filing of the return filed in respect of the period from October, 2011, to March, 2012, under the provisions of Rule 7(c)(iii) of the CENVAT Credit Rules, 2004, on Offbeat. Subsequently, Offbeat filed separate appeals on October 28, 2015, before the Customs, Excise and Service Tax Appellate Tribunal ("**CESTAT**"), against the Order and the SCNs. The matters are currently pending.

3. Offbeat Developers Private Limited ("**Offbeat**") received a show cause cum demand notice from the Commissioner of Service Tax-II, Mumbai, dated January 21, 2015 (the "**SCN**") to show cause as to why ₹ 73.86 million was under paid towards service tax for the period from July 2012 – March 2014 and as to why CENVAT credit amounting to ₹ 18.02 million which was wrongly availed for the period from April 2013 - September 2013, along with interest and penalty should not be demanded and recovered. Subsequently, an order dated September 21, 2018 (the "**Order**") was passed against Offbeat by the Commissioner CGST & CEX, Mumbai for the recovery of ₹ 91.87 million, towards the amount under paid as service tax and the amount received as CENVAT credit along with interest and penalty. Thereafter, Offbeat filed an appeal in the Customs, Excise and Service Tax Appellate Tribunal on December 20, 2018, challenging the Order. The matter is currently pending.

4. The Office of the Commissioner Central Excise, Customs & Service Tax, Pune – III Commissionerate passed an order dated April 10, 2013 ("**2013 Order**"), against Vamona Developers Private Limited ("**VDPL**") claiming that VDPL has wrongfully availed CENVAT credit of service tax amounting to ₹ 83.47 million. Additionally, the 2013 Order imposed a penalty of ₹ 83.47 million, which is equal to the aforesaid amount along with applicable interest with respect to the

period from June 1, 2007 to 31 March, 2011. Thereafter, VDPL filed an appeal on July 15, 2013, before the Customs, Excise and Service Tax Appellate Tribunal, West Zonal Bench, Mumbai, for setting aside the 2013 Order (the "**Appeal**"). Subsequently, the Customs, Excise and Service Tax Appellate Tribunal, West Zonal Bench, Mumbai vide its order dated December 4, 2015 (the "**2015 Order**"), held that the credit was admissible and set aside the recovery of the same, along with interest and penalty imposed by the 2013 Order. Thereafter, the Principal Commissioner of Service Tax, Pune Commissionerate filed an appeal against VDPL dated August 20, 2018, in the Bombay High Court challenging the 2015 Order. The matter is currently pending.

5. Offbeat Developers Private Limited ("**Offbeat**") received two notices from Office of the Deputy Commissioner of Sales Tax, Large Tax Payers Unit, Mumbai ("**Authority**") dated February 10, 2015 ("**Notice**"), asking Offbeat to provide details in relation to workings of payment of sales tax and value added tax on purchase of materials used for consumption in the construction of a mall and whether the deductions admitted and claimed were correct and at proper rates for the period from April 2006-March 2008, wherein for the period from April 2006-November 2007 the Company was an unregistered dealer and for the period from December 2007-March 2009 the Company was a registered dealer under the Central Sales Tax Act, 1956. Subsequently, the Deputy Commissioner of Sales Tax, Large Tax Payer Unit (4), Mumbai, vide two orders dated March 26, 2015, levied an amount of ₹ 23.33 million and ₹ 40.13 million as the total demand ("**Order**"). Thereafter, Offbeat filed three appeals against the Deputy Commissioner of Sales Tax, LTU, Mumbai, of which two were dated December 15, 2016, and one was dated July 5, 2017, in relation to the respective assessment years challenging the Order. The matters are currently pending.

6. Our Company and some of our Subsidiaries have received certain show cause notices either from the offices of the Commissioner of CGST & Excise, Mumbai, and other tax authorities, in connection with certain tax related matters. Our Company and such Subsidiaries have either replied to the aforesaid show cause notices or are in the process of replying to the same.

II. Litigation involving our Directors

A. Criminal proceedings against our Directors

1. Mamta Dikshit ("**Complainant**") was supplying gas cylinders to the Phoenix United Mall, Bareilly (the "**Mall**"). The Complainant has filed a First Information Report ("**FIR**") on December 26, 2016, at the Izatnagar police station, Bareilly, against our Managing Director and others, alleging criminal conspiracy for forgery, fraud and cheating amounting to ₹ 2.90 million. The Complainant has alleged in the FIR that facts were concealed while entering into the agreement for supplying gas cylinders to the Mall. The Complainant has further alleged that the gas metres installed at the Mall were faulty which caused her a loss of up to ₹ 2.90 million. The matter is currently before the chief judicial magistrate for his consideration post the closure report filed by the police.

B. Actions by statutory or regulatory authorities

Nil

III. Litigation involving our Promoter

A. Criminal proceedings against our Promoter

Nil

IV. Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years

Except as stated below, there are no litigations or legal actions pending or taken by any Ministry or Department of the Government or any statutory authority and there are no directions issued by such Ministry or Department of the Government or statutory authority upon conclusion of such litigation or legal action against our Promoter during the last three years immediately preceding the year of the issue of this Preliminary Placement Document:

1. The Additional Commissioner of Income Tax, Central Circle - 8 (4) Mumbai, has issued a notice of demand and assessment order dated December, 19, 2019 against Atul Ruia ("**Assessee**"), (the "**Order**") demanding a sum of ₹ 0.29 million for the assessment year 2017-2018. The Assessee had admitted that he had inadvertently missed declaring ₹ 0.57 million to tax but has contended that the amount ascertained in the Order is incorrect and due rectification is required. The matter is currently pending

V. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our

Subsidiaries under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries.

VI. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

VII. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

As on the date of this Preliminary Placement Document, our Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

VIII. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Preliminary Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder.

IX. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

X. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Preliminary Placement Document and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

There are no reservations, qualifications or adverse remarks of our Statutory Auditors in their respective reports on our audited consolidated and standalone financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document.

INDEPENDENT STATUTORY AUDITORS

M/s DTS & Associates LLP, Chartered Accountants, are independent statutory auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI, and have been appointed as the Statutory Auditors of our Company, pursuant to the approval of the Shareholders of our Company at the 112^{th} AGM held on September 25, 2017, with effect from the conclusion of the 112^{th} AGM till the conclusion of the 117^{th} AGM of the Company.

Our Unaudited Consolidated Interim Condensed Financial Statements, and Audited Consolidated Financial Statements, as included in this Preliminary Placement Document, have been limited reviewed and audited, respectively, by M/s DTS & Associates LLP, Chartered Accountants.

M/s DTS & Associates LLP, Chartered Accountants, hold a certificate issued by the peer review board of the ICAI, which is valid till September 15, 2020, after considering the extended period per the ICAI announcement dated May 29, 2020. The firm's peer review process of the subsequent period has been completed and reviewer has submitted final clean report to the peer review board on January 28, 2020.

GENERAL INFORMATION

- Our Company was incorporated under the Indian Companies Act, 1882, by the Registrar of Joint Stock Companies, Bombay on January 27, 1905, as The Phoenix Mills Limited, a company with limited liability. The CIN of our Company is L17100MH1905PLC000200. The registered office of our Company is located at 462, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

- The Issue was approved by the Board of Directors on June 29, 2020 and the Capital Raising Committee on July 13, 2020. Subsequently, our Shareholders through a special resolution passed by way of a postal ballot approved the Issue on August 13, 2020.

- The Equity Shares are listed on BSE and NSE.

- Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, on BSE and NSE, on August 18, 2020. We shall apply to the Stock Exchanges for the final listing and trading approvals.

- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on any weekday (except public holidays) at our Registered Office.

- Our Company has obtained all material consents, approvals and authorisations required in connection with the Issue.

- No change in control in our Company will occur consequent to the Issue.

- There has been no material change in the financial or trading position of our Company since March 31, 2020, the date of the latest audited consolidated financial statements prepared in accordance with Ind AS included in this Preliminary Placement Document, except as disclosed herein.

- Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue.

- Our Company confirms that it is compliant with the requirement of minimum public shareholding prescribed under the SEBI Listing Regulations and as per Rule 19A of the SCRR.

- The Floor Price is ₹ 611.31 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through a special resolution passed by way of a postal ballot on August 13, 2020 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

- Gajendra Mewara is the Company Secretary and Compliance Officer of our Company. His details are as follows:

  Gajendra Mewara
  462, Senapati Bapat Marg,
  Lower Parel, Mumbai 400 013,
  Maharashtra, India
  Tel: +91 22 2496 4307
  E-mail: investorrelations@highstreetphoenix.com

- The Company and the BRLMs accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)^*
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

^ *Based on beneficiary position as on [●], 2020.*

** The details of the proposed Allottees have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges and issuing of the Placement Document to such proposed Allottees.*

FINANCIAL INFORMATION

Review Report on Consolidated Interim Condensed Financial Statements

To,
The Board of Directors
The Phoenix Mills Limited

1. We have reviewed the Consolidated Interim Condensed Financial Statements for the quarter ended 30th June 2020("the Statement") of **The Phoenix Mills Limited** ("the Holding Company"), its' subsidiaries(the Holding Company and its subsidiaries constitute "the Group") and its associates, , which comprise the Consolidated Interim Condensed Balance Sheet as at June 30, 2020, and the related Consolidated Interim Condensed Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Interim Statement of Cash Flows and Consolidated Interim Condensed Statement of Changes in Equity for the quarter and period ended June 30, 2020 and June 30, 2019 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as the "Consolidated Interim Condensed Financial Statements").

2. The management of the Company is responsible for the preparation and presentation of these Consolidated Interim Condensed Financial Statements in accordance with recognition and measurement principles laid down in IND AS 34 'Interim Financial Reporting', as prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules thereunder and other recognized accounting practices and principles. The Consolidated Interim Condensed Financial Statements are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express a conclusion on the Consolidated Interim Condensed Financial Statements based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410,"Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

4. We draw attention to Note 42 of the Statement, which describes the company's management evaluation of impact of Covid 19 pandemic on the future business operations and future cash flows of the Company and it's consequential effects on the carrying value of assets as on 30th June, 2020. The Management has made a best estimate of the revenue recoverable for the quarter ended 30th June, 2020 on the basis stated in the said Note. In view of uncertain economic conditions arising out of pandemic, the management's evaluation of impact on subsequent periods and of amounts of revenue recognised during the period is highly dependent upon conditions as they evolve. Our conclusion is not modified in respect of this matter.

D T S & Associates LLP
Mumbai
Chartered Accountants

5. a) We did not reviewed the Interim Condensed Financial Statements and other information in respect of twenty eight subsidiaries which reflects total assets of ₹ 770,317.08 Lakhs as at 30th June, 2020, total revenue of ₹ 5255.82 Lakhs and ₹ 38,786.30 Lakhs, total net profit/(loss) after tax of ₹ (5,073.46) Lakhs and ₹ 8076.26 Lakhs and total comprehensive income/(loss) ₹ (4,459.70) Lakhs and ₹ 5,907.46 Lakhs for quarter ended 30th June, 2020 and 30th June, 2019 respectively and net cash inflow/(outflow) of ₹ 3409.17 Lakhs and ₹ (283.22) for the period ended 30th June, 2020 and 30th June, 2019 respectively and financial results of two associates in which the share of profit/(loss) of the group (including other comprehensive income) ₹ 6.06 Lakhs and ₹ (467.56) Lakhs for the quarter ended 30th June, 2020 and 30th June, 2019 respectively. These financial results/statements and other financial information have been audited by another auditors whose reports have been furnished to us by the management of the Company and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and associates is based solely on the report of other auditors.

   (b) The Statement includes financial results/statements and other information of one associate in share of profit/ (loss) of the Group (including other comprehensive income) is ₹ (3.58) Lakhs and ₹ (0.81) Lakhs for the quarter ended 30th June, 2020 and 30th June, 2019 respectively, which is certified by the management. According to the information and explanation given to us by the management, these financial results/statements and other information is not material to the group. Our conclusion on the Statement is not modified in respect of the other matter.

   Our conclusion is not modified in respect of these matters.

6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Consolidated Interim Condensed Financial Statements have not been prepared in all material respects in accordance with recognition and measurement principles laid down in IND AS 34 'Interim Financial Reporting' as prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules thereunder and other recognized accounting practices and principles.

For D T S & Associates LLP
Chartered Accountants
(Firm Registration No. 142412W/ W100595)

D T S & Associates LLP
Mumbai
Chartered Accountants

Ashish G. Mistry
Partner
Membership No. 132639
UDIN: 20132639AAAABV5373

Place: Mumbai
Date: 18th August, 2020

THE PHOENIX MILLS LIMITED
Consolidated Interim Condensed Balance Sheet as at 30th June, 2020

(Rs. In Lakhs)

	Particulars	Notes	As at 30th June, 2020	As at 31st March, 2020
	ASSETS			
1	**Non-current assets**			
	Property, plant and equipment	4	6,03,025.13	6,07,954.74
	Capital work-in-progress	4	1,59,084.69	1,53,409.34
	Goodwill		37,106.95	37,106.95
	Other Intangible assets	4	173.10	193.04
	Intangible assets under development	4	18.50	18.50
	Financial assets			
	- Investments	5	43,287.81	42,803.12
	- Loan	6	1,210.25	1,210.25
	- Other	7	15,219.05	12,262.41
	Deferred tax assets (Net)	8	6,422.65	6,122.32
	Other non-current assets	9	20,515.17	20,025.93
			8,86,063.30	8,81,106.60
2	**Current assets**			
	Inventories	10	81,810.36	81,611.74
	Financial assets			
	- Investments	11	8,171.65	16,167.14
	- Trade and other receivables	12	26,543.20	20,170.24
	- Cash and cash equivalents	13	21,976.54	12,933.41
	- Bank Balance other than above	14	4,421.87	1,136.91
	- Loans	6	983.63	971.29
	- Other	7	11,438.95	10,572.39
	Current Tax Assets (net)	15	11,557.28	14,309.29
	Other current assets	9	14,748.85	15,757.65
			1,81,652.33	1,73,630.06
	TOTAL ASSETS		10,67,715.63	10,54,736.66
	EQUITY AND LIABILITIES			
1	**Equity**			
	Equity Share capital	16	3,069.30	3,069.25
	Other equity	17	3,64,195.13	3,67,768.78
	Equity attributable to the owners		**3,67,264.43**	**3,70,838.03**
	Non-controlling interest		1,26,918.54	1,27,879.11
			4,94,182.97	4,98,717.14
	Liabilities			
2	**Non-current liabilities**			
	Financial liabilities			
	- Borrowings	18	3,32,683.10	3,40,528.04
	- Trade Payables	19	154.19	137.52
	- Other financial liabilities	20	16,902.13	18,922.99
	Provisions	21	1,092.17	1,016.97
	Deferred tax liabilities (Net)	22	174.75	276.78
	Other non-current liabilities	23	1,261.30	1,268.49
			3,52,267.64	3,62,150.79
3	**Current liabilities**			
	Financial liabilities			
	- Borrowings	24	83,084.00	70,223.00
	- Trade Payables	19	10,345.12	11,034.88
	- Other financial liabilities	20	88,538.69	68,549.94
	Other current liabilities	23	32,524.79	37,449.68
	Provisions	21	6,708.30	6,591.74
	Current tax Liabilities (net)	25	64.11	19.49
			2,21,265.02	1,93,868.73
	TOTAL EQUITY AND LIABILITIES		10,67,715.63	10,54,736.66

See accompanying notes to the interim condesed financial statements **1 to 43**
As per our report of even date

For D T S & Associates LLP
Chartered Accountants
Firm Registration No. : 142412W/W100595

Ashish G. Mistry
Partner

Membership No. 132639

Place Mumbai
Date : 18th Aug.2020

D T S & Associates LLP ★ Mumbai ★ Chartered Accountants

For and on behalf of the Board of Directors

Atul Ruia
(Chairman)
DIN - 00087396

Shishir Shrivastava
(Managing Director)
DIN - 01266095

THE Phoenix Mills Limited

THE PHOENIX MILLS LIMITED

Consolidated Interim Condensed Statement of Profit and Loss for three months period ended 30th June 2020

(Rs. In Lakhs)

Sr No.	Particulars	Note No.	Rs.	For the period ended 30th June, 2020 Rs.	For the period ended 30th June, 2019 Rs.
	Income				
I	Revenue from Operations	26		13,470.73	61,504.31
II	Other Income	27		1,312.91	1,537.62
	TOTAL INCOME			14,783.64	63,041.93
III	**Expenses**				
	Cost of Materials Consumed	28		117.70	4,830.58
	Change in Inventory	29		(198.62)	8,745.06
	Employee Benefits Expenses	30		2,036.57	3,819.65
	Depreciation and Amortisation	4		5,024.25	5,070.17
	Finance Costs	31		8,693.40	8,712.37
	Other Expenses	32		4,487.37	14,834.62
	TOTAL EXPENSES			20,160.67	46,012.45
IV	PROFIT BEFORE TAX			(5,377.03)	17,029.48
V	TAX EXPENSES				
	Current Income Tax		99.52		3,059.22
	Deferred Tax		(402.38)		(704.87)
	Tax Adjustments of earlier years		(22.87)	(325.73)	(12.40)
VI	PROFIT AFTER TAX			(5,051.30)	14,687.53
	Share of Profit/(Loss) in Associates			(150.34)	684.34
VII	PROFIT FOR THE PERIOD			(5,201.64)	15,371.87
VIII	OTHER COMPREHENSIVE INCOME				
	a) Item that will not be reclassified to Profit & Loss A/c				
	Gain/(Loss) on Equity Instruments at fair value through other comprehensive Income			625.20	(2,271.81)
	b) Income Tax relating to the Item that will not be reclassified to Profit & Loss A/c			-	-
	OTHER COMPREHENSIVE INCOME/(LOSS)			625.20	(2,271.81)
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			(4,576.44)	13,100.06
	Net Profit attributable to				
	a) Owners of the company			(4,241.07)	13,038.72
	b) Non Controlling Interest			(960.57)	2,333.15
	Other Comprehensive Income attributable to				
	a) Owners of the company			625.20	(2,271.81)
	b) Non Controlling Interest			-	-
	Total Comprehensive Income attributable to				
	a) Owners of the company			(3,615.87)	10,766.91
	b) Non Controlling Interest			(960.57)	2,333.15
	Earning per equity shares (Face value Rs. 2 each)	36			
	Basic			(2.76)	8.50
	Diluted			(2.76)	8.48

See accompanying notes to the interim condesed financial statements 1 to 43

As per our report of even date

For D T S & Associates LLP
Chartered Accountants
Firm Registration No. : 142412W/W100595

Ashish G. Mistry
Partner
Membership No. 132639

Place : Mumbai
Date : 18th Aug,2020

For and on behalf of the Board of Directors

Atul Ruia
(Chairman)
DIN - 00087396

Shishir Shrivastava
(Managing Director)
DIN - 01266095

D T S & Associates LLP Mumbai Chartered Accountants

THE Phoenix Mills Limited

The Phoenix Mills Limited
Consolidated Interim Condensed Cash Flow Statement For Three Month Ended 30th June, 2020

(Rs. In Lakhs)

Particulars		For the period ended 30th June, 2020		For the period ended 30th June, 2019	
A CASH FLOWS FROM OPERATING ACTIVITIES					
Net Profit before tax as per the Statement of Profit or Loss			**(5,377.03)**		**17,029.48**
Adjustments for :					
Depreciation		5,024.25		5,070.17	
(Profit)/Loss on Assets sold/discarded		0.55		133.61	
Alloawnce for Doubtful Debts and Advances		108.42		107.72	
Interest Expenses		8,693.40		8,712.37	
Interest Income		(1,187.28)		(817.02)	
Profit on sale of Investments		-		(232.15)	
Net gain arising on financial assets measured at FVTPL		(74.43)		(200.73)	
Balances written back		-		(0.64)	
			12,564.91		**12,773.33**
Operating Cash flow before working capital changes			**7,187.88**		**29,802.81**
Adjustment for Working Capital changes :					
Trade and other Receivables		(9,371.01)		(16,086.80)	
Inventories		(198.62)		8,819.82	
Trade and other Payables		(3,943.30)		(5,826.51)	
			(13,512.93)		**(13,093.49)**
Cash generated from Operations			**(6,325.05)**		**16,709.32**
Direct Taxes Refund / (Paid)			2,719.99		(2,927.83)
Net Cash from Operating Activities	A		**(3,605.06)**		**13,781.49**
B CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Property, Plant & Equipments & CWIP		(6,048.93)		(15,820.70)	
Sale of Property, Plant & Equipments		-		8.24	
Inter Corporate Deposits & Loans (placed)/refunded (Net)		-		1,243.92	
Deposit placed with Bank other than considered in Cash & Cash Equivalents		(3,284.96)		-	
Purchase of Investments		-		(14.03)	
Purchase of Mutual Funds		(15,999.44)		(15,267.67)	
Sale of Mutual Funds		24,052.58		25,397.99	
Interest Received		1,058.77		1,296.94	
Net Cash generated from/(used in) Investing Activities	B		(221.98)		(3,155.31)
C CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from long term borrowings		-		10,583.93	
Repayment of long term borrowings		-		(27,592.15)	
Short term loans availed / (repaid)(Net)		12,860.99		13,819.37	
Interest paid		-		(7,914.32)	
Issue of Equity Share		9.18		155.39	
Net Cash generated from/(used in) Financing Activities	C		**12,870.17**		**(10,947.78)**
D Net Increase/(Decrease) in Cash and Cash Equivalents	A+B+C		**9,043.13**		**(321.60)**
Cash and Cash equivalents at the beginning of the year			12,933.41		3,958.19
Cash and Cash equivalents at the end of the period			**21,976.54**		**3,636.59**

Notes:-

1 **Components of cash and cash equivalents:**

Cash on hand	161.57	73.15
Balance with scheduled bank	21,814.97	3,563.44
	21,976.54	3,636.59

See accompanying notes to the interim condesed financial statements
As per our report of even date

For D T S & Associates LLP
Chartered Accountants
Firm Registration No. : 142412W/W100595

Ashish G. Mistry
Partner
Membership No. 132639

Place Mumbai
Date : 18th Aug,2020

D T S & Associates LLP * Chartered Accountants * Mumbai

For and on behalf of the Board of Directors

Atul Ruia
(Chairman)
DIN - 00087396

Shishir Shrivastava
(Managing Director)
DIN - 01266095

THE Phoenix Mills Ltd.

THE PHOENIX MILLS LIMITED
Consolidated Interim Condensed Statement of Changes in Equity For Period Ended 30th June 2020

(a) Equity share capital (Rs. In Lakhs)

Particulars	As at 1st April, 2020	Changes in equity share capital during the period	As at 30th June, 2020
Equity Share Capital	3,069.25	0.00	3,069.30

Particulars	As at 1st April, 2019	Changes in equity share capital during the period	As at 30th June, 2019
Equity Share Capital	3,065.80	0.95	3,066.75

(b) Other equity

(Rs. In Lakhs)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income		Total Other Equity	Non Controling Interest	Total
	Capital Reserve	Securities Premium	General Reserve	Share based payment reserve	Retained earning	Re-measurment gain of the net defined benefit	Gain/(Loss) on Equity instruments at fair value			
Balance as at 1st April, 2019	185.25	1,35,273.42	22,918.36	1,375.78	1,70,075.61	46.46	14,471.09	3,44,346.00	1,22,330.20	4,66,676.20
Securities Premium On Issuse of Shares	-	154.43	-	-	-	-	-	154.43	-	154.43
ESOPs Cost for the period	-	-	-	109.85	-	-	-	109.85	-	109.85
Profit for the period	-	-	-	-	13,038.72	-	-	13,038.72	2,333.15	15,371.86
Other Comprehensive Income	-	-	-	-		-	(2,271.81)	(2,271.81)	-	(2,271.81)
Restrospective application of Ind As-21 Amendment					23.59	-	-	23.59		23.59
Impact of Acquisition/Disposal/Change in Controling Interest	-	-	-	-	(1,109.89)	-	-	(1,109.89)	1,111.12	1.23
Balance as at 30th June, 2019	185.25	1,35,427.85	22,918.36	1,485.63	1,82,028.02	46.46	12,199.28	3,54,290.89	1,25,774.47	4,80,065.36
Balance as at 1st April, 2020	185.25	1,35,727.09	22,918.36	1,636.45	1,98,002.74	46.45	9,252.52	3,67,768.78	1,27,879.11	4,95,647.89
Securities Premium On Issuse of Shares	-	9.13	-	-	-	-	-	9.13	-	9.13
ESOPs Cost for the period	-	-	-	33.09	-	-	-	33.09	-	33.09
Profit/(Loss) for the period	-	-	-	-	(4,241.07)	-	-	(4,241.07)	(960.57)	(5,201.63)
Other Comprehensive Income	-	-	-	-		-	625.20	625.20	-	625.20
Balance as at 30th June, 2020	185.25	1,35,736.22	22,918.36	1,669.54	1,93,761.67	46.45	9,877.73	3,64,195.13	1,26,918.54	4,91,113.67

See accompanying notes to the interim condesed financial statements
As per our report of even date

For D T S & Associates LLP
Chartered Accountants
Firm Registration No. : 142412W/W100595

Ashish G. Mistry
Partner
Membership No. 132639

Place Mumbai
Date : 18th Aug,2020

For and on behalf of the Board of Directors

Atul Ruia
(Chairman)
DIN - 00087396

Shishir Shrivastava
(Managing Director)
DIN - 01266095

D T S & Associates LLP Mumbai Chartered Accountants

THE Phoenix Mills Limited

Notes to Consolidated Interim Condensed Financial Statement for the period ended 30th June, 2020

1. Corporate Information

The Phoenix Mills Ltd ("PML" or ''Parent'') is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is at 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India.

Group is engaged in operation and management of mall, construction of commercial and residential property and hotel business in India.

These interim financial statements were approved and adopted by the Board of Directors of the Company in their meeting dated .

2. Basis of Preparation of Financial Statement

These Consolidated interim condensed financial statements for the three months period ended 30th June, 2020 have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34, 'Interim financial reporting' and other accounting principles generally accepted in India for the sole purpose of use by management of the company. Further, the comparative figures disclosed in respect of the Statement of Profit and Loss, the Cash Flow Statement, and its related notes are for the period ended June 30, 2019 whereas Balance sheet and other notes are for the period ended March 31, 2020 and hence are not comparable with those of the current period.

The significant accounting policies used in preparing financial statements are set out below in Note 3 of the Notes to Financial Statements. Except for the changes below, The Group has applied accounting policies consistently to all the periods presented.

On July 24, 2020, the Ministry of Corporate Affairs (MCA) has notified certain amendment to existing Ind AS. These amendments shall be applicable to the Group from April 01, 2020.

A. AMENDMENT TO EXISTING STANDARD

The MCA has carried out amendments of the following accounting standards:

i. Ind AS 103 – Business Combinations
ii. Ind AS 107 – Financial Instruments: Disclosures
iii. Ind AS 116 – Leases
iv. Ind AS 1 – Presentation of Financial Statements
v. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
vi. Ind AS 10 – Events after the Reporting Period
vii. Ind AS 34 – Interim Financial Reporting
viii. Ind AS 37– Provisions, Contingent Liabilities and Contingent Assets

Applications of above standards are not expected to have any significant impact on the consolidated interim condensed financial statements.

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Notes to Consolidated Interim Condensed Financial Statement for the period ended 30th June, 2020

3.Significant Accounting Policies

3.1. Basis of Measurement

The Consolidated interim condensed financial statements have been prepared on an accrual basis and under the historical cost convention except following which have been measured at fair value:

- Defined benefit plans – plan assets measured at fair value
- Certain financial assets and liabilities that is measured at fair value.
- Share based payments measured at fair value

The Consolidated interim condensed financial statements are presented in Indian Rupees ("in lakhs"), which is the Group's functional currency and all amounts are rounded to the nearest rupees in lakhs.

3.2. Basis of consolidation

The Consolidated interim condensed financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries and associates. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

Consolidation Procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated interim condensed financial statements at the acquisition date.

b) Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

c) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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The Phoenix Mills Limited

d) Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

e) All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

f) Carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity are eliminated. Business combinations policy explains how the related goodwill is accounted at the time of acquisition of subsidiary.

g) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

h) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures. The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

3.3. Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree 's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities recognized and contingent liabilities assumed. In the case of bargain purchase, resultant gain is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's identifiable net assets.

3.4. Property, Plant and Equipment

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes the costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate

THE Phoenix Mills Limited

D T S & Associates LLP Mumbai Chartered Accountants asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Leasehold land is amortized over the period of lease. Depreciation on other fixed assets (excluding land and lease land in perpetuity) is provided on written down value method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period. In some of the Subsidiaries, the Depreciation is provided on the straight line method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein.

High end operating supplies acquired prior to commencement of the hotel operations and opening of new restaurants / outlets are considered as a part of fixed assets and are depreciated over a period of three years on straight line method.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

3.5. Intangible Assets

Identifiable intangible assets are recognized a) when the Group controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Group and c) the cost of the asset can be reliably measured.

Intangible Assets comprising Computer software, License & Franchise and acquired goodwill are amortised over the period not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

3.6. Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the group measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

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ii) Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the group's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

- **Debt instrument at amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the statement of profit & loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Debt instrument at fair value through profit and loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Equity instruments:**

All equity instruments other than in associates are initially measured at fair value. Any subsequent fair value gain /loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

- **Investment in Associates:**

The Group has accounted for its Investment in associates at cost

iii) Derecognition:

A financial asset is primarily derecognised i.e. removed from Group's financial statements when:

- The rights to receive cash flows from asset have expired, or

THE Phoenix Mills Ltd.

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- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

  a) The Group has transferred substantially all the risks and rewards of the assets,
  b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

  Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

iv) Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at fair value less provision for impairment. For some trade receivables, the Group may obtain security in the form of security deposit which can be called upon if the counterparty is in default under the terms of the agreement,

Financial Liabilities:

i) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit & loss.

THE Phoenix Mills Limited

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Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

iii) Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit & loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

iv) Trade and other payables:

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

v) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.7. Impairment of Assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).

Impairment of Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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Impairment of Non – Financial Asset:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of Financial asset:

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Group follows 'simplified approach' for recognition of impairment loss allowance on

- Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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THE Phoenix Mills Limited

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

3.8. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9. Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

Cost of realty construction / development includes all costs directly related to the project and other expenditure as identified by the management which are incurred for the purpose of executing and securing the completion of the Project (net off incidental recoveries/receipts).

Stock of food, beverages, stores and operating supplies are valued at lower of cost (computed on weighted average basis) and net realizable value.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.10. Foreign currency transactions:

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of period are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit or loss, except in respect of long term foreign currency monetary items which are outstanding as on transition date, where the group has availed the optional exemption under Ind AS 101 for capitalization of exchange difference to the cost of property, plant & equipment and intangible assets.

3.11. Classification of assets and liabilities as current and non – current:

The Group presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,
b) It is held primarily for the purpose of trading,
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.12. Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

3.13. Revenue recognition

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from license fees and other operating services

Revenue from license fees are recognised on a straight line basis over the license terms,

Revenue from operating services is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-30 days from the delivery of services.

Revenue from sale of properties

The Company develops and sells residential properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving performance-related milestones

Revenue from Sale of land and other rights :

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements.

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Revenue from hotel component of sale of rooms, foods and beverages

Revenue from hotel component of sale of rooms, banquets, foods and beverages, allied services relating to hotel operations are recognized upon rendering of the services. Sales and services are recorded inclusive of excise duty (wherever applicable) and net of sales tax, service tax and luxury tax. Revenue yet to be billed is recognised as unbilled revenue. Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits. Annual membership fees are recognised as income on time proportion basis. Contribution to customer loyalty programs calculated as per agreed percentages of qualifying revenues are accounted on accrual basis and the same is reduced from the revenue.

Contract Assets

A contract asset (Trade receivable) is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs part of its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on the Company's future performance.

Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received. Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised when the right to receive the payment is established.

3.14. Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

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3.15. Employee Benefits

(i) *Short-term Employee benefits:*

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

(ii) *Post-employment benefits*

a. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Group contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Group's contribution to defined contribution plans are recognised in the statement of profit & loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Group has defined benefit plans comprising of gratuity. Group's obligation towards gratuity liability is funded and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit & loss in subsequent periods.

The expected return on plan assets is the Group's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

(iii) *Other long-term benefits*

The Group's employees have other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

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Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit & loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

(iv) *Share-based payments*

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit & loss, with a corresponding adjustment to other equity.

3.16. Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax

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asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

3.17. Provisions and contingencies

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities' interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.18. Earning per share:

Basic earning per share is calculated by dividing the net profit or loss (after tax) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earning per share is calculated by dividing the net profit or loss (after tax) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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Notes to Consolidated Interim Condensed financial statements for three months period ended 30th June, 2020

NOTE 4

Property, plant and equipment

(Rs. in Lakhs)

	Tangible Assets							Intangible Assets					
	Free Hold Land	LeaseHold Land (Right to Use)	Buildings	Plant & Machinery	Lease Hold Improvements	Motor Car, Lorries & Vehicles	Office Furniture & Equipments	Software	Goodwill (Acquired)	Licenses & Franchises	Total	Capital Work In Progress	intangible asset under development
Gross Block :													
As At 1st April 2019	2,26,456.22	697.61	3,77,135.08	63,347.40	839.81	1,051.02	67,508.11	830.10	26.17	10.50	7,37,902.02		
Opening Balance Acquired During the period											-		
Addition	17.54	-	9,828.32	1,561.67	-	32.15	2,680.73	32.33	-	-	14,152.75		
Adjustments/Deletions	-	-	2.50	249.34	2.87	29.97	530.91	-	-	-	815.59		
As at 31st March 2020	2,26,473.76	697.61	3,86,960.90	64,659.72	836.94	1,053.20	69,657.94	862.42	26.17	10.50	7,51,239.17		
Adjustments/Deletions					-						-		
Addition	-	-	0.31	44.11	-	-	31.96	0.15	-	-	76.52		
Adjustments/Deletions	-	-	-	-	-	-	9.71	-	-	-	9.71		
As at 30th June 2020	2,26,473.76	697.61	3,86,961.21	64,703.83	836.94	1,053.20	69,680.19	862.57	26.17	10.50	7,51,305.98		
Accumulated depreciation:													
As At 1st April 2019	-	49.45	53,820.55	28,405.70	467.27	639.95	38,767.21	613.44	-	4.06	1,22,767.63		
Depreciation charge for the Year	-	-	9,074.19	4,685.43	38.81	113.41	6,761.82	87.52	-	1.05	20,762.23		
Deductions / Adjustments	-	-	0.35	102.32	0.99	27.68	307.12	-	-	-	438.46		
As at 31st March 2020	-	49.45	62,894.39	32,988.81	505.08	725.68	45,221.91	700.95	-	5.11	1,43,091.39		
Depreciation charge for the Period	-	-	2,319.54	1,137.32	8.64	21.86	1,516.81	19.82	-	0.26	5,024.25		
Deductions / Adjustments	-	-	-	-	-	-	7.89	-	-	-	7.89		
As at 30th June 2020	-	49.45	65,213.92	34,126.13	513.72	747.54	46,730.83	720.77	-	5.37	1,48,107.75		
Net Book Value													
As at 30th June 2020	2,26,473.76	648.16	3,21,747.28	30,577.71	323.22	305.66	22,949.36	141.80	26.17	5.13	6,03,198.23	1,59,084.69	18.50
As at 31st March 2020	2,26,473.76	648.16	3,24,066.51	31,670.92	331.86	327.52	24,436.03	161.47	26.17	5.39	6,08,147.78	1,53,409.34	18.50

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THE PHOENIX MILLS LIMITED
Notes to Consolidated Interim Condensed financial statements for three months period ended 30th June, 2020

(Rs. In Lakhs)

PARTICULARS	As at 30th June, 2020		As at 31st March, 2020	
NOTE "5"				
NON CURRENT INVESTMENTS				
A INVESTMENTS MEASURED AT COST				
1. INVESTMENT IN EQUITY INSTRUMENTS	Rs.	Rs.	Rs.	Rs.
In Associates				
Equity shares of Rs. 10/- each fully Paid up, unless otherwise stated.				
5,208 (P.Y. 5,208) Classic Housing Projects Pvt. Ltd.	940.86		941.52	
2,500,000 (P.Y. 2,500,000) Star Board Hotels Pvt. Ltd.	0.00		6.00	
5,000 (P.Y. 5,000) Mirabel Entertainment Pvt Ltd.	-		-	
38,49,058 (P.Y. 38,49,058) - Classic Mall Development Company Limited	32,649.63		32,537.12	
5,000 (P.Y. 5,000) Columbus Investment & Advisory Pvt Ltd	57.34		56.91	
		33,647.83		33,541.55
2. INVESTMENT IN DEBENTURES				
In Associates				
a) Compulsorily Fully Convertible Debentures (CCD) of Rs. 100/- each fully paid up				
7,000 (P.Y. 7,000) CCD's in Mirabel Entertainment Pvt Ltd	7.00		7.00	
		7.00		7.00
b) Optionally Convertible Debentures (OCD) of Rs. 100/- each fully paid up				
3,00,000 (P.Y. 300,000), 0.001% Series B Optionally Convertible Debentures in Classic Housing Projects Pvt. Ltd.	300.00		300.00	
1,735,563 (P.Y. 1,735,563) OCD's in Star Board Hotels Pvt Ltd	1,478.94		1,735.56	
120,000 (P.Y. 120,000) 0.001% Series C Optionally Convertible Debentures in Classic Housing Projects Pvt. Ltd.	120.00		120.00	
		1,898.94		2,155.56
B INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS				
INVESTMENT IN EQUITY INSTRUMENTS OF FACE VALUE RS. 10/- EACH FULLY PAID UP UNLESS OTHERWISE STATED				
36,325 (P.Y. 36,325) - I.C.I.C.I. Bank Limited - face value of Rs. 2 each	127.66		117.87	
20 (P.Y. 20) Clariant Chemicals (India) Ltd.	0.08		0.05	
		127.75		117.92

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THE PHOENIX MILLS LIMITED

Notes to Consolidated Interim Condensed financial statements for three months period ended 30th June, 2020

(Rs. In Lakhs)

PARTICULARS	As at 30th June, 2020		As at 31st March, 2020	
C INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Equity shares of Rs. 10/- each fully Paid up, unless otherwise stated.				
36,86,484 (P.Y. 36,86,484) Galaxy Entertainment Corporation Ltd.	696.75		632.23	
8,05,000 (P.Y. 8,05,000) Graphite India Limited face value of Rs. 2 each	1,472.75		1,023.16	
584,726 (P.Y. 584,726) GKW Limited	2,806.68		2,695.59	
		4,976.18		4,350.97
10 (P.Y. 10) Treasure World Developers Pvt. Ltd.	0.09		0.09	
25,356,940 (P.Y. 25,356,940) Entertainment World Developers Ltd	5,792.70		5,792.70	
5,000 (P.Y. 5000) Bartraya Mall Development Co. Pvt. Ltd	0.50		0.50	
2,500,000 (P.Y. 2,500,000) Galaxy Entertainment India Pvt Ltd.	250.00		250.00	
80 (P.Y. 80) ordinary shares of Rs. 25/- each -fully paid of Rashtriya Mazdoor Madhyavarti Sahakari Grahak Sangh (Maryadit)	0.02		0.02	
1,000 (P.Y. 1000) The Cosmos Co-operative Bank Ltd Shares of Rs. 100 Each fully paid	1.01		1.01	
5,000 (P.Y. 5000) The Saraswat Co-op Bank Ltd	0.50		0.50	
		6,044.81		6,044.81
Investments In Preference Shares				
1,000,000 (P.Y. 1,000,000) 7% Cumulative Optionally Convertible Preference Shares fully paid up of Galaxy Entertainment India Pvt Ltd.	100.00		100.00	
250,000 (P.Y. 250,000) 7% Cumulative Optionally Convertible Preference Shares each Re. 0.80 paid up of Galaxy Entertainment India Pvt Ltd.	1.25		1.25	
50,000 (P.Y. 50,000) 10.50% Perpetual Non-cumulative Preference shares of Rs. 10 each in The Saraswat Co-Operative Bank Limited	5.00		5.00	
		106.25		106.25
Investments in Debentures				
a) Compulsorily Fully Convertible Debentures of Rs. 100/- each fully Paid up, unless otherwise stated.				
66,500 (P.Y. 66,500) 0.0001% - Phoenix Retail Pvt. Limited	66.50		66.50	
38,545 (P.Y. 38,545) 0.0001% - Vigilant Developers Pvt. Limited	38.55		38.55	
4,000 (P.Y. 4,000) CCD's in ACME Hospitality Services Pvt Ltd	4.00		4.00	
34,000 (P.Y. 34,000) 0.0001% - Escort Developers Pvt Limited	34.00		34.00	
100,000,000 (P.Y. 100,000,000) Treasure World Developers Pvt. Ltd. - Face value Rs 10 each.	10,000.00		10,000.00	
		10,143.05		10,143.05
b) Optionally Convertible Debentures				
25,000 (P.Y. 25,000) 0.0001% Optional Fully Convertible Debentures of Rs 100 each fully paid Up in UPAL Hotels Pvt Ltd	25.00		25.00	
		25.00		25.00
D INVESTMENT IN CAPITAL OF PARTNERSHIP FIRM (MEASURED AT COST)				
Phoenix Construction Company		184.11		184.11
E OTHERS				
7 years - National Savings Certificates (Deposited with State Government and other authorities as security)		0.80		0.80
		57,161.71		56,677.02
Less: Aggregate provision for dimunition in value of investments		(13,873.90)		(13,873.90)
Total Non- Current Investments		43,287.81		42,803.12

NOTE "6"	Non Current Rs.	Current Rs.	Non Current Rs.	Current Rs.
Financial Assets- Loans (Unsecured)				
Inter Corporate Loans and Deposits				
Considered Good				
With related parties	-	21.25	-	21.25
With Others				
Considered doubtful	23.45	-	23.45	-
	23.45	-	23.45	-
Less : Allowance for doubtful receivables	(23.45)	-	(23.45)	-
	-	-	-	-
Other Loans				
Other Advance	300.00	-	300.00	-
Inter Corporate Deposit	910.25	962.38	910.25	950.04
	1,210.25	983.63	1,210.25	971.29

THE PHOENIX MILLS LIMITED

Notes to Consolidated Interim Condensed financial statements for three months period ended 30th June, 2020

(Rs. In Lakhs)

PARTICULARS	As at 30th June, 2020		As at 31st March, 2020	
NOTE "7"	Non Current	Current	Non Current	Current
Other Financial Assets	Rs.	Rs.	Rs.	Rs.
Fixed Deposit with Bank (Maturity more than 12 Months)	13,810.51	-	10,819.32	-
Interest accrued but not due on Fixed Deposit	19.41	300.35	10.22	147.93
Interest accrued on Investments	-	0.14	-	0.14
Interest accrued on ICD's	-	87.05	-	120.67
Interest accrued on ICD's with Related Parties	-	1.78	-	1.27
Unbilled revenue	-	1,152.18	-	409.65
Deposits with Others	1,389.12	4,379.70	1,432.87	4,374.98
Deposits with Related Parties	-	5,517.75	-	5,517.75
	15,219.05	11,438.95	12,262.41	10,572.39

PARTICULARS	As at 30th June, 2020		As at 31st March, 2020	
NOTE "8"				
Deferred Tax Assets (Net)				
Deferred Tax Assets				
MAT Credit	2,668.68		2,672.13	
Disallowance under the Income Tax Act 1961	1,896.97		320.10	
Carry Forward of Losses & Depreciation	4,065.63		4,119.36	
		8,631.28		7,111.59
Deferred Tax Liability				
Related to Fixed Assets	(2,277.57)		(1,071.03)	
Fair value of gain on Investment	68.94	(2,208.63)	81.76	(989.27)
		6,422.65		6,122.32

PARTICULARS	As at 30th June, 2020		As at 31st March, 2020	
NOTE "9"	Non Current	Current	Non Current	Current
Other Non Current Assets	Rs.	Rs.	Rs.	Rs.
(Unsecured Considered Good)				
Capital Advances				
Others	8,183.21	3,476.68	8,016.51	2,475.11
With Related Party	12.52	-	12.52	-
Deposits				
Deposits with related parties	428.05	-	427.97	-
Security Deposits	1,726.99	147.27	1,727.93	105.78
Other Deposits	628.02	-	629.89	-
Non - Current Tax Assets (Net)	3,359.40	-	3,289.59	-
Others				
Advances recoverable in cash or kind	3,462.52	2,034.17	3,462.52	1,776.64
Prepaid Expenses	290.84	835.76	237.12	647.22
Advance to Vendors	2,089.32	2,575.57	1,887.58	2,119.83
Balance with statutory/government authorities	334.31	5,679.41	334.31	8,633.08
	20,515.17	14,748.85	20,025.93	15,757.65

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(Rs. In Lakhs)

PARTICULARS	As at 30th June, 2020		As at 31st March, 2020	
NOTE "10"				
Inventories		Rs.		Rs.
Realty Work- In- Progress	79,411.25		79,164.50	
Finished Realty Stock	1,941.68		1,941.68	
Food & Beverages	457.43		505.48	
Stores and spares	-	81,810.36	0.07	81,611.74
		81,810.36		81,611.74
NOTE "11"				
Current Investments (Measured at Fair Value Through Profit & loss)	Rs.	Rs.	Rs.	Rs.
Nil (P.Y. 116562 Units) DSP Ultra Short Overnight Fund	-		1,244.17	
Nil (P.Y. 31000 Units) SBI Magnum Overnight Fund	-		999.61	
Nil (P.Y. 170,196.085 Units) of IDFC Overnight Fund	-		1,811.20	
37,405.354 Units (P.Y. Nil) of IDFC Cash Fund Growth (Regular Plan)	904.17		-	
Nil (P.Y. 157,582.803 Units) of Aditya Birla Savings Fund - Growt	-		2,575.04	
Nil (P.Y. 36,722.899 Units) of UTI Overnight Fund - Regular Growt	-		996.10	
123,135,128 Units (P.Y. 1983605.979 Units) Nippon India Overnight Fund	1,246.28		4,788.98	
27.369 Units (P.Y. 79014 Units) Axis Treasury Advantage Overnight Fund	607.54		833.43	
123.135.128 Units (P.Y. 1983605.979 Units) Nippon India Overnight Fund	-		1,401.17	
Nil (P.Y. 226206.24 Units) of fully paid up Kotak Saving Fund	-		72.60	
Nil (P.Y. 83.938.959 Units) L&T Overnight Fund-Growth	-		1,247.05	
Nil (P.Y. 1054.7816 units) of Axis Overnight Fund	-		197.79	
9012.404 Units (P.Y NIL) Axis Liquid Fund	200.06		-	
18.684.769 Units (P.Y. NIL) of L&T Liquid Regular - Growth	512.23		-	
67.110.739 Units (P.Y. NIL) of Nippon India Liquid Fund - Growth	4,118.40		-	
5397.467 Units (P.Y. Nil) L&T Liquid Fund - Regular Growth	147.97		-	
404446.494 Units (P.Y. Nil) Nippon India Mutual Fund	435.00		-	
		8,171.65		16,167.14
		8,171.65		16,167.14
Note 12				
TRADE RECEIVABLES		Rs.		Rs.
(a) Considered good		28,491.02		21,359.32
Less: Allowance for Expected credit loss		(2,343.65)		(1,513.28)
(b) Credit impaired		1,162.37		1,814.90
Less: Allowance for Expected credit loss		(766.54)		(1,490.70)
		26,543.20		20,170.24

(Rs. In Lakhs)

PARTICULARS	As at 30th June, 2020		As at 31st March, 2020	
NOTE "13"	Current		Current	
Cash and Cash Equivalents		Rs.		Rs.
Cash on hand	161.57		58.18	
Balances with banks				
In Current Accounts	3,371.46		9,325.13	
In Fixed Deposits				
Deposits with original maturity of less than three months	18,274.87		3,381.46	
In dividend account	168.64		168.64	
		21,976.54		12,933.41
		21,976.54		12,933.41
NOTE "14"				
Bank Balance other than above				
In Fixed Deposits				
Deposits with original maturity of more than three months and less than One Year	4,071.87		786.91	
Earmarked balance held as security against borrowings	350.00	4,421.87	350.00	1,136.91
		4,421.87		1,136.91
NOTE "15"				
Current Tax Assets (Net)				
Advance income tax (net of provision)		11,557.28		14,309.29
		11,557.28		14,309.29
NOTE "16"				
Share Capital		Rs.		Rs.
Authorised				
225,000,000 Equity Shares (P.Y. 225,000,000) of Rs. 2 each		4,500.00		4,500.00
Issued, subscribed and paid up				
153,465,190 Equity Shares (P.Y. 153,462,440) of Rs. 2 each				
		3,069.30		3,069.25
		3,069.30		3,069.25
Note 16.1 Reconciliation of number of shares outstanding is set out below:-				
Equity Shares outstanding at the beginning the period		15,34,62,440.00		15,32,89,801.00
Add : Issued during the year on exercise of employee options		2,750.00		1,72,639.00
Shares outstanding at the end of the period		15,34,65,190.00		15,34,62,440.00

Note 16.2 Terms and Rights attached to equity shareholders:-
The Company has only one class equity shares having face value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. Equity shareholder are also entitled to dividend as and when proposed by the Board of Directors and approved by Share holders in Annual General Meeting. In the event of liquidation of the company, the holder of Equity shares will be entitled to receive remaining assts of the company, after distribution of ll preferential amounts which shall be in proportion to the number of shares held by the shareholders.

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THE PHOENIX MILLS LIMITED
Notes to Consolidated Interim Condensed financial statements for three months period ended 30th June, 2020

(Rs. In Lakhs)

PARTICULARS	As at 30th June, 2020		As at 31st March, 2020	
NOTE "17"				
Other Equity	Rs.	Rs.	Rs.	Rs.
Capital Reserves				
As per Last Balance Sheet		185.25		185.25
General Reserve				
As per Last Balance Sheet		22,918.36		22,918.36
Securities Premium				
As per Last Balance Sheet	1,35,727.09		1,35,273.42	
Add:- On Issue of Shares	9.13		453.67	
		1,35,736.22		1,35,727.09
Share Based Payment Reserve				
As per last Balance Sheet	1,636.45		1,375.79	
Add: ESOPs Cost for the year	33.09		260.67	
		1,669.54		1,636.45
Retained Earnings				
Surplus/(deficit) in the Statement of profit and loss				
As per Last Balance Sheet	1,98,002.74		1,70,075.64	
Net Profit for the period	(4,241.07)		33,473.11	
Final Dividend	-		(5,052.76)	
Tax on Dividends	-		(493.34)	
		1,93,761.67		1,98,002.74
Other Comprehensive Income				
As per Last Balance Sheet	9,298.97		14,517.55	
Movement in OCI (net)during the period	625.20		(5,218.57)	
		9,924.18		9,298.97
Total Other Equity		3,64,195.13		3,67,768.78

Nature & Purpose of Reserves & Surplus

1) Capital Reserve: Capital reserve represents reserve created pursuant to the business combinations upto year end.

2) Securities Premium: Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

3) Share Based Payment Reserve: Reserve relates to stock options granted by the Group to employees under an employee stock options plan.

4) General Reserve: General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

NOTE "18"	Non Current Rs.	Current Rs.	Non Current Rs.	Current Rs.
Borrowings				
Secured				
Loans from Financial Institutions	14,196.11	2,013.58	33,562.63	1,617.90
Loans from Banks	2,88,878.93	29,938.82	2,83,842.81	20,784.59
Unsecured				
0.0001% Series A Optionally Convertible Debentures of Rs 100 each	2,300.00	-	2,300.00	-
Optionally Fully Convertible Unsecured Debentures (OFCD) "Series I"	5,934.85	-	5,934.85	-
Loan from other	21,373.23	-	14,887.75	-
Less: Amount disclosed under the head "Other Current Financial Liabilities" (Note 20)	-	(31,952.40)	-	(22,402.50)
	3,32,683.10	-	3,40,528.04	-

NOTE "19"	Non Current Rs.	Current Rs.	Non Current Rs.	Current Rs.
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises	-	395.04	-	505.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	154.19	9,950.08	137.52	10,529.68
	154.19	10,345.12	137.52	11,034.88

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(Rs. In Lakhs)

PARTICULARS	As at 30th June, 2020		As at 31st March, 2020	
NOTE "20"	Non Current	Current	Non Current	Current
Other financial liabilities	Rs.	Rs.	Rs.	Rs.
Current maturities of long-term borrowings	-	31,952.40	-	22,402.50
Security Deposit Received	16,625.91	38,469.82	18,703.66	36,518.60
Interest accrued but not due on borrowings	-	11,386.26	-	3,519.13
Interest accrued but not due - Related Party	-	1,282.76	-	986.82
Interest accrued and due on borrowings	-	-	-	479.31
Creditors for Capital Expenditure	276.22	5,447.45	219.33	4,634.40
Application money received for allotment of securities	-	-	-	9.18
	16,902.13	88,538.69	18,922.99	68,549.94
NOTE "21"				
Provisions:	Non Current Rs.	Current Rs.	Non Current Rs.	Current Rs.
Provision for Employee Benefits				
Provision for Gratuity	547.01	131.15	514.52	140.83
Provision for compensated absenses	545.16	137.47	502.45	181.26
Other Provisions				
Property Tax	-	5,805.00	-	5,805.00
Others	-	634.67	-	464.65
	1,092.17	6,708.30	1,016.97	6,591.74
NOTE "22"				
Deferred Tax Liability				
Related to Fixed Assets	174.75	174.75	276.78	276.78
		174.75		276.78
NOTE "23"				
Other Non Current Liabilities	Non Current	Current	Non Current	Current
	Rs.	Rs.	Rs.	Rs.
Statutory Dues	-	1,239.73	-	6,523.62
Other Payables	937.12	20,947.17	930.21	20,511.35
Security Deposits/Advance From Occupants/Licensees or Customers	-	4,264.05	-	4,404.96
Deposit from Related Party	-	125.00	-	125.00
Other Deposit	-	0.44	-	0.44
Income Received in Advance	324.18	5,779.75	338.28	5,715.67
Unpaid Dividends	-	168.64	-	168.64
	1,261.30	32,524.79	1,268.49	37,449.68
NOTE "24"				
Short Term Borrowings:		Rs.		Rs.
Secured				
Loans from Bank		57,966.19		45,381.62
Unsecured				
Loans and Advances from related parties		24,695.43		24,419.01
Loan from Others		422.38		422.38
		83,084.00		70,223.00
NOTE "25"				
Current Tax Liabilities		Rs.		Rs.
Tax Provision (net of taxes paid)		64.11		19.49
		64.11		19.49

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Notes to Consolidated Interim Condensed financial statements for three months period ended 30th June, 2020

(Rs. In Lakhs)

	Notes	For the period ended 30th June, 2020		For the period ended 30th June, 2019	
NOTE "26"					
REVENUE FROM OPERATIONS	26		Rs.		Rs.
Sales					
From Realty Sales			-		20,713.67
License Fees and Rental Income			9,194.95		22,966.39
Service Charges			3,319.62		7,268.18
Room Rent Income			490.72		3,545.66
Food, Beverages and Banquet Income			108.21		3,601.75
Other Operating Income			357.23		3,408.66
			13,470.73		61,504.31
NOTE "27"					
OTHER INCOME	27	Rs.	Rs.	Rs.	Rs.
Interest			1,187.28		817.02
Income from assets measured at fair value through Profit & Loss					
Profit on sale of Financial Assets			-		232.15
Financial assets measured at FVTPL			74.43		200.73
Profit on sale of Assets			0.01		-
Others					
Foreign Exchange (Gain)/Loss			1.26		-
Miscellaneous Receipts			49.93		287.09
Balance/(Provisions) Written Back			-		0.64
			1,312.91		1,537.62
NOTE "28"					
COST OF MATERIALS CONSUMED	28	Rs.	Rs.	Rs.	Rs.
Food and Beverage Consumed					
Purchases		20.43		948.63	
Realty Sales					
Construction & Other related costs		97.27		3,881.95	
		97.27		3,881.95	
			117.70		4,830.58
NOTE "29"					
CHANGE IN INVENTORY	29				
Food and Beverage Consumed					
Stock at begning of the year		505.56		417.56	
Stock at closing of the year		457.43		408.54	
Net (Increase)/Decrease		48.13		9.02	
Realty Sales					
Opening Work In Progress		79,164.50		85,530.68	
Closing work in progress		79,411.25		76,762.54	
Net (Increase)/Decrease		(246.75)		8,768.14	
Opening Finished Goods		1,941.68		1,941.68	
Closing Finished Goods		1,941.68		1,941.68	
Inventory Capitalised		-		32.09	
		-			
			(198.62)		8,745.06
NOTE "30"					
EMPLOYEE BENEFITS EXPENSE	30		Rs.		Rs.
Salaries, Wages & Bonus			1,937.19		3,530.20
Contribution to Provident Fund & Other Funds			52.73		150.95
Staff Welfare Expenses			14.52		78.92
Share based payments cost			32.13		59.58
			2,036.57		3,819.65
NOTE "31"					
FINANCE COSTS	31		Rs.		Rs.
Interest Expenses for financial liabilities at amortised cost			8,690.47		8,611.57
Other Borrowing Costs			2.93		100.80
			8,693.40		8,712.37
NOTE "32"					
OTHER EXPENSES	32	Rs.	Rs.	Rs.	Rs.
Electricity			896.54		4,509.34
Repairs and Maintenance:-					
Buildings		246.75		749.14	
Machinery & Vehicles		291.17		589.06	
Others		59.37		236.68	
			597.29		1,574.88
Foreign Exchange (Gain)/Loss			-		1.75
Insurance			211.92		133.02
Stores and Operating Supplies			50.61		370.42
Rent			45.70		90.53
Rent, Rates & Taxes			38.98		147.53
Property Tax			985.85		1,046.27
Water Charges			29.45		172.80
Communication expenses			85.64		91.17
Postage & Courier			0.09		1.39
Prinitng & stationary expenses			3.84		28.34
Legal and Professional charges			161.93		1,296.54
Travelling Expenses			14.08		142.65
Auditors' Remuneration			38.35		48.06
Car Hire charges			8.09		36.98
Directors' sitting fees & Commission			0.40		2.20
Compensation			53.00		51.98
Donation			88.00		72.19
Loss on Assets Sold/Discarded			0.55		133.55
Loss on sale of Investment			-		0.06
Advertisement & Sales Promotion			270.78		1,889.48
Bank charges			0.93		8.25
Brokerage			9.13		66.85
Rebate & Settlement			19.13		81.48
Allowances for expected Credit Loss			108.42		107.72
Parking Expenses			9.27		65.55
Office Expenses			12.68		107.49
Management Fee			8.77		444.01
Security Charges			150.88		587.06
Housekeeping Expenses			243.69		921.27
General Expenses			174.62		153.61
Miscellaneous Expenses			168.69		450.19
Share of Loss from a Partnership Firm			0.06		-
			4,487.37		14,834.62

33 Fair Value of Financial Assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

(Rs. In Lakhs)

Particulars	As at June 30, 2020		As at March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at fair value through Profit and Loss				
Investments				
- in Equity shares	127.75	127.75	117.92	117.92
Financial assets designated at fair value through Other Comprehensive Income				
Investments				
- Equity Shares*	11,021.79	11,021.79	10,396.59	10,396.59
- Preference Shares	106.25	106.25	106.25	106.25
- Compulsorily Convertible Debentures	10,143.05	10,143.05	10,143.05	10,143.05
- Optionally Compulsorily Convertible Debentures	25.00	25.00	25.00	25.00
- Capital Investment in Partnership Firm	184.11	184.11	184.11	184.11
Trade Receivables	26,543.20	26,543.20	20,170.24	20,170.24
Cash and Cash Equivalents	21,976.54	21,976.54	12,933.41	12,933.41
Loans and Advances	2,193.88	2,193.88	2,181.54	2,181.54
Deposits with Banks	4,421.87	4,421.87	1,136.91	1,136.91
Other financial assets	26,658.00	26,658.00	22,834.80	22,834.80
Total	**1,03,401.42**	**1,03,401.42**	**80,229.81**	**80,229.81**
Financial liabilities designated at amortised cost				
Borrowings	4,47,719.50	4,47,719.50	4,33,153.54	4,33,153.54
Trade payables and others	10,499.31	10,499.31	11,172.40	11,172.40
Other financial liabilities	73,488.42	73,488.42	65,070.44	65,070.44
Total	**5,31,707.23**	**5,31,707.23**	**5,09,396.38**	**5,09,396.38**

*In respect of investment in equity shares of EWDL having carrying value of Rs. 5792.70 Lakhs and in CCD's of TWDPL having carrying value of Rs. 10000.00 lakhs, the financial information on the assets and liabilities position of these companies for determining the fair value for the current period is not available, same has been carried at cost.

Fair valuation techniques:

The Group maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values

1 Fair value of the Equity Shares are based on price quoted on stock exchange.
2 Fair value of unquoted equity shares and CCD's is taken at intrinsic value.
3 Fair value of Long term Borrowings is calculated based on discounted cash flow.
4 Fair value of Financial Assets & Financial Liability(except Long term Borrowings) are carried at amortised cost and is not materially different from it's carrying cost.

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Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on The Group specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(Rs. In Lakhs)

Particulars	30th June, 2020			2019-20		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets / Liabilities measured at fair value						
Financial Asset:						
Investments						
- in Equity shares	5,104.72	-	6,044.81	4,469.69	-	6,044.81
- Compulsorily Convertible Debentures			10,143.05			10,143.05
- Optionally Compulsorily Convertible Debentures			25.00			25.00
- Preference Shares			106.25			106.25

Reconciliation of fair value of mesurement categorised within level 3 of the value hierarchy (Rs. In Lakhs)

Particulars	
Fair value as at 31st March, 2019	16,319.11
Purchase/Sales of Financial Instruments	-
Amount transferred to/from level 3	-
Fair value as at 31st March, 2020	16,319.11
Purchase/Sales of Financial Instruments	-
Amount transferred to/from level 3	-
Fair value as at 30th June, 2020	16,319.11

Financial Instruments measured at Fair value - Level III

Type	Valuation Technique	Significant Observable Input	Inter-relationship between
Investment in unquoted equity shares, OFCDs and CCDs	Adjusted NAV (Net Asset Value) method Adjusted NAV method involves determination of fair values of asset/liability/business based on its book value with appropriate relevant adjustments	Not Applicable	Not Applicable

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34 **Segment Reporting**

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Ind AS 108. The Group has two reportable segments as under:

Reportable Segment	Nature of operations
Property and related services	Providing mall /office areas on licence basis and development of commercial / residential properties
Hospitality	Operation of hotels and restaurants

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker. The measurement principles of segments are consistent with those used in Significant Accounting Policies with following additional policies for segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(Rs. In Lakhs)

Sr no.	Particulars	Property & Related Services		Hospitality Services		Unallocted		Total	
		Three Month Ended 30th June, 2020	Three Month Ended 30th June, 2019	Three Month Ended 30th June, 2020	Three Month Ended 30th June, 2019	Three Month Ended 30th June, 2020	Three Month Ended 30th June, 2019	Three Month Ended 30th June, 2020	Three Month Ended 30th June, 2019
A	**Revenue**								
	Revenue From Operations	12,667.65	53,693.22	803.08	7,811.09	-	-	13,470.73	61,504.31
	Other Income	-	-	-	-	1,312.91	1,537.62	1,312.91	1,537.62
	Total	**12,667.65**	**53,693.22**	**803.08**	**7,811.09**	**1,312.91**	**1,537.62**	**14,783.64**	**63,041.93**
B	**Results**								
1	Profit Before Tax & Interest	4,459.02	23,471.11	(2,455.57)	733.11	1,312.91	1,537.62	3,316.36	25,741.84
2	Less: Interest	-	-	-	-	(8,693.40)	(8,712.37)	(8,693.40)	(8,712.37)
	Profit Before Tax & Exceptional Item	**4,459.02**	**23,471.11**	**(2,455.57)**	**733.11**	**(7,380.49)**	**(7,174.75)**	**(5,377.04)**	**17,029.47**
	Exceptional Item	-	-	-	-	-	-	-	-
	Profit after Exceptional Item & Before Tax	**4,459.02**	**23,471.11**	**(2,455.57)**	**733.11**	**(7,380.49)**	**(7,174.75)**	**(5,377.04)**	**17,029.47**
	Less: Provision for Tax	-	-	-	-	325.73	(2,341.94)	325.73	(2,341.94)
	Net Profit after Tax	**4,459.02**	**23,471.11**	**(2,455.57)**	**733.11**	**(7,054.75)**	**(9,516.69)**	**(5,051.31)**	**14,687.53**
	Add/(less) Share of Profit/(loss) from Associates	-	-	-	-	(150.34)	684.34	(150.34)	684.34
	Profit After Tax	**4,459.02**	**23,471.11**	**(2,455.57)**	**733.11**	**(7,205.09)**	**(8,832.35)**	**(5,201.64)**	**15,371.87**
C	**Other Information**								
	Segment Assets	8,16,200.00	* 8,20,060.69	1,04,645.47	* 1,07,333.18	1,46,870.13	* 1,27,342.80	10,67,715.61	* 10,54,736.67
	Segment Liabilities	4,96,861.06	* 4,80,332.27	76,432.72	* 75,390.99	238.86	* 296.27	5,73,532.63	* 5,56,019.53
D	**Other Disclosures**								
	Capital Expenditure	76.52	* 13,486.38	-	* 666.37	-	-	76.52	* 14,152.75
	Investment in Associates	-	-	-	-	-	-	33,647.83	* 33,541.55
	Depreciation	3,533.99	3,378.69	1,490.26	1,645.56	-	-	5,024.25	5,070.17

All the activities of the group and its subsidiaries are located in India. There are no secondary reportable segments.
* As At 31st March,2020

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Notes to Consolidated Interim Condensed financial statements for three months period ended 30th June, 2020

35 Related Party Disclosure

a) **RELATIONSHIPS**

Category I: Associates
Classic Housing Projects Private Limited
Mirabel Entertainment Private Limited
Starboard Hotels Private Limited
Classic Mall Development Company limited
Columbus Investment Advisory Private Limited

Category II: Key Managerial Personnels

Key Person	Designation
Atul Ruia	Chairman (w.e.f.11th December 2019)
Atul Ruia	Chairman & Managing Director (Upto 10th December 2019)
Shishir Shrivastava	Managing Director (w.e.f.11th December 2019)
Shishir Shrivastava	Jt. Managing Director (Upto 10th December 2019)
Rajendra Kalkar	Whole-time Director

Category III: Other Related Parties where common control exists
R.R.Hosiery Private Limited
R.R. Hosiery
Phoenix Retail Private Limited
Phoenix Construction Company
Aakar charitable Trust
Ashok Apparels Private Limited
Vigilant Developers Private Limited
Padmshil Hospitality & Leisure Private Limited

Category IV: Relatives of Key Managerial Personnel
Gayatri A Ruia

b) **Transaction during the period :**

(Rs. In Lakhs)

Sr.No.	TRANSACTIONS	Category I	Category II	Category III	Category IV	Total
1	Rent,Compensation & Other recoveries	63.10	-	-	0.59	63.69
		(126.83)	(18.00)	-	-	(144.82)
2	Interest Received	0.55	-	-	-	0.55
		(0.54)	-	-	-	(0.54)
3	Remuneration/Salaries/Other Expense	-	51.50	-	-	51.50
		-	(83.42)	-	-	(83.42)
4	Administrative & Other Charges paid (Excluding GST)	-	7.78	50.94	15.28	74.00
		-	(6.83)	(62.94)	(6.83)	(76.60)
5	ICD Given	0.71	-	-	-	0.71
		-	-	-	-	-
6	Interest Paid	571.24	-	-	-	571.24
		-	-	-	-	-

Note : Figuers in brackets indicates trasaction incurred during the period ended june 19

c) The following balances were due from / to the related parties as on 30th June 2020

(Rs. In Lakhs)

Sr.No.	Balances	Category I	Category II	Category III	Category IV	Total
1	Investment in Equity Shares / pref shares	33,647.83	-	-	-	33,647.83
		(33,541.54)	-	-	-	(33,541.54)
2	Investment in OCD/CCD	1,905.94	-	105.05	-	2,010.99
		(2,162.56)	-	(105.05)	-	(2,267.61)
3	Investment in Capital of Partnership Firm	-	-	184.11	-	184.11
		-	-	(184.11)	-	(184.11)
4	Capital Advances	12.52	-	-	-	12.52
		(12.52)	-	-	-	(12.52)
5	Loans Taken	24,695.43	-	-	-	24,695.43
		(24,419.01)	-	-	-	(24,419.01)
6	Inter Corporate Deposits Given	21.25	-	-	-	21.25
		(21.25)	-	-	-	(21.25)
7	Advances Received	-	-	1.50	-	1.50
		-	-	(1.50)	-	(1.50)
8	Trade receivables	168.75	-	-	4.23	172.98
		(171.39)	-	-	(3.54)	(174.93)
9	Trade Payables	-	14.78	61.33	14.78	90.89
		-	(7.78)	-	(7.78)	(15.56)
10	Deposits received	125.00	-	-	-	125.00
		(125.00)	-	-	-	(125.00)
11	Interest Payable	1,282.76				1,282.76
		(986.82)	-	-	-	(986.82)
12	interest receivable	1.78				1.78
		(1.28)	-	-	-	(1.28)
13	Deposits Given	-	-	5,517.75	-	5,517.75
			-	(5,517.75)	-	(5,517.75)

Note : Figuers in brackets indicates year ended march 20

The Phoenix Mills Limited
Notes to Consolidated Interim Condensed financial statements for three months period ended 30th June, 2020

36 **Earning Per share**

Basic as well as Diluted EPS	**Quarter ended 30th June, 2020**	**Quarter ended 30th June, 2019**
Net Profit after Tax (Rs.in Lakhs)	(4,241.07)	13,038.72
Weighted Average No. of Equity Shares for Basic EPS	15,34,63,981	15,33,25,206
Dilution due to ESOPs Granted	2,64,539	4,77,041
Weighted Average No. of Equity Shares for Diluted EPS	15,37,28,520	15,38,02,248
Nominal Value of Equity Shares	2	2
Basic Earning Per Share	(2.76)	8.50
Diluted Earning Per Share*	(2.76)	8.48

* Anti dilutive hence same as BEPS

37 **Contingent liabilities not provided for in respect of: -**

i) Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts is Rs. 30,033.03 Lakhs (P.Y. Rs. 29,735.55 Lakhs) net of advance paid.

ii) Disputed Statutory demands on account of :

(Rs. In Lakhs)

Sr No	Particulars	As at 30th June, 2020	As at 31st March, 2020
1	Income Tax	7,150.93	7,150.93
2	Service Tax	7,710.06	7,710.06
3	VAT	2,474.25	2,474.25
4	Property tax	1,085.90	1,085.90
5	Luxury Tax	44.59	44.59

iii) Demand notices received on account of arrears of Provident Fund dues Rs. 82.12 Lakhs (P.Y. Rs. 82.12 lakhs) are disputed by the Company. The Company's has paid Rs. 10.00 Lakhs (P.Y. Rs. 10.00 lakhs) and has also furnished a Bank Guarantee for Rs. 14.72 Lakhs (P.Y. Rs. 14.72 lakhs) against P.F. demands to the P.F. authorities.

iv) Other Claims against the company not acknowledged of Rs 3,578.29 Lakhs (P.Y Rs. 3,169.20 Lakhs)

v) Outstanding guarantees given by Banks Rs 659.51 Lakhs (P.Y. Rs. 659.51 Lakhs).

vi) Guarantees given by the company for EPCG Licence Rs. 215.76 Lakhs (P.Y. Rs. 215.76 Lakhs)

vii) An order of Commissioner of GST & Central Excise from Service Tax Department, in respect of the RAI related matter. The order states to recover the interest for delayed payment of service tax at an appropriate rate. The company has filed an appeal with CESTAT against the said order. The interest liability on such delayed payments of service tax shall be determined on the basis of the Supreme Court judgement on the RAI Parties Service Tax matter, which is pending.

viii) The above litigations are not expected to have any material adverse effect on the financial position of the Group

38 **Expenditure incurred during construction period :**

The Group's various projects relating to construction of commercial, retail, hotel and entertainment complexes are in progress. The expenditure incurred during the construction period is treated as "Project Development Expenditure" pending capitalisation. The same has been included under Capital Work In Progress and will be apportioned to fixed assets on the completion of the project

(Rs. In Lakhs)

Particulars	For The Quarter Ended 30th June, 2020	For The Year Ended 31st March, 2020
Opening Balance Expenditure	13,347.49	6,468.65
Property Taxes		51.54
Interest & Finance Charges	1,339.03	4,498.49
Administration Expenses	530.72	2,328.82
Closing Balance	**15,217.25**	**13,347.49**

39 **The Subsidiary companies considered in these consolidated financial statements are:**

Sr no.	Name of the Company	Country of incorporation	Proportion of Ownership June-20	Proportion of Ownership March-20
1	Alliance Spaces Private Limited (Subsidiary of PHCPL)	India	75.02%	75.02%
2	Blackwood Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
3	Bellona Hospitality Services Limited	India	100.00%	100.00%
4	Big Apple Real Estate Private Limited (BARE)	India	100.00%	100.00%
5	Butala Farm Lands Private Limited	India	100.00%	100.00%
6	Enhance Holdings Private Limited	India	100.00%	100.00%
7	Gangetic Developers Private Limited (Subsidiary of BARE)	India	97.08%	97.08%
8	Grace Works Realty & Leisure Private Limited (Subsidiary of PHCPL)	India	66.69%	66.69%
9	Island Star Mall Developers Private Limited (ISML)	India	51.00%	51.00%
10	Market City Resources Private Limited (MCRPL)	India	100.00%	100.00%
11	Market City Management Private Limited	India	100.00%	100.00%
12	Mugwort Land Holding Private Limited	India	94.86%	94.86%
13	Offbeat Developers Private Limited (ODPL)	India	100.00%	100.00%
14	Palladium Constructions Private Limited	India	79.45%	79.45%
15	Pallazzio Hotels & Leisure Limited	India	72.98%	72.98%
16	Phoenix Hospitality Company Private Limited (PHCPL)	India	56.92%	56.92%
17	Pinnacle Real Estate Development Private Limited	India	100.00%	100.00%
18	Plutocrat Commercial Real Estate Private Limited (Formerly known as Plutocrate Asset & Capital Management Co. Pvt. Ltd.)	India	100.00%	100.00%
19	Sangam Infrabuild Corporation Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
20	Upal Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
21	Vamona Developers Private Limited	India	99.97%	99.97%
22	Savannah Phoenix Pvt Ltd	India	100.00%	100.00%
23	Insight Mall Developers Private Limited (Formerly known as Insight Hotels & Leisures Private Limited) (Subsidiary of ISML)	India	51.00%	51.00%
24	Alysum Developers Pvt Ltd (Subsidiary of ISML)	India	51.01%	51.01%
25	Sparkle One Mall Developers Private Limited (Subsidiary of ISML)	India	51.01%	51.01%
26	Sparkle Two Mall Developers Private Limited (Subsidiary of ISML)	India	51.00%	51.00%
27	Destiny Retail Mall Developers Private Limited (Formerly known as Destiny Hospitality Services Private Limited)	India	100.00%	100.00%
28	Mindstone Mall Developers Private Limited (Subsidiary of ODPL)	India	100.00%	100.00%
29	SGH Realty LLP	India	50.00%	50.00%
30	True Value LLP	India	50.00%	50.00%
31	Rentcierge Developers Private Limited (Subsidiary of ODPL)	India	100.00%	100.00%

The Phoenix Mills Limited

DTS & Associates LLP Mumbai

Notes to Consolidated Interim Condensed financial statements for three months period ended 30th June, 2020

40 **The associate companies considered in the consolidated financial statements are:**

Sr no.	Name of the Company	Country of incorporation	Proportion of Ownership June-20	Proportion of Ownership March-20
1	Classic Housing Projects Pvt ltd	India	50.00%	50.00%
2	Starboard Hotels Private Limited	India	28.47%	28.47%
3	Mirabel Entertainment Private Limited (Associate through PHCPL)	India	28.47%	28.47%
4	Classic Mall Development Company Limited	India	50.00%	50.00%
5	Columbus Investment Advisory Private Limited (Associate through MCRPL)	India	50.00%	50.00%

41 The balances in respect of Trade Receivables & Payables and loans and advances, as appearing in the books of accounts are subject to confirmations from the respective parties and are pending reconciliations/adjustments arising there from, if any.

42 The Group's operations have been impacted by the Covid 19 pandemic induced lockdowns. In preparation of these results, the Group has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity and going concern, recoverable values of its financial and non-financial assets. Based on the current indicators of future economic conditions, the Group has available sanctioned unutilised working capital limits to meet any of its immediate cash flow requirements. In order to conserve its cash flows, the Group has availed moratorium offered by lenders as per the RBI guidelines on principal and interest for a period of 6 months. It has also assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, Capital work in Progress, inventory, intangible assets, investments, trade receivables & other current assets.

For recognition of Mall revenue for the quarter ended June 30, 2020, management has considered certain concessions/relief/moratorium on rentals extended to its retailers/licensees for the period of lockdown as well as some further period considering the extended impact of the pandemic. Such concessions are determined based on discussions concluded with retailers/licensees on case to case basis. For cases, where discussions have not commenced or are ongoing, the revenue accrual considers the management estimate of most likely agreeable amounts of concession based on its ongoing discussions and its relationship with the retailers / licensee.

Operations at Residential site have witnessed limited impact. The project continues to see significant buying interest as evidenced from site visits from customers

The Group expects the hotels to become operational in phased manner as the demand for its services is expected to pick up albeit at a slower pace. The city of Mumbai continues to be in the state of partial lock down with few relaxations being introduced by the Government. Demand outlook for second half continues to remain good mainly on account of demand from corporates and postponement of large, luxury weddings during March 2020 to June 2020 to the period between October 2020 and March 2021.

Based on current estimates, management expect to recover the carrying amounts of the assets that includes the revenue recognized during the quarter. Considering the evolving nature of the pandemic, its actual impact in future could be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor uncertainties arising of material changes to the future economic conditions.

43 The previous year/period figures have been regrouped, reworked, rearranged and reclassified, whenever necessary and are to be read in relation to the amounts and other disclosures relating to the current period.

For D T S & Associates LLP
Chartered Accountants
Firm Registration No. : 142412W/W100595

Ashish G. Mistry
Partner
Membership No. 132639

Place Mumbai
Date : 18th Aug.2020

For and on behalf of the Board of Directors

Atul Ruia
(Chairman)
DIN - 00087396

Shishir Shrivastava
(Managing Director)
DIN - 01266095

INDEPENDENT AUDITOR'S REPORT

To the Members of **THE PHOENIX MILLS LIMITED**

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Phoenix Mills Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates which comprise the Consolidated Balance Sheet as at 31st March, 2020, and the Consolidated Statement of Profit and Loss, including Consolidated Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements and on other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (" the Act") (as amended) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its profit including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

(1) We draw attention to Note 47 (C) of the Statement, as regards recovery of balance amount of claim settlement amount and consequent recognition of revenue of claim settlement reward amount as exceptional item.

(2) We draw attention to Note 51 of the Statement, which states the impact of Corona virus Disease 2019 (Covid-19) on the operation of the Company. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**Response to key audit matter**
Revenue Recognition - License Fees & Other Operating Services (Refer Note '28' and Para '3.13' of significant accounting policies)	Audit procedures to assess the appropriateness of revenue recognised included the following
Company owns Malls at various locations and earns revenue by giving units on licence basis. Revenue comprises of licence fees, variable licence fees, service charges, parking fees etc. These are accounted as revenue as per the revenue recognition policy described in significant account policies. Considering licence contracts with numerous customers having varied terms, we have identified recording of revenue as Key Audit Matter.	• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over revenue recognition process. • Testing a sample of contracts and testing the revenues recognised with respect thereto by agreeing information back to contract terms. • Testing the controls over the licensee's sale data collated for the purpose of recognising variable revenue on sample basis. • Assessing the adequacy of company's disclosure with respect to revenue recognised.
Revenue Recognition: Property Development (Refer Note '28', and Para '3.13' of significant accounting policies)	
The auditors of Palladium Constructions Private Limited, subsidiary company, have reported application of the revenue accounting standard Ind AS 115 involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over a period of time.	**Principal Audit procedures:** • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. • Selected a sample of continuing and new contracts and performed the following procedures: a) Read, analysed and identified the distinct performance obligations in these contracts. b) Compared these performance obligations with that identified and recorded by the Company. c) Verified the progress towards satisfaction of performance obligations used to compute recorded revenue with contractual obligations, necessary approvals pertaining to the completion of the project, third party certifications and the collectability of an amount of consideration. d) Performed project wise analytical procedures for reasonableness of revenues.
Inventory: (Refer Note ' 12 ' and Para ' 3.9' of significant accounting polices)	

Key Audit Matter	Response to key audit matter
The auditors of Palladium Constructions Private Limited, subsidiary company, have reported that There is a risk that the valuation of inventory may be misstated as it involves the determination of net realizable value (NRV) and estimated total construction cost of completion of each of the projects which is an area of judgement.	Principal Audit procedures: Assessed the Company's process for the valuation of inventories. Audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of the internal controls relating to the valuation of inventories. • Tested the operating effectiveness of controls for the review of estimates involved for the expected cost of completion of projects including construction cost incurred, construction budgets and net realizable value. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. Selected a sample of project specific inventories and performed the procedures around: • Construction costs incurred for the project specific inventories by tracing to the supporting documents, estimated total construction cost to be incurred for completing the construction of the project and corroborated the same with the reports from external supervising engineers, where applicable. Obtained the company's assessment of NRV for the project specific inventories. • The expected net amounts to be realized from the sale of inventory in the ordinary course of business.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Management Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and the consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each company included in the group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) The accompanying Statement includes Financial statements and other information of one subsidiary which reflects total assets of ₹ 2,40,654.09 Lakhs as at 31st March, 2020, total revenue of ₹ 23,819.66 Lakhs for the year ended 31st March, 2020, total net profit after tax of ₹ 7,846.59 Lakhs for the year ended 31st March, 2020 and total comprehensive income ₹ 7843.81 Lakhs for the year ended 31st March, 2020 and net cash outflow of ₹ 4,033.47 Lakhs for the year ended 31st March, 2020 which have been audited by us jointly with another auditor.

b) We did not audit the Financial statements and other information in respect of twenty eight subsidiaries which reflects total assets of ₹ 7,65,970.29 Lakhs as at 31st March, 2020, total revenue of ₹1,05,710.29 Lakhs for the year ended 31st March, 2020, total net profit after tax of ₹ 12,285.53 Lakhs for the year ended 31st March, 2020 and total comprehensive income ₹ 7,228.24 Lakhs for the year ended 31st March, 2020 and net cash outflow of ₹ 5,224.07 Lakhs for the year ended 31st March, 2020 and financial statements of two associates in which the share of profit/(loss) of the group (including other comprehensive income) ₹ (443.91) Lakhs for the year ended 31st March, 2020. These financial statements and other financial information have been audited by another auditors whose reports have been furnished to us by the management of the Company and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and associates is based solely on the report of other auditors.

c) The Statement includes financial statements and other information of one associate in share of profit/ (loss) of the Group (including other comprehensive income) is ₹ (8.92) Lakhs for the year ended 31st March, 2020, which is certified by the management. According to the information and explanation given to us by the management, these financial statements and other information is not material to the group. These financial statements and other information is not material to the Group.

d) Auditors of Pallazzio Hotels & Leisure Limited, subsidiary company have stated in their audit report that due to Covid-19 and consequent to lockdown, they could not remain present during the physical verification of inventory and cash carried out by the Company as at year end. They have relied on procedure for physical verification of inventory and cash carried out by the Company.

Our conclusion on the consolidated financial statement is not modified in respect of the other matters above.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, 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 and the reports of the other auditors;

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 Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associates companies incorporated in India, none of the directors of the Group companies and its associates companies incorporated in India is disqualified as on 31st March, 2020 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" which is based on the auditor's reports of the subsidiary companies and associates companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group internal financial controls over financial reporting;

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid during the year by the Holding Company to its directors and the reports of the statutory auditors of its subsidiaries and associates incorporated in India, are in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended , 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 - Refer Note 42 to the consolidated financial statements;

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2020, and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associates companies incorporated in India.

For **D T S & Associates LLP**
Chartered Accountants
(Firm Registration No. 142412W/W100595)

Ashish G. Mistry
Partner
Membership No.: 132639
UDIN: 20132639AAAAAZ5221

Place: Mumbai
Dated: 29th June, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE PHOENIX MILLS LIMITED

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the Internal Financial Control over financial reporting of The Phoenix Mills Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the holding and its subsidiaries together referred to as "the Group") and its associates, incorporated in India as of 31st March, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's, internal financial controls over financial reporting of the holding and its subsidiaries and its associates, which are companies incorporated in India, internal financial controls over financial reporting with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with 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 Act, 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 ICAI. 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 consolidated 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 consolidated 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 consolidated 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, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company, its subsidiary companies and its associate companies which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to separate financials statements of 28 subsidiary companies and 2 associates companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **D T S & Associates LLP**
Chartered Accountants
(Firm Registration No. 142412W/W100595)

Ashish G. Mistry
Partner
Membership No.: 132639
UDIN: 20132639AAAAAZ5221

Place: Mumbai
Dated: 29th June, 2020

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2020

(₹ in Lakhs)

	Particulars	Note No	As at 31st March, 2020	As at 31st March, 2019
	ASSETS			
1	**Non-current assets**			
	Property, plant and equipment	6	607,954.74	614,885.12
	Capital work-in-progress	6	153,409.34	89,603.85
	Other Intangible assets	6	193.04	249.28
	Intangible assets under development	6	18.50	21.58
	Goodwill on consolidation		37,106.95	37,106.95
	Financial assets			
	- Investments	7	42,803.12	47,220.59
	- Loan	8	1,210.25	1,210.25
	- Other	9	12,262.41	10,600.42
	Deferred tax assets (Net)	10	6,122.32	13,898.12
	Other non-current assets	11	20,025.93	11,624.30
			881,106.60	**826,420.46**
2	**Current assets**			
	Inventories	12	81,611.74	89,864.86
	Financial assets			
	- Investments	13	16,167.14	27,280.99
	- Trade and other receivables	14	20,170.24	19,552.38
	- Cash and cash equivalents	15	12,933.41	3,958.19
	- Bank Balance other than above	16	1,136.91	15,238.83
	- Loans	8	971.29	2,120.59
	- Other	9	10,572.39	8,167.75
	Current Tax Assets (net)	17	14,309.29	7,871.13
	Other current assets	11	15,757.65	11,115.31
			173,630.06	**185,170.03**
	TOTAL ASSETS		**1,054,736.66**	**1,011,590.49**
	EQUITY AND LIABILITIES			
1	**Equity**			
	Equity Share capital	18	3,069.25	3,065.80
	Other equity	19	367,768.78	344,346.00
	Equity attributable to the owners		**370,838.03**	**347,411.80**
	Non-controlling interest		127,879.11	122,330.20
			498,717.14	**469,742.00**
	Liabilities			
2	**Non-current liabilities**			
	Financial liabilities			
	- Borrowings	20	340,528.04	343,194.14
	- Trade Payables	21	137.52	15.25
	- Other financial liabilities	22	18,922.99	16,074.09
	Provisions	23	1,016.97	780.61
	Deferred tax liabilities (Net)	24	276.78	33.21
	Other non-current liabilities	25	1,268.49	1,554.84
			362,150.79	**361,652.14**
3	**Current liabilities**			
	Financial liabilities			
	- Borrowings	26	70,223.00	54,909.48
	- Trade Payables	21	11,034.88	14,771.01
	- Other financial liabilities	22	68,549.94	61,774.86
	Provisions	23	6,591.74	5,518.84
	Current tax Liabilities (net)	27	19.49	205.86
	Other current liabilities	25	37,449.68	43,016.30
			193,868.73	**180,196.35**
	TOTAL EQUITY AND LIABILITIES		**1,054,736.66**	**1,011,590.49**

See accompanying notes to the financial statements 1 to 62

As per our report of even date

For **D T S & Associates LLP**
Chartered Accountants
FRN: 142412W/W100595

Ashish G. Mistry
Partner
Membership No. 132639

Place: Mumbai
Dated : 29th June, 2020

For and on behalf of the Board of Directors

Atul Ruia
(Chairman)
DIN - 00087396

Shishir Shrivastava
(Managing Director)
DIN - 01266095

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Gajendra Mewara
(Company Secretary)
Membership No. A22941

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

Sr No.	Particulars	Note No	Year ended 31st March, 2020	Year ended 31st March, 2019
	INCOME			
I	REVENUE FROM OPERATIONS	28	194,113.71	198,156.05
II	OTHER INCOME	29	5,850.05	8,513.39
	TOTAL INCOME		199,963.76	206,669.44
III	**EXPENSES**			
	Cost of Materials Consumed	30	11,402.14	46,090.21
	Change in Inventory	31	8,184.65	(24,200.70)
	Employee Benefits Expenses	32	16,553.00	16,150.29
	Depreciation and Amortisation	6	20,762.15	20,423.20
	Finance Costs	33	34,781.74	35,057.91
	Other Expenses	34	61,259.40	60,802.26
	TOTAL EXPENSES		**152,943.08**	**154,323.17**
	PROFIT / (LOSS) BEFORE TAX EXCEPTIONAL ITEMS AND TAX		**47,020.68**	**52,346.27**
	Add: Exceptional Item (Refer to Note no 47 & 60)		776.61	4,809.89
IV	**PROFIT BEFORE TAX**		**47,797.29**	**57,156.16**
V	**TAX EXPENSES**			
	Current Income Tax	35	4,218.94	10,911.18
	Deferred Tax	35	8,017.17	16.69
	Tax Adjustments of earlier years	35	(26.95)	59.43
VI	**PROFIT AFTER TAX**		**35,588.14**	**46,168.86**
	Share of Profit/(Loss) in Associates		3,261.66	3,530.68
VII	**PROFIT FOR THE YEAR**		38,849.80	49,699.54
VIII	**OTHER COMPREHENSIVE INCOME**			
	a) Item that will not be reclassified to Profit & Loss A/c			
	i) Re-measurment gain of the net defined benefit plans		59.59	(75.67)
	ii) Gain/(Loss) on Equity Instruments at fair value through other comprehensive Income		(5,304.97)	(4,432.04)
	iii) Realised Gain on Sales of Investment		-	6,218.09
	Iv) Associates share in OCI		24.74	36.99
	b) Income Tax relating to the Item that will not be reclassified to Profit & Loss A/c		**8.48**	**(71.82)**
	OTHER COMPREHENSIVE INCOME/(LOSS)		**(5,212.16)**	**1,675.55**
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**33,637.64**	**51,375.09**
	Net Profit attributable to			
	a) Owners of the company		33,473.11	42,101.78
	b) Non Controlling Interest		5,376.69	7,597.76
	Other Comprehensive Income attributable to			
	a) Owners of the company		(5,218.57)	1,689.65
	b) Non Controlling Interest		6.41	(14.10)
	Total Comprehensive Income attributable to			
	a) Owners of the company		28,254.54	43,791.43
	b) Non Controlling Interest		5,383.10	7,583.66
	Earning per equity shares (Face value ₹ 2 each)	41		
	Basic		21.82	27.48
	Diluted		21.77	27.40

See accompanying notes to the financial statements 1 to 62

As per our report of even date

For and on behalf of the Board of Directors

For **D T S & Associates LLP**
Chartered Accountants
FRN: 142412W/W100595

Atul Ruia
(Chairman)
DIN - 00087396

Shishir Shrivastava
(Managing Director)
DIN - 01266095

Ashish G. Mistry
Partner
Membership No. 132639

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Gajendra Mewara
(Company Secretary)
Membership No. A22941

Place: Mumbai
Dated : 29th June, 2020

CONSOLIDATED CASH FLOW STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2020

(₹ In Lakhs)

	Particulars			Year ended 31st March, 2020		Year ended 31st March, 2019
A	**CASH FLOWS FROM OPERATING ACTIVITIES**					
	Net Profit before tax as per the Statement of Profit or Loss			47,797.29		57,156.16
	Adjustments for :					
	Depreciation		20,762.15		20,423.20	
	(Profit)/Loss on Assets sold/discarded		589.61		774.48	
	Balances in Debtors/Advances written off		131.64		7.61	
	Allowance for Expected Credit loss and Advances		962.92		268.27	
	Exceptional item		(776.61)		-	
	Reversal of premium on redemption of non-convertible debentures		-		(4,809.89)	
	Interest Expenses		34,781.74		35,057.91	
	Interest Income		(4,231.92)		(3,715.69)	
	Dividend Income		(290.89)		(363.99)	
	Profit on sale of Investments		(1,050.16)		(2,171.57)	
	Net gain arising on financial assets measured at FVTPL		24.96		(975.90)	
	Balances written back		(58.14)		(1,091.76)	
				50,845.30		**43,402.67**
	Operating Cash flow before working capital changes			**98,642.59**		**100,558.83**
	Adjustment for Working Capital changes :					
	Trade and other Receivables		(21,278.64)		(8,596.71)	
	Inventories		8,253.12		(23,715.34)	
	Trade and other Payables		3,180.41		(25,176.10)	
				(9,845.11)		**(57,488.15)**
	Cash generated from Operations			**88,797.48**		**43,070.68**
	Direct Taxes Paid			(10,816.52)		(8,043.25)
	Net Cash from Operating Activities	**A**		**77,980.96**		**35,027.43**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**					
	Purchases of Property, Plant & Equipments & CWIP		(78,032.84)		(146,454.42)	
	Sale of Property, Plant & Equipments		19.37		393.37	
	Inter Corporate Deposits & Loans (placed)/refunded (Net)		327.32		1,043.58	
	Movement in Bank Balance		14,101.92		(14,260.38)	
	Purchase of Investments		-		(1,811.11)	
	Sale of Investments		-		7,904.87	
	Purchase of Mutual Funds		(91,343.54)		(129,534.70)	
	Sale of Mutual Funds		108,394.25		138,517.89	
	Interest Received		5,929.65		4,418.69	
	Dividend Received		290.89		363.99	
	Net Cash generated from/(used in) Investing Activities	**B**		**(40,312.98)**		**(139,418.22)**

(₹ In Lakhs)

	Particulars			Year ended 31st March, 2020		Year ended 31st March, 2019
C	**CASH FLOWS FROM FINANCING ACTIVITIES**					
	Proceeds from long term borrowings		92,212.97		42,045.44	
	Repayment of long term borrowings		(98,745.29)		(18,570.45)	
	Short term loans availed / (repaid)(Net)		15,313.52		29,537.56	
	Interest paid		(32,560.04)		(33,292.63)	
	Share Application Money received		9.18		-	
	Proceeds from non controlling interest		165.88		89,857.11	
	Issue of Equity Share		457.12		490.74	
	Dividend paid (including tax on Dividend)		(5,546.10)		(4,801.75)	
	Net Cash generated from/(used in) Financing Activities	**C**		**(28,692.76)**		**105,266.02**
D	**Net Increase/(Decrease) in Cash and Cash Equivalents**	**A+B+C**		**8,975.22**		**875.23**
	Cash and Cash equivalents at the beginning of the year			3,958.19		3,082.96
	Cash and Cash equivalents at the end of the year			12,933.41		3,958.19
	Notes:-					
	1 Components of cash and cash equivalents:					
	Cash on hand			58.18		93.38
	Balance with scheduled bank			12,875.23		3,864.81
				12,933.41		**3,958.19**
	2 Change in liability arising from financing activities:					
				1st April , 2019	**Cash Flow**	**31st March, 2020**
	Borrowings - Non current*			3,69,462.86	(6,532.32)	3,62,930.54
	Borrowings - Current			54,909.48	15,313.52	70,223.00
				1st April , 2018	**Cash Flow**	**31st March, 2019**
	Borrowings - Non current*			3,41,278.69	28,184.17	3,69,462.86
	Borrowings - Current			25,371.92	29,537.56	54,909.48

* It includes current maturities of long term borrowings which is classified under other financial liability.

See accompanying notes to the financial statements 1 to 62

As per our report of even date

For and on behalf of the Board of Directors

For **D T S & Associates LLP**
Chartered Accountants
FRN: 142412W/W100595

Atul Ruia
(Chairman)
DIN - 00087396

Shishir Shrivastava
(Managing Director)
DIN - 01266095

Ashish G. Mistry
Partner
Membership No. 132639

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Gajendra Mewara
(Company Secretary)
Membership No. A22941

Place: Mumbai
Dated : 29th June, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2020

(a) Equity share capital

(₹ in Lakhs)

Particulars	As at 1st April, 2018	Changes in equity share capital during the year	As at 31st March, 2019	Changes in equity share capital during the year	As at 31st March, 2020
Equity Share Capital	3,062.83	2.97	3,065.80	3.45	3,069.25

(b) Statement of changes in Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income		Total Other Equity	Non Controling Interest	Total
	Capital Reserve	Securities Premium	General Reserve	Share based payment reserve	Retained earning	Re-measurment gain of the net defined benefit plans	Gain/(Loss) on Equity instruments at fair value			
Balance as at 1st April, 2018	**185.25**	**134,785.61**	**22,918.36**	**950.73**	**110,478.08**	**28.96**	**12,781.49**	**282,128.48**	**46,610.36**	**328,738.84**
Securities Premium On Issuse of Shares	-	487.80	-	-	-	-	-	487.80	-	487.80
Final Dividend	-	-	-	-	(3,983.03)	-	-	(3,983.03)	-	(3,983.03)
Tax on Dividend	-	-	-	-	(818.76)	-	-	(818.76)	-	(818.76)
ESOPs Cost for the year	-	-	-	425.05	-	-	-	425.05	-	425.05
Profit for the year	-	-	-	-	42,101.78	-	-	42,101.78	7,597.76	49,699.54
Other Comprehensive Income	-	-	-	-	-	-	1,689.65	1,689.65	(14.10)	1,675.55
Restrospective application of Ind As-21 Amendment	-	-	-	-	(165.30)	-	-	(165.30)	-	(165.30)
Adjustment relating to cumulative effect of applying Ind AS-115	-	-	-	-	(11,323.26)	-	-	(11,323.26)	-	(11,323.26)
Impact of Acquisition/ Disposal/Change in Controling Interest	-	-	-	-	33,786.10	17.50	-	33,803.60	68,136.18	101,939.78
Balance as at 31st March, 2019	**185.25**	**135,273.41**	**22,918.36**	**1,375.78**	**170,075.61**	**46.46**	**14,471.14**	**344,346.00**	**122,330.20**	**466,676.20**
Securities Premium On Issuse of Shares	-	453.67	-	-	-	-	-	453.67	-	453.67
Final Dividend	-	-	-	-	(5,052.76)	-	-	(5,052.76)	-	(5,052.76)
Tax on Dividend	-	-	-	-	(493.34)	-	-	(493.34)	-	(493.34)
ESOPs Cost for the year	-	-	-	260.67	-	-	-	260.67	-	260.67
Proceed from non-controlling interest	-	-	-	-	-	-	-		165.80	165.80
Profit for the year	-	-	-	-	33,473.11	-	-	33,473.11	5,376.69	38,849.80
Other Comprehensive Income	-	-	-	-	-	-	(5,218.57)	(5,218.57)	6.41	(5,212.16)
Balance as at 31st March, 2020	**185.25**	**135,727.09**	**22,918.36**	**1,636.45**	**198,002.74**	**46.46**	**9,252.52**	**367,768.78**	**127,879.11**	**495,647.89**

See accompanying notes to the financial statements 1 to 62

As per our report of even date

For and on behalf of the Board of Directors

For **D T S & Associates LLP**
Chartered Accountants
FRN: 142412W/W100595

Ashish G. Mistry
Partner
Membership No. 132639

Place: Mumbai
Dated : 29th June, 2020

Atul Ruia
(Chairman)
DIN - 00087396

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Shishir Shrivastava
(Managing Director)
DIN - 01266095

Gajendra Mewara
(Company Secretary)
Membership No. A22941

1. Corporate Information

The Phoenix Mills Ltd ("PML" or "Parent") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is at 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India.

Group is engaged in operation and management of mall, construction of commercial and residential property and hotel business in India.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting dated 29th June, 2020.

2. Basis of Preparation of Financial Statement

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The significant accounting policies used in preparing financial statements are set out below in Note 3 of the Notes to Financial Statements. Except for the changes below, the Group has applied accounting policies consistently to all the periods presented.

Ind AS 116 'Leases': Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases". Ind AS 116 substantially carries forward the lessor accounting requirements of Ind AS 17, thereby application of this standard does not have any significant impact on the financial statements.

Amendment to Ind AS 12 'Income Taxes': The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes' with effect from April 1, 2019. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Since Dividend Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 2, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 19 'Employee Benefits': The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

3. Significant Accounting Policies

3.1. Basis of Measurement

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except following which have been measured at fair value:

- Defined benefit plans – plan assets measured at fair value
- Certain financial assets and liabilities that is measured at fair value.
- Share based payments measured at fair value

The consolidated financial statements are presented in Indian Rupees (“in lakhs“), which is the Group’s functional currency and all amounts are rounded to the nearest rupees in lakhs

3.2. Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries and associates. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group’s voting rights and potential voting rights and the size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

Consolidation Procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

c) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d) Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group’s accounting policies.

e) All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

f) Carrying amount of the Parent’s investment in each subsidiary and the Parent’s portion of equity are eliminated. Business combinations policy explains how the related goodwill is accounted at the time of acquisition of subsidiary.

g) Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

h) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures. The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

3.3. Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree 's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities recognized and contingent liabilities assumed. In the case of bargain purchase, resultant gain is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's identifiable net assets.

3.4. Property, Plant and Equipment

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes the costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Leasehold land is amortized over the period of lease. Depreciation on other fixed assets (excluding land and lease land in perpetuity) is provided on written down value method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period. In some of the Subsidiaries, the Depreciation is provided on the straight line method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein.

High end operating supplies acquired prior to commencement of the hotel operations and opening of new restaurants / outlets are considered as a part of fixed assets and are depreciated over a period of three years on straight line method.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

3.5. Intangible Assets

Identifiable intangible assets are recognized a) when the Group controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Group and c) the cost of the asset can be reliably measured.

Intangible Assets comprising Computer software, License & Franchise and acquired goodwill are amortised over the period not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

3.6. Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the group measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

ii) Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the group's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

- **Debt instrument at amortised cost:**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the statement of profit & loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Debt instrument at fair value through profit and loss (FVTPL):**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Equity instruments:**

  All equity instruments other than in associates are initially measured at fair value. Any subsequent fair value gain /loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

- **Investment in Associates:**

  The Group has accounted for its Investment in associates at cost

iii) Derecognition:

A financial asset is primarily derecognised i.e. removed from Group's financial statements when:

- The rights to receive cash flows from asset have expired, or

- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

a) The Group has transferred substantially all the risks and rewards of the assets,

b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

iv) Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at fair value less provision for impairment. For some trade receivables, the Group may obtain security in the form of security deposit which can be called upon if the counterparty is in default under the terms of the agreement.

Financial Liabilities:

i) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit & loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

iii) Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit & loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

iv) Trade and other payables:

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

v) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.7. Impairment of Assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).

Impairment of Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Non – Financial Asset:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of Financial asset:

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;

- Financial asset measured at FVOCI debt instruments.

The Group follows 'simplified approach' for recognition of impairment loss allowance on

- Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

3.8. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9. Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

Cost of realty construction / development includes all costs directly related to the project and other expenditure as identified by the management which are incurred for the purpose of executing and securing the completion of the Project (net off incidental recoveries/receipts).

Stock of food, beverages, stores and operating supplies are valued at lower of cost (computed on weighted average basis) and net realizable value.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.10. Foreign currency transactions:

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit or loss, except in respect of long term foreign currency monetary items which are outstanding as on transition date, where the group has availed the optional exemption under Ind AS 101 for capitalization of exchange difference to the cost of property, plant & equipment and intangible assets.

3.11. Classification of assets and liabilities as current and non – current:

The Group presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.12. Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

3.13. Revenue recognition

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Ministry of Corporate Affairs has notified the Ind AS 116 'Leases' effective from April 1, 2019. Ind AS 116 has replaced the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Application of above standard does not have any significant impact on the financial statements

Revenue from license fees and other operating services

Revenue from license fees are recognised on a straight line basis over the license terms,

Revenue from operating services is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-30 days from the delivery of services.

Revenue from sale of properties

The Company develops and sells residential properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving performance-related milestones

Revenue from Sale of land and other rights :

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements.

Revenue from hotel component of sale of rooms, foods and beverages

Revenue from hotel component of sale of rooms, banquets, foods and beverages, allied services relating to hotel operations are recognized upon rendering of the services. Sales and services are recorded inclusive of excise duty (wherever applicable) and net of sales tax, service tax and luxury tax. Revenue yet to be billed is recognised as unbilled revenue. Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits. Annual membership fees are recognised as income on time proportion basis. Contribution to customer loyalty programs calculated as per agreed percentages of qualifying revenues are accounted on accrual basis and the same is reduced from the revenue.

Contract Assets

A contract asset (Trade receivable) is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs part of its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on the Company’s future performance.

Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received. Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised when the right to receive the payment is established.

3.14. Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

3.15. Employee Benefits

(i) Short-term Employee benefits:

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

(ii) Post-employment benefits

a. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Group contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Group's contribution to defined contribution plans are recognised in the statement of profit & loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Group has defined benefit plans comprising of gratuity. Group's obligation towards gratuity liability is funded and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit & loss in subsequent periods.

The expected return on plan assets is the Group's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

(iii) Other long-term benefits

The Group's employees have other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit & loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

(iv) Share-based payments

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit & loss, with a corresponding adjustment to other equity.

3.16. Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

3.17. Provisions and contingencies

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities' interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.18. Earning per share:

Basic earning per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Use of significant accounting estimates, judgments and assumptions

In the process of applying the Group's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statements:

(a) Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

(b) Investment Property

Management has assessed applicability of Ind AS 40 Investment properties, both mall and commercial that earns income from licensee fees. In assessing such applicability, management has considered the ownership of assets, terms of license agreement, various services provided to the licensee etc., that adds the value to licensee's business. The company considers these other services as significant in addition to the License fees charged. Based on such assessment, the management has considered the properties as owner-occupied property and hence classified as Property, Plant & Equipment.

(c) Recoverability of trade receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The Group uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(d) Defined Benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(e) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(f) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(g) Fair Value measurement

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions

5. New standard issued / amendment to existing standard

On March 30,2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Group from April 01, 2019.

A. ISSUE OF IND AS 116 - LEASES

Ind AS 116 will replace the existing leasing standard i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with non-cancellable period of more than twelve months except for low value assets. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

B. AMENDMENT TO EXISTING STANDARD

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 12 – Income Taxes

ii. Ind AS 19 – Employee Benefits

Application of above standards are not expected to have any significant impact on the financial statements.

NOTE 6

PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

	Tangible Assets							Intangible Assets					
Particulars	Free Hold Land	LeaseHold Land (Right to use)	Buildings	Plant & Machinery	Lease Hold Improvements	Motor Car, Lorries & Vehicles	Office Furniture & Equipments	Software	Goodwill (Acquired)	Licenses & Franchises	Total	Capital Work In Progress	intangible asset under development
Gross Block :													
As At 1st April, 2018	**141,641.85**	**697.61**	**360,775.94**	**61,996.08**	**839.81**	**1,075.40**	**65,396.49**	**748.47**	**26.17**	**10.50**	**633,208.32**		
Opening Balance Acquired During the Year											-		
Addition	84,814.37	-	16,382.52	1,835.36	-	133.59	3,875.34	75.56	-	-	107,116.73		
Adjustments/Deletions	-	-	23.38	484.05	-	157.97	1,763.71	6.08	-	-	2,423.03		
As at 31st March, 2019	**226,456.22**	**697.61**	**377,135.08**	**63,347.39**	**839.81**	**1,051.02**	**67,508.12**	**830.10**	**26.17**	**10.50**	**737,902.02**		
Adjustments/Deletions					-						-		
Addition	17.54	-	9,828.32	1,561.67	-	32.15	2,680.73	32.33	-	-	14,152.75		
Adjustments/Deletions	-	-	2.50	249.34	2.87	29.97	530.91	-	-	-	815.59		
As at 31st March, 2020	**226,473.76**	**697.61**	**386,960.90**	**64,659.72**	**836.94**	**1,053.20**	**69,657.94**	**862.44**	**26.17**	**10.50**	**751,239.18**		
Accumulated depreciation:													
As At 1st April, 2018	-	49.45	45,171.80	23,957.49	423.80	665.28	32,762.29	529.80	-	2.92	103,562.83		
Depreciation charge for the year	-	-	8,649.02	4,672.44	43.47	121.23	6,852.40	83.50	-	1.14	20,423.20		
Deductions / Adjustments	-	-	0.27	224.23	-	146.56	847.48	0.13	-	-	1,218.41		
As at 31st March, 2019	**-**	**49.45**	**53,820.55**	**28,405.70**	**467.27**	**639.95**	**38,767.21**	**613.43**	**-**	**4.06**	**122,767.62**		
Depreciation charge for the year	-	-	9,074.19	4,685.43	38.81	113.41	6,761.82	87.52	-	1.05	20,762.15		
Deductions / Adjustments	-	-	0.35	102.32	0.99	27.68	307.12	-	-	-	438.46		
As at 31st March, 2020	**-**	**49.45**	**62,894.39**	**32,988.81**	**505.08**	**725.68**	**45,221.91**	**700.95**	**-**	**5.11**	**143,091.39**		
Net Book Value													
As at 31st March, 2020	**226,473.76**	**648.16**	**324,066.51**	**31,670.92**	**331.86**	**327.52**	**24,436.03**	**161.48**	**26.17**	**5.39**	**608,147.78**	**153,409.34**	**18.50**
As at 31st March, 2019	**226,456.22**	**648.16**	**323,314.53**	**34,941.69**	**372.54**	**411.07**	**28,740.91**	**216.67**	**26.17**	**6.44**	**615,134.44**	**89,603.85**	**21.58**

Note :

(i) Certain Property, plant and equipment are pldged as collateral against borrowings, the details related to which have been described in note 20 (A) and Note 26

(ii) Capital work in progress includes pre-operative expenses of ₹ 13,347.49 lakhs (P.Y. ₹ 6,468.65 Lakhs)

(iii) Building includes 10 shares in sukhsagar Premises Co-op Society Ltd of ₹ 10 each

NOTE 7

NON CURRENT INVESTMENTS

(₹ in Lakhs)

		As at 31st March, 2020		As at 31st March, 2019
A INVESTMENTS MEASURED AT COST				
1. INVESTMENT IN EQUITY INSTRUMENTS				
In Associates				
Equity shares of ₹ 10/- each fully Paid up, unless otherwise stated.				
5,208 (P.Y. 5,208) Classic Housing Projects Pvt. Ltd.	941.51		1,407.65	
2,500,000 (P.Y. 2,500,000) Star Board Hotels Pvt. Ltd.	6.00		28.06	
5,000 (P.Y. 5,000) Mirabel Entertainment Pvt. Ltd.	-		(6.57)	
38,49,058 (P.Y. 38,49,058) - Classic Mall Development Company Limited	32,537.12		28,737.67	
5,000 (P.Y. 5,000) Columbus Investment & Advisory Pvt Ltd	56.91		56.93	
		33,541.54		**30,223.74**
2. INVESTMENT IN DEBENTURES				
In Associates				
a) Compulsorily Fully Convertible Debentures (CCD) of ₹ 100/- each fully paid up				
7,000 (P.Y. 7,000) CCD's in Mirabel Entertainment Pvt Ltd	7.00		7.00	
NIL (P.Y. 1,735,563) CCD's in Star Board Hotels Pvt Ltd	-		1,735.56	
		7.00		**1,742.56**
b) Optionally Convertible Debentures (OCD) of ₹ 100/- each fully paid up				
3,00,000 (P.Y. 300,000), 0.001% Series B Optionally Convertible Debentures in Classic Housing Projects Pvt. Ltd.	300.00		300.00	
1,735,563 ((P.Y. NIL) OCD's in Star Board Hotels Pvt Ltd	1,735.56		-	
120,000 (P.Y. 120,000) 0.001% Series C Optionally Convertible Debentures in Classic Housing Projects Pvt. Ltd.	120.00		120.00	
		2,155.56		**420.00**
B INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS				
INVESTMENT IN EQUITY INSTRUMENTS OF FACE VALUE ₹ 10/- EACH FULLY PAID UP UNLESS OTHERWISE STATED				
36,325 (P.Y. 36,325) - I.C.I.C.I. Bank Limited - face value of ₹ 2 each ****	117.87		144.87	
20 (P.Y. 20) Clariant Chemicals (India) Ltd.	0.05		0.07	
		117.92		**144.94**

(₹ in Lakhs)

		As at 31st March, 2020		As at 31st March, 2019	
C	**INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**				
	Equity shares of ₹ 10/- each fully Paid up, unless otherwise stated.				
	36,86,484 (P.Y. 36,86,484) Galaxy Entertainment Corporation Ltd.	632.23		1,443.26	
	8,05,000 (P.Y. 8,05,000) Graphite India Limited face value of ₹ 2 each	1,023.16		3,597.14	
	584,726 (P.Y. 584,726) GKW Limited	2,695.59		4,567.59	
			4,350.98		**9,607.99**
	10 (P.Y. 10) Treasure World Developers Pvt. Ltd. **	0.09		0.09	
	25,356,940 (P.Y. 25,356,940) Entertainment World Developers Ltd (Refer Note No. 47)**	5,792.70		5,792.70	
	5,000 (P.Y. 5000) Bartraya Mall Development Co. Pvt. Ltd **	0.50		0.50	
	2,500,000 (P.Y. 2,500,000) Galaxy Entertainment India Pvt Ltd.	250.00		250.00	
	80 (P.Y. 80) ordinary shares of ₹ 25/- each -fully paid of Rashtriya Mazdoor Madhyavarti Sahakari Grahak Sangh (Maryadit)	0.02		0.02	
	1,000 (P.Y. 1000) The Cosmos Co-operative Bank Ltd Shares of ₹ 100 Each fully paid	1.00		1.00	
	5,000 (P.Y. 5000) The Saraswat Co-op Bank Ltd	0.50		0.50	
			6,044.82		**6,044.81**
	Investments In Preference Shares				
	1,000,000 (P.Y. 1,000,000) 7% Cumulative Optionally Convertible Preference Shares fully paid up of Galaxy Entertainment India Pvt Ltd.	100.00		100.00	
	250,000 (P.Y. 250,000) 7% Cumulative Optionally Convertible Preference Shares each ₹ 0.50 paid up of Galaxy Entertainment India Pvt Ltd.	1.25		1.25	
	50,000 (P.Y. 50,000) 10.50% Perpetual Non-cumulative Preference shares of ₹ 10 each in The Saraswat Co-Operative Bank Limited	5.00		5.00	
			106.25		**106.25**
	Investments in Debentures				
a)	**Compulsorily Fully Convertible Debentures of ₹ 100/- each fully Paid up, unless otherwise stated.**				
	66,500 (P.Y. 66,500) 0.0001% - Phoenix Retail Pvt. Limited	66.50		66.50	
	38,545 (P.Y. 38,545) 0.0001% - Vigilant Developers Pvt. Limited	38.55		38.55	
	4,000 (P.Y. 4,000) CCD's in ACME Hospitality Services Pvt Ltd	4.00		4.00	
	34,000 (P.Y. 34,000) 0.0001% - Escort Developers Pvt Limited	34.00		34.00	

(₹ in Lakhs)

			As at 31st March, 2020		As at 31st March, 2019
	100,000,000 (P.Y. 100,000,000) Treasure World Developers Pvt. Ltd. - Face value ₹ 10 each. (refer note no.47)	10,000.00		10,000.00	
			10,143.05		**10,143.05**
b)	**Optionally Convertible Debentures**				
	25,000 (P.Y. 25,000) 0.0001% Optional Fully Convertible Debentures of ₹ 100 each fully paid Up in UPAL Hotels Pvt Ltd	25.00		25.00	
			25.00		**25.00**
D	**INVESTMENT IN CAPITAL OF PARTNERSHIP FIRM (MEASURED AT COST)**				
	Phoenix Construction Company		184.11		186.55
E	**OTHERS**				
	7 years - National Savings Certificates		0.80		0.70
	(Deposited with State Government and other authorities as security)				
			56,677.02		**58,645.59**
	Less: Aggregate provision for dimunition in value of investments (Refer Note No. 47)		(13,873.90)		(11,425.00)
	Total Non- Current Investments		**42,803.12**		**47,220.59**

(₹ in Lakhs)

		As at 31st March, 2020	As at 31st March, 2019
1.	**Aggregate Value of Quoted Investment**		
	Book Value	4,468.90	9,752.93
	Market Value	4,468.90	9,752.93
2.	**Aggregate Book Value of other Unquoted Investment**	52,208.12	48,892.66

**** Out of 36,325 shares, 9,975 shares are held by a Bank in their name as security

50% shares of Classic Mall Developments commpany Limited are held subject to a non-disposal undertaking to the lender bank stating that it shall not dispose / transfer /pledge /encumber these shares owned/held in the company until the loans taken by these companies are fully repaid to the bank

(₹ in Lakhs)

Category wise Non Current Investments	As at 31st March, 2020	As at 31st March, 2019
Financial Assets Measured at Cost	35,888.21	32,572.85
Financial Assets Measured at Fair value through Other Comprehensive Income	20,670.89	25,927.80
Financial Assets Measured at Fair value through Profit & Loss account	117.92	144.94
Total	**56,677.02**	**58,645.59**

Note 7.1 Investments in Associates includes cost of ESOP granted to employees of respective Associates as under :

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Classic Mall Development company Limited	31.42	-

NOTE 8

Financial Assets- Loans (Unsecured)

(₹ in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	Non Current	**Current**	**Non Current**	**Current**
Inter Corporate Loans and Deposits				
Considered good				
With related parties #	-	21.25	-	21.25
With Others				
Considered good	-	-	-	1,100.11
Considered doubtful	23.45	-	-	780.70
	23.45	-		1,857.36
Less : Allowance for doubtful receivables	(23.45)	-	-	(780.70)
	-	**-**	-	**1,100.11**
Other Loans				
Other Advance	300.00	-	300.00	-
Inter Corporate Deposits to				
Others	910.25	950.04	910.25	999.23
	1,210.25	**971.29**	**1,210.25**	**2,120.59**

Refer Note. 40

NOTE 9

OTHER FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	Non Current	**Current**	**Non Current**	**Current**
Fixed Deposit with Bank (Maturity more than 12 Months)*	10,819.32	-	10,240.06	-
Interest accrued but not due on Fixed Deposit	10.22	147.93	54.28	292.50
Interest accrued on Investments	-	0.14	-	1,432.52
Interest accrued on ICD's	-	120.67	-	198.67
Interest accrued on ICD's with Related Parties #	-	1.27	-	-
Unbilled revenue	-	409.65	-	686.18
Deposits with Others	1,432.87	4,374.98	306.08	40.13
Deposits with Related Parties #	-	5,517.75	-	5,517.75
	12,262.41	**10,572.39**	**10,600.42**	**8,167.75**

* Fixed Deposits of The Phoenix Mills Ltd of ₹ 4414.01 Lakhs (P.Y. ₹ 4414.01 Lakhs) earmarked towards maintenance of DSRA as per loan agreement and Fixed deposits of ₹ 15.75 Lakhs (P.Y. ₹ 32.03 Lakhs) is given as security for bank guarantee.

* Deposit of Pallazzio Hotel & Leisure Ltd of ₹ 435.35 Lakhs (P.Y. ₹ 443.54 Lakhs) earmarked for EPCG license, liquor license and bank guarantee given to pollution control board & electricity distribution company. Further, it also includes fixed deposits given to bank of ₹ 1,200 Lakhs (P.Y. NIL) for debt service reserve account against financial facility availed from banks.

* Fixed deposit of Palladium constructions pvt ltd of ₹ 245.84 Lakhs (P.Y ₹ 113.92 Lakhs) Furnished as Bank Guarantee to the Karnataka VAT Authorities towards the tax demand for Financial Year 2012-13, 2013-14, 2016-17 & 2017-18 and ₹ 409.41 Lakhs (P.Y. ₹ 372.58 Lakhs) earmarked for EPCG license, liquor license and bank guarantee given to pollution control board & electricity distribution company.

* Deposit of Upal Developers pvt ltd of ₹ 13.83 Lakhs (P.Y ₹ 13.83 Lakhs) Given as security for Bank Guarantee and of ₹ 357.00 Lakhs (P.Y. ₹ 357.00 Lakhs) earmarked toward maintenance of DSRA

* Deposit of Blackwood Developers Pvt Ltd of ₹ 413.00 Lakhs (P.Y. ₹ 413.00 Lakhs/-) earmarked towards maintenance of DSRA as per loan agreement and Fixed Deposit of ₹ 5 Lakhs (P.Y. ₹ 5 Lakhs) is given as security for bank guarantee

* Deposit of Insight Mall Developers Private Limited of ₹ 5.00 Lakhs (P.Y. ₹ 5.00 Lakhs) is given as security for Bank Gurrantee

* Deposit of Destiny Retail Mall Developers Private Limited of ₹ 1260.00 Lakhs (P.Y. ₹ 852.00 Lakhs) is given as security against secured loan

* Deposit of Alliance Spaces Private Limited of ₹ NIL (P.Y. ₹ 164.06) is given as security earmarked towards maintenance of DSRA as per loan agreement

* Deposit of Vamona Developers Private Limited of ₹ NIL Lakhs (P.Y. ₹ 2,959.87 Lakhs) is given as security earmarked towards maintenance of DSRA as per loan agreement and Fixed Deposit of ₹ 72.54 Lakhs (P.Y. ₹ 69.93 Lakhs) is given as security for bank guarantee

* Deposit of Offbeat Developers Private Limited of ₹ 2,000 Lakhs (P.Y. - NIL) earmarked toward maintaining of DSRA as per loan agreement with HSBC Bank and Fixed Deposit of ₹ 16 Lakhs (P.Y. - NIL) given as security for Bank guarantee.

Refer Note 40

NOTE 10

DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
Deferred Tax Assets				
MAT Credit	2,672.13		4,586.33	
Disallowance under the Income Tax Act. 1961	320.10		7,362.64	
Carry Forward of Losses & Depreciation	4,119.36		3,751.25	
		7,111.59		**15,700.22**
Deferred Tax Liability				
Related to Fixed Assets	(1,071.03)		(1,520.17)	
Fair value of gain on Investment	81.76	(989.27)	(281.93)	(1,802.10)
		6,122.32		**13,898.12**

NOTE 11

OTHER NON CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
(Unsecured Considered Good)				
Capital Advances				
Others	8,016.51	2,475.11	2,262.05	-
With Related Party #	12.52	-	12.52	-
Deposits				
Deposits with related parties #	427.97	-	-	-
Security Deposits	1,727.93	105.78	1,044.24	223.70
Other Deposits	629.89	-	474.39	-
Non - Current Tax Assets (Net)	**3,289.59**	**-**	**1,963.29**	**-**
Others				
Advances recoverable in cash or kind	3,462.52	1,776.64	3,279.13	361.15
Prepaid Expenses	237.12	647.22	164.70	636.53
Advance to Vendors	1,887.58	2,119.82	669.17	1,644.63
Balance with statutory/government authorities	334.31	8,633.08	1,754.80	8,249.30
	20,025.93	**15,757.65**	**11,624.30**	**11,115.31**

Refer Note No.40

NOTE 12

INVENTORIES

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Realty Work- In- Progress	79,164.50	87,371.79
Finished Realty Stock*	1,941.68	2,075.51
Food & Beverages	505.48	417.56
Stores and spares	0.07	-
	81,611.74	**89,864.86**

*Inventory of Palladium Constructions Private Limited is pledged as collateral against the borrowing (For detail refer Note No 20 & 26)

NOTE 13

CURRENT INVESTMENTS (MEASURED AT FAIR VALUE THROUGH PROFIT & LOSS)

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
NIL (P.Y 4690.996 Units) of Invesco India Liquid Fund	-	100.17
NIL (P.Y 9767.278 Units) of Reliance Money Market Fund	-	272.43
4827 Units (P.Y. 8212.187 Units) of Reliance Liquid Fund	4,478.37	388.11
NIL (P.Y. 17,888,532.586 Units) HDFC Ultra Short Term Fund – Regular Growth	-	1,870.62
NIL (P.Y. 18,972,811.960 Units) of IDFC Ultra Short Term Fund - Regular Plan Growth	-	2,009.41
NIL (P.Y. 196,731.904 Units) of Invesco India Liquiod Fund – Growth	-	5,039.54
NIL (P.Y. 106,622.638 Units) of L&T Liquid Fund - Regular Growth	-	2,722.75
NIL (P.Y. 6,702,075.978 Units) of Kotak Savings Fund - Growth (Regular Plan)	-	2,008.72
NIL (P.Y. 166,665.738 Units) of Invesco India Money Market Fund - Growth	-	3,560.40
NIL (P.Y. 43,849.298 Units) of UTI Liquid Cash Regular Growth Plan	-	1,337.37
NIL (P.Y. 72,024.818 Units) of HSBC Cash Fund - Growth	-	1,336.55
NIL (P.Y. 125,399.856 Units) of Axis Liquid Fund - Growth	-	2,589.63
NIL (P.Y. 39,369.243 Units) of Reliance Liquid Fund- Growth Plan - Growth Option	-	1,787.05
NIL (P.Y. 889,808.727 Units) of Aditya Birla Sun Life Money Manager Growth - Regular Plan	-	2,226.98
NIL (P.Y. 1220.24 Units) of Invesco Mutual Fund	-	31.26
170,196.085 Units (P.Y. Nil) of IDFC Overnight Fund	1,811.20	-
157,582.803 Units (P.Y. NIL) of Aditya Birla Savings Fund - Growth	2,575.04	-
36,722.899 Units (P.Y. NIL) of UTI Overnight Fund - Regular Growth	996.10	-
3,698,858.2419 Units (P.Y. Nil) Nippon India Overnight Fund	4,788.99	-
226206.24 Units (P.Y. Nil) of fully paid up Kotak Saving Fund	72.60	-
83,938.959 Units (P.Y. Nil) of fully paid up L&T Overnight Fund-Growth	1,247.05	-
1054.7816 Units (P.Y. Nil) of Axis Ovenight Fund	197.79	-
	16,167.14	**27,280.99**

NOTE 14

TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Unseacured		
(a) Considered good	21,359.32	20,262.04
Less: Allowance for Expected credit loss	(1,513.28)	(1,125.75)
(b) Credit impaired	1,814.90	1,521.92
Less: Allowance for Expected credit loss	(1,490.70)	(1,105.83)
TOTAL	**20,170.24**	**19,552.38**

NOTE 15

CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Cash on hand	58.18	93.38
Balances with banks		
In Current Accounts	9,325.13	3,612.31
In Fixed Deposits		
Deposits with original maturity of less than three months*	3,381.46	66.50
In dividend account	168.64	186.00
	12,933.41	**3,958.19**

* Fixed deposit of The Phoenix Mills Limited ₹ 0.45 Lakhs (P.Y. ₹ 17.19 Lakhs) given as Security for Bank gurantee.

* Fixed deposit of Graceworks Realty & Leisure Private Limited ₹ 5 Lakhs (P.Y. NIL) given as security to MCGM for development permission

*Fixed Deposits of Vamona Developers Private Limited ₹ 2,959.87 Lakhs (P.Y. ₹ NIL Lacs) earmarked towards maintenance of DSRA as per loan agreement.

NOTE 16

BANK BALANCE OTHER THAN ABOVE

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
In Fixed Deposits		
Deposits with original maturity of more than three months and less than One Year #	786.91	14,888.83
Earmarked balance held as security against borrowings *	350.00	350.00
	1,136.91	**15,238.83**

Term Deposit of Island star mall developers private limited of ₹ 1.27 Lakhs (P.Y ₹ 1.27 Lakhs) earmarked to Bank Guarantee given to Joint Commissioner of Commercial Taxes (Appeals) at Bangalore for disputed tax demand.

Fixed deposit of The Phoenix Mills Limited ₹ 14.84 Lakhs (P.Y. ₹ 14.84 Lakhs) given as Security for Bank gurantee.

Fixed Deposit of Offbeat Developers private limited of ₹ 305 Lakhs (P.Y ₹ Nil) given as security for bank guarantee.

Fixed deposits of Vamona Developers Private Limited of ₹ 72.54 Lakhs (P.Y. ₹ 69.93 Lacs) is given as security for bank gurantee.

* Earmarked balance of Island Star Mall Developers Private Limited of ₹ 350 Lakhs (P.Y. ₹ 350 Lakhs) represents bank balance, held by the entity that is not available for use by the Company, as it is pledged with a bank to fulfill collateral requirements of the Borrowings taken by the Company.

NOTE 17

CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Advance income tax (net of provision)	14,309.29	7,871.13
	14,309.29	**7,871.13**

NOTE 18

SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Authorised		
225,000,000 Equity Shares (P.Y. 225,000,000) of ₹ 2 each	4,500.00	4,500.00
Issued, subscribed and paid up		
153,462,440 Equity Shares (P.Y. 153,289,801) of ₹ 2 each	3,069.25	3,065.80
	3,069.25	**3,065.80**
Note 18.1 Reconciliation of number of shares outstanding is setout below:-		
Equity Shares outstanding at the beginning the year	153,289,801	153,141,740
Add : Issued during the year on exercise of employee options	172,639	148,061
Shares outstanding at the end of the year	**153,462,440**	**153,289,801**

Note 18.2 Terms and Rights attached to equity shareholders:-

The Company has only one class equity shares having face value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. Equity shareholder are also entitled to dividend as and when proposed by the Board of Directors and approved by Share holders in Annual General Meeting. In the event of liquidation of the company, the holder of Equity shares will be entitled to receive remaining assts of the company, after distribution of preferential amounts which shall be in proportion to the number of shares held by teh shareholders.

Note 18.3 Shares in the Company held by each shareholder holding more than 5 % Shares

(₹ in Lakhs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Name of shareholders				
Ruia International Holding Company Private Limited	49,347,248	32.22%	49,347,248	32.22 %
Senior Holdings Private Limited.	15,490,049	10.11 %	15,490,049	10.11 %
Radhakrishna Ramnarain Private Limited.	11,667,800	7.62 %	11,667,800	7.62 %
Ashok Apparels Private Limited.	9,670,665	6.31 %	9,670,665	6.31 %

Note 18.4 Issue of shares for ESOP - PML

During the period of six years immediately preceeding reporting date, the company has issued total 625,088 shares (P.Y. 4,52,449 shares) on exercise of options granted under the Employees Stock Options (ESOP), wherein part consideration was received in the form of employee services.

NOTE 19

OTHER EQUITY

(₹ in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
Capital Reserves				
As per Last Balance Sheet		**185.25**		**185.25**
General Reserve				
As per Last Balance Sheet		**22,918.36**		**22,918.36**
Securities Premium				
As per Last Balance Sheet	135,273.41		134,785.61	
Add:- On Issue of Shares	453.67		487.80	
		135,727.09		**135,273.41**
Share Based Payment Reserve				
As per last Balance Sheet	1,375.78		950.73	
Add: ESOPs Cost for the year	260.67		425.05	
		1,636.45		**1,375.78**
Capital Reserve		-		-
Retained Earnings				
Surplus/(defecit) in the Statement of profit and loss				
As per Last Balance Sheet	170,075.61		110,478.08	
Restrospective application of Ind As-21 Amendment	-		(165.30)	
Net Profit for the year	33,473.11		42,101.78	
Impact of Acquisition/Disposal/Change in Controlling Interest	-		33,786.10	
Adjustment relating to cumulative effect of applying Ind AS - 115	-		(11,323.26)	
Final Dividend (₹ NIL) (P.Y. ₹ 3.00/- Per share)	(5,052.76)		(3,983.03)	
Tax on Dividends	(493.34)		(818.76)	
		198,002.74		**170,075.61**
Other Comprehensive Income				
As per Last Balance Sheet	14,517.55		12,810.45	
Movement in OCI (net)during the year	(5,218.57)		1,689.65	
Impact of Acquisition/Disposal/Change in Controlling Interest	-	9,298.97	17.50	14,517.60
TOTAL OTHER EQUITY		**367,768.78**		**344,346.00**

Nature & Purpose of Reserves

1) Capital Reserve: Capital reserve represents reserve created pursuant to the business combinations upto year end.

2) Securities Premium: Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

3) Share Based Payment Reserve: Reserve relates to stock options granted by the Group to employees under an employee stock options plan.

4) General Reserve: General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

NOTE 20

BORROWINGS

(₹ in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	Non Current	Current	Non Current	Current
Secured				
Loans from Financial Institutions	45,320.17	1,617.90	43,496.71	2,448.85
Loans from Banks	2,72,085.28	20,784.60	279,364.92	23,800.15
Vehicle Loans	-	-	0.40	19.73
Unsecured				
0.0001% Series A Optionally Convertible Debentures of ₹ 100 each	2,300.00	-	2,300.00	-
Loan from other	14,887.74	-	12,097.26	-
Optionally Fully Convertible Unsecured Debentures (OFCD) "Series I"	5,934.85	-	5,934.85	-
Less: Amount disclosed under the head "Other Current Financial Liabilities" (Note 22)	-	(22,402.50)	-	(26,268.73)
	340,528.04	**-**	**343,194.14**	**-**

(i) Loans of ₹ 66,147.60 Lakhs (P.Y ₹ 77,838.03 Lakhs) of The Phoenix Mills Limited by Equitable Mortgage of deposit of Title deeds in respect of certain immovable properties situated at High Street Phoenix, Senapati Bapat Marg , Lower Parel, Mumbai and by hypothecation of rentals receivable from licencees.

(ii) Loans of ₹ 42,354.10 Lakhs (P.Y ₹ 47,812.50 Lakhs)for Pallazzio Hotels & Leisure Limited, are secured by Equitable Mortgage of deposit of title deeds in respect of certain immovable properties goods, movable properties, including movable machinery, machinery spares, tools and accessories both present and future.

(iii) Loan of ₹ 51.839.67 Lakhs (PY ₹ 54,727.80 Lakhs) of Vamona Developers Pvt Ltd, secured by future Lease Rent Receivables and a pari passu charge over the land and building of the Mall i.e. Phoenix Marketcity at Viman Nagar, Pune.

(iv) Loans of ₹ 33,597.13 Lakhs (PY ₹ 37,731.34 Lakhs) for Island Star Mall Developers Private Limited,are secured on paripassu basis by equitable mortgage of immovable properties namely 'Mall Building' and 'Multiplex Building', admeasuring approximately 1,28,711 sq. mts. in aggregate, alongwith an undivided interest to the extent of approximately 27,946.63 Sq. Mts. in the land appurtenant to the said structures forming an undivided part of the plot area of approximately 59,930.15 sq. mts., situated at Whitefield, Bengaluru and hypothecation of lease rental/ sales receivable from retailers,sales receivables of Oberhaus-1 and lien on the DSRA/ ESCROW Account.

(v) Loans of ₹ 61,985.50 Lakhs (P.Y ₹ 63,174.39 Lakhs) for Offbeat Developers Private Limited taken under arrangement with Standard Chartered Bank, now HSBC Bank on execution of Novation agreement along with HDFC Bank are secured by pari passu charge over specified area of land and building of Retail mall and first pari passu charge on escrow of lease rental from mall and art guild house at kurla -mumbai.

(vi) Loans of ₹ 6,729.94 Lakhs (P.Y ₹ 7,322.51 Lakhs) of Upal Developers Private Limited are secured by registered motgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, and assignement of future rental.

(vii) Loans of ₹ 8,759.80 Lakhs (P.Y ₹ 9,533.50 Lakhs) of Blackwood Developers Private Limited are secured by registered motgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, and assignement of future rental.

(viii) Loans of ₹ 15,536.97 Lakhs (PY ₹ 16,104.22 Lakhs) for Palladium Constructions Private Limited,are secured on paripassu basis by equitable mortgage of immovable properties namely 'Phase 1 (Tower-1-5)' of Project One Banglore West, 'Phase 2 (Tower-6)' of Project One Banglore West, admeasuring approximately 14,87,000 sq. ft. in aggregate and Paripassu charge over Courtyard Marriott,Agra is a c. 189 key 5 Star hotel, Loan amount includes Bank over draft facility.

(viii) Loans of ₹10,676.36 Lakhs (P.Y. ₹ 10,736.12 Lakhs) for Graceworks Realty & Leisure Private Limited, is secured by first and exclusive registered mortgage of immovable property situated at Kurla (Mumbai), and hypothecation of lease rental, lease deposit and sales proceeds.

(ix) Loans of ₹ 37,500 Lakhs (P.Y. ₹ 19,582.21 Lakhs) for Destiny Retail Mall Developers Private Limited, is secured by first and exclusive registered mortgage of immovable property situated at Lucknow (Gomtinagar), and hypothecation of lease rental, lease deposit and sales proceeds.

(x) Loan of ₹ 6,000 Lakhs [P.Y. - ₹ 6,000 Lakhs] for Alliance Spaces Private Limited, is Secured by future Lease Rent Receivables and a pari passu charge over the building and proportionate share of undivided land at Phoenix Marketcity - Viman Nagar, Pune.)

B Maturity Profile of Long Term Borrowings are as under:

1) Repayment of Loans from Financials Institutions will be as under:

(₹ in Lakhs)

Year	For the Year Ended 2020	For the Year Ended 2019
FY 2019-20	-	2,448.84
FY 2020-21	1,617.91	2,448.12
FY 2021-22	2,665.88	2,779.77
FY 2022-23	3,023.03	3,150.78
FY 2023-24	15,550.04	7,315.26
FY 2024-25	15,995.31	8,390.20
FY 2025-26	3,328.33	4,545.20
FY 2026-27	2,866.90	3,967.79
FY 2027-28	1,498.38	3,195.99
FY 2028-29	392.30	2,275.00
FY 2029-30	-	2,625.00
FY 2030-31	-	2,800.00

2) Repayment of Loans from Banks will be as under:

(₹ in Lakhs)

Year	For the Year Ended 2020	For the Year Ended 2019
FY 2019-20	-	23,626.16
FY 2020-21	20,365.82	31,689.52
FY 2021-22	39,397.59	38,734.36
FY 2022-23	39,331.79	40,284.50
FY 2023-24	48,830.01	39,049.80
FY 2024-25	44,264.13	31,333.96
FY 2025-26	25,886.47	24,603.49
FY 2026-27	19,886.47	21,690.92
FY 2027-28	20,902.70	20,511.83
FY 2028-29	15,788.83	15,788.51
FY 2029-30	11,237.35	8,296.77
FY 2030-31	6,656.72	7,200.00

NOTE 21

TRADE PAYABLES

(₹ in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	Non Current	Current	Non Current	Current
Total outstanding dues of micro enterprises and small enterprises	-	505.21	-	453.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	137.52	10,529.68	15.25	14,317.03
TOTAL	**137.52**	**11,034.88**	**15.25**	**14,771.01**

NOTE 22
OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	Non Current	**Current**	**Non Current**	**Current**
Current maturities of long-term borrowings	-	22,402.50	-	26,268.73
Security Deposit Received	18,703.66	36,518.61	16,074.09	30,507.38
Interest accrued but not due on borrowings	-	3,519.13	-	2,012.78
Interest accrued but not due - Related Party	-	986.82	-	661.74
Interest accrued and due on borrowings	-	479.31	-	90.72
Creditors for Capital Expenditure	219.33	4,634.40	-	2,225.16
Application money received for allotment of securities	-	9.18	-	8.35
TOTAL	**18,922.99**	**68,549.94**	**16,074.09**	**61,774.86**

NOTE 23
PROVISIONS

(₹ in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	Non Current	**Current**	**Non Current**	**Current**
Provision for Employee Benefits				
Provision for Gratuity	514.52	140.83	352.82	97.33
Provision for compensated absenses	502.45	181.26	400.88	276.86
Other Provisions				
Property Tax #	-	5,805.00	-	4,828.00
Others	-	464.65	26.91	316.65
TOTAL	**1,016.97**	**6,591.74**	**780.61**	**5,518.84**

Provision for Property Tax

(₹ in Lakhs)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening Balance	4,828.00	3,851.00
Add: Provision during the year	977.00	977.00
Closing Balance	**5,805.00**	**4,828.00**

NOTE 24
DEFERRED TAX LIABILITY

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
	Current	**Current**
Related to Fixed Assets	276.78	33.21
TOTAL	**276.78**	**33.21**

NOTE 25

OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	Non Current	**Current**	**Non Current**	**Current**
Statutory Dues	-	6,523.62	-	6,483.00
Other Payables #	930.21	20,511.35	597.13	16,592.41
Security Deposits/Advance From Occupants/Licensees or Customers	-	4,404.96	594.40	13,566.91
Deposit from Related Party ##	-	125.00	-	125.00
Other Deposit	-	0.44	-	-
Income Received in Advance	338.28	5,715.67	363.31	6,062.98
Unpaid Dividends*	-	168.64	-	186.00
TOTAL	**1,268.49**	**37,449.68**	**1,554.84**	**43,016.30**

* No amount due and outstanding to be credited to investor education & protection fund

Others include advance of ₹ 1,918.80 Lakhs (P.Y. ₹ 1,918.80 Lakhs) received against the debentures of TWDL (Refer Note 47)

Refer Note 40

NOTE 26

SHORT TERM BORROWINGS:

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Secured		
Loans from Bank	45,381.62	34,591.35
Unsecured		
Loans and Advances from related parties#	24,419.01	19,987.76
Loan from Others	422.37	330.37
TOTAL	**70,223.00**	**54,909.48**

Bank Overdraft/Cash Credit facility of ₹ 45,381.62 Lakhs (P.Y. ₹ 34,591.35 lakhs) are secured against assets stated in Note 20 (A) (i) to (ix)

Refer Note 40

NOTE 27

CURRENT TAX LIABILITIES

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Tax Provision (net of taxes paid)	19.49	205.86
TOTAL	**19.49**	**205.86**

NOTE 28

REVENUE FROM OPERATIONS

(₹ in Lakhs)

	2019-20	2018-19
Sales		
From Reality Sales	28,019.01	37,984.09
License Fees and Rental Income	91,380.47	86,643.36
Service Charges	33,128.89	31,032.05
Room Rent Income	15,577.83	15,360.57
Food, Beverages and Banquet Income	16,207.85	17,615.74
Other Operating Income	9,799.66	9,520.24
	194,113.71	**198,156.05**

NOTE 29

OTHER INCOME

(₹ in Lakhs)

	2019-20	2018-19
Interest at amortised cost	4,231.92	3,715.69
Dividend Income	290.89	363.99
Income from assets measured at fair value through Profit & Loss		
Profit on sale of Financial Assets	1,055.26	2,173.09
Financial assets measured at FVTPL	(24.96)	975.90
Profit on sale of Assets	9.09	2.19
Others		
Project Technical Services/Professional Fees	5.00	8.00
Miscellaneous Receipts	224.70	182.76
Balance/(Provisions) Written Back	58.15	1,091.77
TOTAL	**5,850.05**	**8,513.39**

NOTE 30

COST OF MATERIALS CONSUMED

(₹ in Lakhs)

	2019-20	2018-19
Food and Beverage Consumed		
Purchases	4,243.59	4,813.17
Realty Sales		
Construction & Other related costs	7,158.55	41,277.04
TOTAL	**11,402.14**	**46,090.21**

NOTE 31

CHANGE IN INVENTORY

(₹ in Lakhs)

		2019-20		2018-19
Food and Beverage Consumed				
Stock at begning of the year	417.56		543.10	
Stock at closing of the year	505.56		417.56	
Net (Increase)/Decrease		**(88.00)**		**125.54**
Realty Sales				
Opening Work In Progress	87,371.79		69,269.38	
Closing work in progress	79,164.50		87,371.79	
Adjustment Ind As 115/Transfer to FA	-		6,235.03	
Net (Increase)/Decrease		**8,207.29**		**(24,337.44)**
Opening Finished Goods	2,075.51		2,086.71	
Closing Finished Goods	1,941.68		2,075.51	
Inventory Capitalised	68.49		12.63	
		65.36		**(1.43)**
		8,184.65		**(24,200.70)**

NOTE 32

EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

	2019-20	2018-19
Salaries, Wages & Bonus	15,093.28	14,493.83
Contribution to Provident Fund & Other Funds	958.12	874.76
Staff Welfare Expenses	278.78	325.46
Share based payments cost	222.82	456.24
TOTAL	**16,553.00**	**16,150.29**

NOTE 33

FINANCE COSTS

(₹ in Lakhs)

	2019-20	2018-19
Interest Expenses for financial liabilities at amortised cost	34,406.94	34,688.69
Other Borrowing Costs	374.80	369.22
TOTAL	**34,781.74**	**35,057.91**

NOTE 34

OTHER EXPENSES

(₹ in Lakhs)

	2019-20		2018-19	
Electricity		15,684.49		16,412.02
Repairs and Maintenance:-				
Buildings	3,925.36		4,019.34	
Machinery & Vehicles	2,870.59		2,650.41	
Others	1,230.39		1,425.36	
		8,026.33		8,095.11
Foreign Exchange (Gain)/Loss		62.22		50.21
Insurance		584.98		497.65
Stores and Operating Supplies		1,499.26		1,539.90
Rent, Rates & Taxes		707.89		322.96
Property Tax		4,484.38		4,336.90
Water Charges		654.97		681.76
Communication expenses		382.94		452.16
Postage & Courier		9.63		6.81
Prinitng & stationary expenses		128.00		130.77
Legal and Professional charges		4,275.82		5,118.96
Travelling Expenses		559.92		585.34
Auditors' Remuneration		179.29		172.50
Car Hire charges		171.83		150.16
Directors' sitting fees & Commission		24.70		28.75
Compensation		211.48		189.53
Donation		499.23		288.71
Loss on Assets Sold/Discarded		598.70		776.67
Loss on sale of Investment		-		1.52
Advertisement & Sales Promotion		8,612.94		7,971.10
Bank charges		30.72		47.55
Brokerage		408.00		382.07
Rebate & Settlement		492.32		478.46
Bad debts & Sundry balances written off	131.64		7.61	
Allowances for expected Credit Loss & advances	962.92	1,094.56	268.27	275.88
Parking Expenses		418.85		267.49
Office Expenses		496.61		95.64
Management Fee		1,990.82		1,809.47
Security Charges		2,434.09		2,436.82
Housekeeping Expenses		4,099.61		4,221.62
General Expenses		1,066.14		1,111.38
Miscellaneous Expenses		1,363.56		1,864.26
Share of Loss from a Partnership Firm		5.10		2.12
		61,259.40		**60,802.26**

NOTE 35

TAXATION

Income tax related to items charged or credited to Statement of profit or loss during the year:

(₹ in Lakhs)

	2019-20	2018-19
A. Statement of Profit or Loss		
1. Current Income Tax	4,218.94	10,911.18
	4,218.94	**10,911.18**
2. Adjustments in respect of Income Tax of previous year		
Current Income Tax	(26.95)	59.43
	(26.95)	**59.43**
3. Minimum Alternate Tax credit entitlement	-	(2,723.61)
	-	(2,723.61)
4. Deferred Tax expenses/ (benefits):		
Relating to origination and reversal of temporary differences	8,017.17	2,740.30
	8,017.17	**2,740.30**
Total Income tax Expenses (1 to 4)	**12,209.16**	**10,987.30**
B. Reconciliation of Current Tax expenses:		
Profit /(Loss) from Continuing operations	47,797.29	57,156.15
Applicable Tax Rate	25.17%	34.94%
Computed tax expenses	12,029.62	19,972.64
Additional allowances As per Income Tax Act	(7,498.12)	(9,888.71)
Income not allowed/exempt for tax purposes	(1,707.56)	(1,855.52)
Expenses not allowed for tax purposes	3,813.57	3,133.03
Carry Forward Loss utilised	(2,304.05)	(1,440.78)
Other temporary allowances	564.52	227.09
Additional Tax payable due to MAT provisions	(706.00)	1,522.67
Non Taxable Subsidiarie and Effect of Differential Tax Rate		(699.81)
	4,191.99	**10,970.61**
Effective Tax Rate	8.77%	19.19%
C. Deferred Tax Recognised in statement of profit and Loss relates to the following:		
Accelerated depreciation for tax purpose	(2,864.79)	(3,636.56)
Remeasurement Gain on Mutual Fund	(281.08)	(91.02)
Expenses allowable on payment basis	(716.58)	(106.70)
Provision for loss allowance	(127.60)	2,049.38
Other temporary differences	1,775.66	5,332.48
Unused Carry Forward losses	4,713.88	(807.27)
MAT Credit	5,517.69	(2,723.61)
Deferred Tax Liabilities/ (Asset)	**8,017.17**	**16.69**
D. Reconciliation of deferred tax liabilites/(asset) net:		
Opening balance as on 1st April	(13,864.91)	(13,924.60)
Tax expenses/ (income) for the year	8,017.17	16.69
Add/(Less): MAT/Opening balance adjustment	2.20	43.00
Closing balance as on 31st March	**(5,845.54)**	**(13,864.91)**

E. The Group has not recognised any deferred tax liabilities for taxes that would be payable on the Group's share in unremitted earnings of certain of its subsidiaries because the Group controls when the liability will be incurred and it is probable that the liability will not be incurred in the foreseeable future.

F. In Case of ceratin Subsidiaries Deffered Tax Assets has not been recognised on Carry Forward Losses.

36 Fair Value of Financial Assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

(₹ in Lakhs)

	As at March, 31st 2020		As at March, 31st 2019	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Financial assets designated at fair value through Profit and Loss				
Investments				
- in Equity shares	117.92	117.92	144.94	144.94
Financial assets designated at fair value through Other Comprehensive Income				
Investments				
- Equity Shares*	10,396.59	10,396.59	15,653.50	15,653.50
- Preference Shares	106.25	106.25	106.25	106.25
- Compulsorily Convertible Debentures	10,143.05	10,143.05	10,143.05	10,143.05
- Optionally Compulsorily Convertible Debentures	25.00	25.00	25.00	25.00
- Capital Investment in Partnership Firm	184.11	184.11	186.55	186.55
Trade Receivables	20,170.24	20,170.24	19,552.38	19,552.38
Cash and Cash Equivalents	12,933.41	12,933.41	3,958.19	3,958.19
Loans and Advances	2,181.54	2,181.54	3,330.84	3,330.84
Deposits with Banks	1,136.91	1,136.91	15,238.83	15,238.83
Other financial assets	22,834.80	22,834.80	18,768.17	18,768.17
TOTAL	**80,229.82**	**80,229.82**	**87,107.70**	**87,107.70**
Financial liabilities designated at amortised cost				
Borrowings	433,153.54	433,153.54	424,372.35	424,372.35
Trade payables and others	11,172.40	11,172.40	14,786.25	14,786.25
Other financial liabilities	65,070.44	65,070.44	51,580.22	51,580.22
TOTAL	**509,396.38**	**509,396.38**	**490,738.82**	**490,738.82**

*In respect of Investment in equity shares of EWDL having carrying value of ₹ 4,501.24 Lakhs (P.Y. ₹ 5,792.70 Lakhs) and in CCD's of TWDPL having carrying value of ₹ 10,000 Lakhs (P.Y. ₹ 10,000 Lakhs) the financial information on the assets and liabilities position of these companies for determining the fair value for the current period is not available, same has been carried at cost.

During the year, groups sold equity investments recognised at fair value through other comprehensive income having fair value of ₹ NIL (P.Y. ₹ 7,904.87 Lakhs) on the respective date of sale to maximise the returns.

Fair valuation techniques:

The Group maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values

1. Fair value of the Equity Shares are based on price quoted on stock exchange.
2. Fair value of unquoted equity shares and CCD's is taken at intrinsic value.
3. Fair value of Long term Borrowings is calculated based on discounted cash flow.
4. Fair value of Financial Assets & Financial Liability(except Long term Borrowings) are carried at amortised cost and is not materially different from it's carrying cost.

B) Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on The Group specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(₹ in Lakhs)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets /Liabilities measured at fair value						
Financial Asset:						
Investments						
- in Equity shares	4,469.69	-	6,044.81	9,753.63	-	6,044.81
- Compulsorily Convertible Debentures			10,143.05			10,143.05
- Optionally Compulsorily Convertible Debentures			25.00			25.00
- Preference Shares			106.25			106.25

Reconciliation of fair value of mesurement categorised within level 3 of the value hierarchy

(₹ in Lakhs)

Particulars	
Fair value as at 31st March, 2018	16,319.12
Purchase/Sales of Financial Instruments	-
Amount transferred to/from level 3	-
Fair value as at 31st March, 2019	16,319.12
Purchase/Sales of Financial Instruments	-
Amount transferred to/from level 3	-
Fair value as at 31st March, 2020	**16,319.12**

Financial Instruments measured at Fair value - Level III

Type	Valuation Technique	Significant Observable Input	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in unquoted equity shares, OFCDs and CCDs	Adjusted NAV (Net Asset Value) method. Adjusted NAV method involves determination of fair values of asset/ liability/business based on its book value with appropriate relevant adjustments.	Not Applicable	Not Applicable

37 Financial risk Management:

The Group's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

- **Market risk:**

  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

- **Foreign currency risk**

  Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

  The groups is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The group generally transacts in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency. The group is exposed to insignificant foreign exchange risk as at the respective reporting dates.

- **Interest rate risk**

  Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. Almost 100% of the company's borrowings are linked to BR + margin 1.75% p.a. floating at Monthly rest including TP. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

  Increase/ (decrease) in Interest cost of Long term borrowings for the year:

(₹ in Lakhs)

Change in Rate of Interest	Effect on Profit/(Loss) before tax	
	2019-20	2018-19
+1%/-1%	3,629.31	3,694.63

- **Commodity and Other price risk**

  The group is not exposed to the commodity and other price risk.

- **Credit Risk**

  Credit risk is the risk of financial loss to The Group that a customer or counter party to a financial instrument fails to meet its obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

  Trade and other receivables:

  The group extends credit to customers in normal course of business. The group considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, 1he group periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the group continues regular followup , engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings. The group is not exposed to concentration of credit risk to any one single customer since services are provided to vast specturm and hence, the concentration of risk with respect to trade receivables is low. The Group also takes security deposits, advances , post dated cheques etc from its customers, which mitigate the credit risk to an extent.

  Cash and cash equivalents and other investments

  The Group is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds.

  The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which The Group has also availed borrowings. The Group does not maintain significant cash and deposit balances other than those required for its day to day operations.

  Exposure to credit risk

  The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31st March, 2020 and 31st March, 2019 is as follows:

  Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):

(₹ in Lakhs)

	As at 31st March, 2020	**As at 31st March, 2019**
Cash and cash equivalents	12,933.41	3,958.19
Bank Deposits	1,136.91	15,238.83
Loans	2,181.54	3,330.84
Other financial assets	22,834.80	18,768.17
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	20,170.24	19,552.38

Life time Expected credit loss for Trade receivables under simplified approch

(₹ in Lakhs)

Ageing of Trade Receivables	Past Due				Total
	0-90 days	90-180 days	180 - 360 days	over 360 days	
As at 31st March, 2020					
Gross Carrying Amount	14,471.65	1,652.88	1,399.59	5,650.09	23,174.21
Expected credit losses (Loss allowance provision)	59.44	127.85	155.24	2,661.45	3,003.98
Net Carrying Amount	**14,412.21**	**1,525.03**	**1,244.35**	**2,988.64**	**20,170.24**
As at 31st March, 2019					
Gross Carrying Amount	14,668.49	2,638.76	876.34	3,600.37	21,783.96
Expected credit losses (Loss allowance provision)	67.53	82.54	106.80	1,974.71	2,231.58
Net Carrying Amount	**14,600.96**	**2,556.22**	**769.54**	**1,625.66**	**19,552.38**

Reconciliation of Changes in the life time expected credit loss allowance:

(₹ in Lakhs)

	2019-20	2018-19
Loss allowance on 1 April,	2,231.58	2,495.96
Provided during the year	1,034.64	455.98
Amount written off during the year	(245.94)	(584.72)
On Account of reversal of provision	(16.30)	(135.64)
Loss allowance on 31st March,	3,003.98	2,231.58

Cash and Cash equivalent, other Investment, Loans an other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

- **Liquidity risk**

  Liquidity risk is the risk that the group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

  The Group objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors The Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Group is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants , these loans become callable to the extent of failture at the option of lenders, except where exemption is provided by lender.

(₹ in Lakhs)

Particulars	**As at March, 31, 2020**					
	Carrying Amount	**On Demand**	**Less than 12 months**	**1- 5 years**	**>5 years**	**Total**
Borrowings	433,153.54	23,622.52	42,500.59	235,682.36	131,348.06	433,153.54
Other Financial Liabilities	65,070.44	25,320.87	23,518.19	16,231.38	-	65,070.44
Trade and other payables	11,172.40	3,475.86	7,680.98	15.55	-	11,172.40

(₹ in Lakhs)

Particulars	**As at March, 31, 2019**					
	Carrying Amount	**On Demand**	**Less than 12 months**	**1- 5 years**	**>5 years**	**Total**
Borrowings	424,372.35	58,383.68	39,331.45	172,699.79	153,957.43	424,372.35
Other Financial Liabilities	51,580.22	29,650.16	16,425.18	5,504.88	-	51,580.22
Trade and other payables	14,786.25	2,264.45	6,794.71	5,727.09	-	14,786.25

38 Capital management

The primary objective of The Group's capital management is to maximize the shareholder value. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard The Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2020 and March 31, 2019.

For the purpose of The Group's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.

(₹ in Lakhs)

Particulars	**As at March, 31, 2020**	**As at March, 31, 2019**
Loans and Borrowings	433,153.54	424,372.35
Less: Cash and cash equivalents + Bank Deposits	24,889.64	29,437.08
Net Debt	408,263.90	394,935.27
Total Capital	370,838.03	347,411.80
Capital+Net Debt	779,101.93	742,347.07
Gearing Ratio	52%	53%

39 Segment Reporting

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Ind AS 108. The Group has two reportable segments as under:

Reportable Segment	Nature of operations
Property and related services	Providing mall /office areas on licence basis and development of commercial / residential properties
Hospitality	Operation of hotels and restaurants

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker. The measurement principles of segments are consistent with those used in Significant Accounting Policies with following additional policies for segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(₹ in Lakhs)

Sr no.	Particulars	Property & Related Services		Hospitality Services		Unallocted		Total	
		2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
A	**Revenue**								
	Revenue From Operations	159,116.87	162,235.44	34,996.84	35,920.61	-	-	194,113.71	198,156.05
	Other Income	-	-	-	-	5,850.05	8,513.38	5,850.05	8,513.39
	Total	**159,116.87**	**162,235.44**	**34,996.84**	**35,920.61**	**5,850.05**	**8,513.38**	**199,963.76**	**206,669.44**
B	**Results**								
1	Profit Before Tax & Interest	70,391.14	70,124.27	5,561.23	8,766.52	5,850.05	8,513.38	81,802.42	87,404.17
2	Less: Interest	-	-	-	-	(34,781.74)	(35,057.91)	(34,781.74)	(35,057.91)
	Profit Before Tax & Exceptional Item	70,391.14	70,124.27	5,561.23	8,766.52	(28,931.69)	(26,544.53)	47,020.68	52,346.26
	Exceptional Item	-	-	776.61	4,809.89	-	-	776.61	4,809.89
	Profit after Exceptional Item & Before Tax	70,391.14	70,124.27	6,337.84	13,576.41	(28,931.69)	(26,544.53)	47,797.29	57,156.15
	Less: Provision for Tax	-	-	-	-	(12,209.15)	(10,987.30)	(12,209.15)	(10,987.30)
	Net Profit after Tax	70,391.14	70,124.27	6,337.84	13,576.41	(41,140.84)	(37,531.83)	35,588.14	46,168.85
	Add/(less) Share of Profit/(loss) from Associates	-	-	-	-	3,261.66	3,530.68	3,261.66	3,530.68
	Profit After Tax	70,391.14	70,124.27	6,337.84	13,576.41	(37,879.18)	(34,001.15)	38,849.80	49,699.53
C	**Other Information**								
	Segment Assets	820,060.69	769,675.99	107,333.18	113,410.95	127,342.80	128,503.55	1,054,736.67	1,011,590.49
	Segment Liabilities	480,332.27	459,921.78	75,390.99	81,687.62	296.27	239.08	556,019.53	541,848.48
D	**Other Disclosures**								
	Capital Expenditure	13,486.38	106,523.05	666.37	593.69	-	-	14,152.75	107,116.74
	Investment in Associates	-	-	-	-	-	-	33,541.55	30,223.73
	Depreciation	14,222.99	13,578.17	6,539.16	6,845.03	-	-	20,762.15	20,423.20

All the activities of the group and its subsidiaries are located in India. There are no secondary reportable segments.

Note 40

Related party disclosure

In View of the Ind As 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31st March, 2020 is as under:

a) RELATIONSHIPS

Category I: Associates

Classic Housing Projects Private Limited

Mirabel Entertainment Private Limited

Starboard Hotels Private Limited

Classic Mall Development Company Limited

Columbus Investment Advisory Private Limited

Category II: Key Managerial Personnels

Key Person	Designation
Atul Ruia	Chairman (w.e.f. 11th December 2019)
Atul Ruia	Chairman & Managing Director (Upto10th December 2019)
Shishir Shrivastava	Managing Director (w.e.f. 11th December 2019)
Shishir Shrivastava	Jt. Managing Director (Upto10th December 2019)
Rajendra Kalkar	Whole-time Director

Category III: Other Related Parties where common control exists

R.R.Hosiery Private Limited

R.R. Hosiery

Phoenix Retail Private Limited

Phoenix Construction Company

Aakar charitable Trust

Ashok Apparels Private Limited

Vigilant Developers Private Limited

Padmshil Hospitality & Leisure Private Limited

Category IV: Relatives of Key Managerial Personnel

Gayatri A Ruia

b) Transactions during the year:

(₹ in Lakhs)

Sr No	TRANSACTIONS	Category I	Category II	Category III	Category IV	Total
1	Rent,Compensation & Other recoveries	444.39	-	-	17.74	462.13
		(488.20)	-	-	(19.42)	(507.62)
2	Interest Received	2.68	-	-	-	2.68
		(2.55)	-	-	-	(2.55)
3	Remuneration/Salaries/Other Expense	-	1,015.37	-	-	1,015.37
		-	(999.60)	-	-	(999.60)
4	Administrative & Other Charges paid (Excluding GST)	-	35.26	263.12	91.88	390.26
		-	(41.84)	(61.29)	(90.63)	(193.76)
5	ICD returned by Parties	5,750.00	-	-	-	5,750.00

(₹ in Lakhs)

Sr No	TRANSACTIONS	Category I	Category II	Category III	Category IV	Total
		-	-	-	-	-
6	ICD received	9,500.00	-	-	-	9,500.00
		(15,000.00)	-	-	-	(15,000.00)
7	Interest Paid	2,117.58	-	-	-	2,117.58
		(623.74)	-	-	-	(623.74)
8	Purchase of Fixed Assets	3.26	-	-	-	3.26
		-	-	-	-	-
9	Share of Loss from partnership firm	-	-	2.44	-	2.44
		-	-	(2.12)	-	(2.12)
10	Donation	-	-	202.03	-	202.03
		-	-	(119.50)	-	(119.50)

c) The following balances were due from / to the related parties as on 31-03-2020

(₹ in Lakhs)

Sr No	Balances	Category I	Category II	Category III	Category IV	Total
1	Investment in Equity Shares / pref shares	33,541.54	-	-	-	33,541.54
		(30,223.74)	-	-	-	(30,223.74)
2	Investment in OCD/CCD	2,162.56	-	105.05	-	2,267.61
		(2,162.56)	-	(105.05)	-	(2,267.61)
3	Investment in Capital of Partnership Firm	-	-	184.11	-	184.11
		-	-	(186.55)	-	(186.55)
4	Capital Advances	12.52	-	-	-	12.52
		(12.52)	-	-	-	(12.52)
5	Loans Taken	24,419.01	-	-	-	24,419.01
		(19,895.52)	-	(92.24)	-	(19,987.76)
6	Inter Corporate Deposits Given	21.25	-	-	-	21.25
		(21.25)	-	-	-	(21.25)
7	Advances Received	-	-	1.50	-	1.50
		-	-	(1.50)	-	(1.50)
8	Trade receivables	171.39	-	-	3.54	174.93
		(42.31)	-	-	(2.31)	(44.62)
9	Trade Payables	-	7.78	-	7.78	15.56
		-	(30.63)	-	(30.63)	(61.26)
10	Deposits received	125.00	-	-	-	125.00
		(125.00)	-	-	-	(125.00)
11	Interest Payable	986.82	-	-	-	986.82
		(661.74)	-	-	-	(661.74)
12	interest receivable	1.27	-	-	-	1.27
		(0.57)	-	-	-	(0.57)
13	Deposits Given	-	-	5,517.75	-	5,517.75
		-	-	(5,517.75)	-	(5,517.75)

Compensation of key management personnel

The remuneration of director and othe member of key management personnel during the year was as follows :

(₹ in Lakhs)

Particulars	2019-20	2018-19
Short term benefits	781.97	703.99
other long term benefits	33.76	38.94

Note : Figuers in brackets indicates previous year figuers

1. The transaction with related parties are made on term equivalent to those that prevail in arm's length transactions.
2. Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which realted party operates. These balances are unsecured and their settlement occurs through banking channel.

41. EARNING PER SHARE (EPS)

Basic as well as Diluted EPS	2019-20	2018-19
Net Profit after Tax (₹ in Lakhs)	33,473.11	42,101.78
Weighted Average No. of Equity Shares for Basic EPS	153,370,593	153,220,369
Dilution due to ESOPs Granted	392,602	462,086
Weighted Average No. of Equity Shares for Diluted EPS	153,763,195	153,682,456
Nominal Value of Equity Shares	2	2
Basic Earning Per Share	21.82	27.48
Diluted Earning Per Share	21.77	27.40

42 Contingent liabilities not provided for in respect of: -

i) Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts is ₹ 29,735.55 Lakhs (P.Y. ₹ 3,835.92 Lakhs) net of advance paid.

ii) Disputed Statutory demands on account of :

Sr No	Particulars	31st March, 2020	31st March, 2019
1	Income Tax	7,150.93	6,906.46
2	Service Tax	7,710.06	7,056.18
3	VAT	2,474.25	2,538.19
4	Property tax*	1,085.90	1,455.02
5	Luxury Tax	44.59	20.91

iii) Demand notices received on account of arrears of Provident Fund dues ₹ 82.12 Lakhs (P.Y. ₹ 82.12 lakhs) are disputed by the Company. The Company's has paid ₹ 10.00 Lakhs (P.Y. ₹ 10 Lakhs) and has also furnished a Bank Guarantee for ₹ 14.72 Lakhs (P.Y. ₹ 14.72 Lakhs) against P.F. demands to the P.F. authorities.

iv) Other Claims against the company not acknowledged of ₹ 3,169.20 Lakhs (P.Y ₹ 1,941.01 Lakhs)

v) Outstanding guarantees given by Banks ₹ 659.51 Lakhs (P.Y. ₹ 480.33 Lakhs).

vi) Guarantees given by the company for EPCG Licence ₹ 215.76 Lakhs (P.Y. ₹ 251.51 Lakhs)

vii) An order of Commissioner of GST & Central Excise from Service Tax Department, in respect of the RAI related matter. The order states to recover the interest for delayed payment of service tax at an appropriate rate. The company has filed an appeal with CESTAT against the said order. The interest liability on such delayed payments of service tax shall be determined on the basis of the Supreme Court judgement on the RAI Parties Service Tax matter, which is pending.

viii) The above litigations are not expected to have any material adverse effect on the financial position of the company

43 Municipal Corporation of Greater Mumbai has raised demand of ₹ 7,271.07 Lakhs (P.Y. ₹ 6,483.84 Lakhs) towards property tax for the period April 2010 – March 2020, which was hiked by imposing value added taxes. The said Order by the MCGM for value added taxes and the Constitutional Validity was challenged by the Company before the High Court Mumbai, wherein the High Court was pleased to pass an interim Order directing the Company to pay 50% of the invoice amount raised by MCGM.

On the matter being finally heard Mumbai High Court passed a Judgement upholding the payment of 50% demand of property tax to be paid by the company vide its judgement dated 24th April 2019, and dismissed our prayer which sought the Constitutional validity of imposing value added taxes by the MCGM. MCGM has filed Special Leave Petition in Supreme Court challenging part of the Order i.e. the deposit of 50 % of invoice payment and the Company has filed an Application for being impleaded as a party in the said Special Leave Petition filed before the Supreme Court. Pending outcome of the matter Company has provided full amount of demand in the books on conservative basis.

44 Expenditure incurred during construction period :

The Group's various projects relating to construction of commercial, retail, hotel and entertainment complexes are in progress. The expenditure incurred during the construction period is treated as "Project Development Expenditure" pending capitalisation. The same has been included under Capital Work In Progress and will be apportioned to fixed assets on the completion of the project

(₹ in Lakhs)

Particulars	31st March, 2020	31st March, 2019
Opening Balance Expenditure	**6,468.65**	**7,680.79**
Property Taxes	51.54	6.19
Interest & Finance Charges	4,498.49	2,387.53
Administration Expenses	2,328.82	625.04
Less:- Capitalised during year	-	(4,230.90)
Closing Balance	**13,347.49**	**6,468.65**

45 The Subsidiary companies considered in these consolidated financial statements are:

Sr no.	Name of the Company	Country of incorporation	Proportion of Ownership 2019-2020	Proportion of Ownership 2018-2019
1	Alliance Spaces Private Limited (Subsidiary of PHCPL)	India	75.02%	75.02%
2	Blackwood Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
3	Bellona Hospitality Services Limited	India	100.00%	100.00%
4	Big Apple Real Estate Private Limited (BARE)	India	100.00%	100.00%
5	Butala Farm Lands Private Limited	India	100.00%	100.00%
6	Enhance Holdings Private Limited	India	100.00%	100.00%
7	Gangetic Developers Private Limited (Subsidiary of BARE)	India	97.08%	97.08%
8	Grace Works Realty & Leisure Private Limited (Subsidiary of PHCPL)	India	66.69%	66.69%
9	Island Star Mall Developers Private Limited (ISML)	India	51.00%	51.00%
10	Market City Resources Private Limited (MCRPL)	India	100.00%	100.00%
11	Market City Management Private Limited	India	100.00%	100.00%
12	Mugwort Land Holding Private Limited	India	94.86%	94.86%

Sr no.	Name of the Company	Country of incorporation	Proportion of Ownership 2019-2020	Proportion of Ownership 2018-2019
13	Offbeat Developers Private Limited (ODPL)	India	100.00%	100.00%
14	Palladium Constructions Private Limited	India	79.45%	79.45%
15	Pallazzio Hotels & Leisure Limited	India	72.98%	72.98%
16	Phoenix Hospitality Company Private Limited (PHCPL)	India	56.92%	56.92%
17	Pinnacle Real Estate Development Private Limited	India	100.00%	100.00%
18	Plutocrat Commercial Real Estate Private Limited (Formerly known as Plutocrate Asset & Capital Management Co. Pvt. Ltd.)	India	100.00%	100.00%
19	Sangam Infrabuild Corporation Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
20	Upal Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
21	Vamona Developers Private Limited	India	99.97%	99.97%
22	Savannah Phoenix Pvt Ltd	India	100.00%	100.00%
23	Insight Mall Developers Private Limited (Subsidiary of ISML) (Formerly known as Insight Hotels & Leisures Private Limited)	India	51.00%	51.00%
24	Alysum Developers Pvt Ltd (Subsidiary of ISML)	India	51.01%	51.01%
25	Sparkle One Mall Developers Private Limited (Subsidiary of ISML)	India	51.01%	51.01%
26	Sparkle Two Mall Developers Private Limited (Subsidiary of ISML)	India	51.00%	51.00%
27	Destiny Retail Mall Developers Private Limited (Formerly known as Destiny Hospitality Services Private Limited)	India	100.00%	100.00%
28	Mindstone Mall Developers Private Limited (Subsidiary of ODPL)	India	100.00%	100.00%
29	SGH Realty LLP	India	50.00%	50.00%
30	True Value LLP	India	50.00%	50.00%
31	Rentcierge Developers Private Limited (Subsidiary of ODPL)	India	100.00%	0.00%

46 The associate companies considered in the consolidated financial statements are:

Sr no.	Name of the Company	Country of incorporation	Proportion of Ownership 2019-2020	Proportion of Ownership 2018-2019
1	Classic Housing Projects Pvt ltd	India	50.00%	50.00%
2	Starboard Hotels Private Limited	India	28.47%	28.47%
3	Mirabel Entertainment Private Limited (Associate through PHCPL)	India	28.47%	28.47%
4	Classic Mall Development Company Limited	India	50.00%	50.00%
5	Columbus Investment Advisory Private Limited (Associate through MCRPL)	India	50.00%	50.00%

47 a) The Group carries, as at the year end, Investments of ₹ 5,792.70 Lakhs in the equity shares of Entertainment World Developers Limited (EWDL), ₹ 10,000 Lakhs in FCDs of Treasure world Developers Pvt. Ltd. (TWDPL), subsidiary of EWDL and interest accrued thereon, upto 31-03-2012, of ₹ 1,432.51 Lakhs (net of TDS). The group had exercised the put option available as per the Share and Debenture Subscription Deed for the said FCDs in earlier year against which EWDL has paid a part amount of Rs 1,918.80 Lakhs in November 2013. Pending receipt of the balance consideration, the amount received has not been adjusted against the investments/ accrued Interest and has been shown under other liability. The Networth of EWDL/TWDPL has been eroded as per latest available unaudited accounts as at 31-03-2015. The Company's Board has, out of abundant caution and as a prudent practice in line with the standard accounting practices, made an impairment provision of ₹ 2,300 Lakhs in the year ended 31st March 2016 and ₹ 9,125 Lakhs for the year ended 31st March 2015. During the financial year 2018-19, the Company had initiated legal proceedings in High Court of Mumbai to set aside the transfer of certain asset by EWDL and TWDPL after commencement of Winding up proceedings. The company has, out of abundant caution and as a prudent practice in line with the standard accounting practices, now made a further provision in respect of the above, during the financial year under report, thereby fully providing for the diminution in the value of these Investments. The same has been shown as an Exceptional Item [Refer Note No. 47 b].

b) Exceptional items include : (a) Provision for diminution of ₹ 2,448.90 lakhs on the equity investments in Entertainment World Developers Ltd and fully convertible debentures of Treasure World Developers Pvt. Ltd.; (b) Write off of interest accrued of ₹ 1,432.51 lakhs on the above debentures; (c) Provision of doubtful loans of ₹ 241.98 Lakhs; and (d) Claim Settlement of ₹ 4,900 lakhs in a suit for damages filed by Company.

c) The Company had filed a suit for damages against certain parties in FY 18-19 which has been settled during the year under review. The Hon'ble High Court at Bombay has passed a consent decree for ₹ 6,500 lakhs in favour of the Company as per the Consent Terms agreed between the parties for settling the said suit.The Defendants/Respondents in the said suit have paid to the Company, an amount of ₹ 1,000 lakhs upon the passing of the consent decree and undertaken to pay a further amount of ₹ 3,900 lakhs on or before expiry of one year from the date of passing of the said decree, upon due payment of which, the consent decree shall be marked as fully satisfied. In the event of their failure to do so, the decretal amount shall become due and payable by them. As security for due payment of the decree amount, the said Defendants/Respondents have deposited the original title deeds of certain immovable properties with an Escrow Agent. The Company expects to receive the amount of ₹ 3,900 lakhs from the defendants/respondents on or before the due date and has accordingly recognised revenue of ₹ 4,900 lakhs as an exceptional item.

48 The balances in respect of Trade Receivables & Payables and loans and advances, as appearing in the books of accounts are subject to confirmations from the respective parties and are pending reconciliations/adjustments arising there from, if any.

49 The license agreements are generally for the period of 1 year to 5 years. The terms also provide for escalation of License fees and other charges on a periodical basis. Generally, the company has a right to terminate these agreements by giving advance notice as stipulated therein.

Future minimum License Fees receivable under Leave and License agreements for non-expired lock in period as at 31st March, 2020 are as follows:

(₹ in Lakhs)

Particulars	Within one year	After one year but not more than five years	More than five years	Total
As on 31st March, 2020	39,931.51	55,188.63	-	95,120.14
As on 31st March, 2019	38,859.87	45,654.27	-	84,514.14

Contingent License Fees comprising of Revenue Share income (computed as a % of sales) charged to the Licensees during the year is ₹ 8,610.50 Lakhs (P.Y. ₹ 9,333.27 Lakhs)

50 The Company is a partner in a partnership firm M/s. Phoenix Construction Company. The accounts of the partnership firm have been finalised upto the financial year 2018-19. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:-

(₹ in Lakhs)

Sr. No.	Name of the Partners	Profit Sharing Ratio	Total Capital on	
			31/03/2019	31/03/2018
1	The Phoenix Mills Ltd	50%	155.12	157.55
2	Gold Seal Holding Pvt. Ltd.	50%	106.56	109.00

The Company has accounted for its share of loss amounting to ₹ 2.44 Lakhs (P.Y. ₹ 2.12 Lakhs) pertaining to the financial year 2018-19 in the year. The share of profit/loss for the current financial year will be accounted in the books of the Company on the finalisation of the accounts of the firm.

51 COVID 19

Covid -19 outbreak has been declared as a pandemic by the WHO, subsequently the Government of India has initiated a series of measures to contain the outbreak, including imposing multiple 'lock-downs' across the country, from March, 24, 2020. This has posed significant challenges to the business of the Group. As per the directives of the Central/State Governments it was mandated to close all business activities of the Group during the lockdown period.

During the period commencing from the start of the lockdown, the Group has taken various measures to rationalize fixed costs including but not limited to energy conservation, resource deployment and deferral of certain non-critical upgrades.

Being sensitive to the impact of lockdown on the retail partners, the Group has provided certain concessions / relief/ moratorium on rentals to its retailers for the period of lockdown. Further, the benefit of reduced fixed costs due to various rationalisation measures undertaken has been passed on by the Group to its retailer partners in form of reduced common area maintenance charges.

Collections of rent and other charges from tenants of commercial offices are not impacted.

Mall Operations at Bangalore, Lucknow from and Bareilly have commenced operations from June 8, 2020. The operational leasable area across the three malls is between 70% and 72% of the total leasable area that is permitted to open as per local state directives. Operations at High Street Phoenix & Palladium, Phoenix Marketcity Mumbai, Phoenix Marketcity Pune, Phoenix Marketcity Chennai and Palladium Chennai, currently remain suspended and will resume services as per the directives of respective State Governments.

Operations at Residential site have commenced from May 6, 2020 and have witnessed limited impact. The project continues to see significant buying interest as evidenced from site visits from customers and channel partners.

The Group expects the hotel to become operational in phased manner as the demand for its services is expected to pick up albeit at a slower pace once lockdown is lifted. Demand outlook for second half continues to remain good mainly on account of demand from corporates and postponement of large, luxury weddings during March, to June to the period between October 2020 and March, 2021.

The Group has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. The current liquidity position of the Group continues to be stable and comfortable and it has available sanctioned unutilised working capital limits to meet any of its future cash flow requirements. In order to conserve its cash flows the Group has availed moratorium offered by banking partners as per the RBI guidelines on principal & interest for a period of 6 months.

It has also assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, Capital work in Progress, intangible assets, investments, inventories, trade receivables and other current assets appearing in the Consolidated financial results of the Group. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Group as at the date of approval of these Consolidated Financial results has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these Consolidated financial statement.

The Group will continue to closely monitor uncertainties arising of material changes to the future economic conditions

52 Additional information as required under Section 186 (4) of the Companies Act, 2013 :

a Investment made in Body Corporate are mentioned in Note 7.

b No Guarantee is given by the Company.

c Loans given by the company to Body Corporate or Person are as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2020	Purpose
Hbs Realtors Pvt Ltd.	225.77	General Corporate Purpose
Nirmala Goenka Estates Private Limited	200.00	General Corporate Purpose
Future Retails Limited	400.00	General Corporate Purpose
Kalani Industries Private Limited	941.98	General Corporate Purpose
Ramayana Realtors Private Limited	100.00	General Corporate Purpose
Saphire Intrex Limited.	831.33	General Corporate Purpose
Treasure World Developers Pvt.Ltd.	57.25	General Corporate Purpose

53 Corporate Social Responsibility:

a CSR amount required to be spent by the company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof during the year is ₹ 478.71 Lakhs (P.Y. ₹ 465.38 Lakhs).

b Expenditure related to Corporate Social Responsibility is ₹ 289.63 Lakhs (P. Y. ₹ 144.65 Lakhs). Details of Amount spent towards CSR given below:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Construction of check dams	124.02	119.50
Promoting Employment enhancing vocation skills amongst differently – abled children	87.61	25.15
Contribution to a Trust	78.00	-
Total	**289.63**	**144.65**

54 Investment In Associates

The Group has investment in Classic Mall Development Company Limited (CMDCL). The company's interest in associate is accounted using the equity method in the consolidated financial statements. The summarised financial information of the company's investment in associate is given below,

(₹ in Lakhs)

Summarised balance sheet	As at 31st March, 2020	As at 31st March, 2019
Current assets	61,386.82	59,053.41
Current Liabilities	14,775.04	9,827.28
Net current assets	**46,611.78**	**49,226.13**
Non-current assets	83,180.86	75,334.07
Non-current liabilities	68,246.18	70,548.92
Net non-current assets	**14,934.68**	**4,785.15**
Net assets	**61,546.46**	**54,011.28**

(₹ in Lakhs)

Summarised statement of profit or loss	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit for the year	7,487.35	7,070.27
Other comprehensive income	48.70	71.03
Total Comprehensive income	**7,536.05**	**7,141.30**
Group's share of profit	**3,768.03**	**3,570.65**

55 Non-Controlling Interest:

a. Details of non-wholly owned subsidiaries that have material non-controlling interests (NCI):

(₹ in Lakhs)

Particulars	Place of incorporation and principal place of business	Proportion of ownership interests by NCI	Proportion of voting interest held by NCI	Total comprehensive income allocated to NCI	Accumulated NCI
Pallazio Hotels & Leisure Limited	Mumbai - India	-	27.02%	344.64	1,645.81
Palladium Construction Private Limited	Bangalore and Agra - India	20.55%	20.55%	1,269.56	12,902.32
Grace Works Realty & Leisure Private Limited	Mumbai - India	33.31%	33.31%	(1.35)	(442.38)
Island Star Mall Developers Private Limited	Bangalore - India	49.00%	49.00%	3,843.47	96,290.14

b Information relating to Non-Controlling Interest:

(₹ in Lakhs)

Particulars	Pallazio Hotels & Leisure Limited		Palladium Construction Pvt Ltd	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Current Assets	2,894.81	3,894.31	102,310.71	107,235.41
Non Current Assets	96,526.98	99,233.11	16,628.72	16,324.78
Total Assets	**99,421.79**	**103,127.42**	**118,939.43**	**123,560.19**
Current Liabilities	19,720.61	19,259.08	42,008.75	50,148.22
Non Current Liabilities	42,882.90	48,331.30	14,032.30	16,710.14
Total Liabilities	**62,603.51**	**67,590.38**	**56,041.05**	**66,858.38**
Equity attributable to owners of the Company	35,172.46	34,235.87	49,996.06	45,067.90
Non-controlling interests	1,645.81	1,301.17	12,902.32	11,633.93

(₹ in Lakhs)

Particulars	Grace Works Realty & Leisure Private Limited		Island Star Mall Developers Pvt Ltd	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Current Assets	1,315.50	939.23	13,486.73	43,217.29
Non Current Assets	25,786.09	25,506.62	227,167.36	192,832.00
Total Assets	**27,101.59**	**26,445.85**	**240,654.09**	**236,049.29**
Current Liabilities	2,827.38	7,708.59	30,634.79	34,170.85
Non Current Liabilities	11,456.11	11,340.10	12,834.19	12,550.34
Total Liabilities	**14,283.49**	**19,048.69**	**43,468.98**	**46,721.19**

(₹ in Lakhs)

Particulars	Grace Works Realty & Leisure Private Limited		Island Star Mall Developers Pvt Ltd	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Equity attributable to owners of the Company	13,260.49	7,838.19	100,894.97	96,881.43
Non-controlling interests	(442.38)	(441.03)	96,290.14	92,446.67

(₹ in Lakhs)

Particulars	Pallazio Hotels & Leisure Limited		Palladium Construction Pvt Ltd	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Revenue	31,132.85	35,313.46	32,040.74	42,465.75
Expenses (including tax)	29,910.68	28,851.89	25,862.81	30,036.04
Profit for the year	1,222.17	6,461.57	6,177.93	12,429.71
Other Comprehensive Income	53.34	(45.60)	-	-
Total Comprehensive Income	**1,275.51**	**6,415.97**	**6,177.93**	**12,429.71**
Total Comprehensive Income attributable to NCI	344.64	1,733.59	1,269.56	2,554.31
Net cash (outflow) from operating activities	11,077.45	13,743.23	1,887.34	(11,585.89)
Net cash (outflow) / inflow from investing activities	(1,588.27)	(341.21)	(45.35)	(121.00)
Net cash inflow from financing activities	(9,567.46)	(13,519.07)	(1,384.62)	12,391.22
Net cash (outflow) / inflow	(78.28)	(117.05)	457.37	684.33

(₹ in Lakhs)

Particulars	Grace Works Realty & Leisure Private Limited		Island Star Mall Developers Pvt Ltd	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Revenue	3,793.43	3,582.24	23,819.66	24,249.32
Expenses (including tax)	3,795.91	3,489.97	15,973.06	17,277.44
Profit for the year	(2.48)	92.27	7,846.59	6,971.88
Other Comprehensive Income	(1.57)	(1.49)	(2.79)	(0.23)
Total Comprehensive Income	**(4.05)**	**90.78**	**7,843.80**	**6,971.65**
Total Comprehensive Income attributable to NCI	(1.35)	30.24	3,843.47	3,416.11
Net cash (outflow) from operating activities	1,982.73	(2,755.97)	12,311.20	10,013.80
Net cash (outflow) / inflow from investing activities	(668.95)	(470.38)	(632.86)	(94,462.19)
Net cash inflow from financing activities	(1,417.43)	3,215.71	(7,644.88)	84,550.18
Net cash (outflow) / inflow	(103.65)	(10.64)	4,033.46	101.79

56 Details required as per Schedule III of the Companies Act 2013 as below:-

i) Details of Net Assets & share in profit or loss

(₹ in Lakhs)

SR No.	Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share In other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount
	1. Parent	57.11%	284,812.43	37.98%	14,756.08	3.51%	(183.07)	43.32%	14,573.02
	Subsidiaries								
	A) Indian								
1	Alliance Spaces Private Limited	5.30%	26,437.30	0.12%	47.62	0.02%	(0.96)	0.14%	46.66
2	Blackwood Developers Private Limited	0.89%	4,446.57	0.80%	310.43	-0.01%	0.54	0.92%	310.97
3	Bellona Hospitality Services Limited	1.02%	5,090.45	0.28%	108.55	97.16%	(5,064.31)	-14.73%	(4,955.76)
4	Big Apple Real Estate Private Limited	2.40%	11,985.36	-0.01%	(3.18)	0.00%	-	-0.01%	(3.18)
5	Butala Farm Lands Private Limited	0.10%	497.28	0.00%	(0.32)	0.00%	-	0.00%	(0.32)
6	Enhance Holdings Private Limited	-0.26%	(1,294.11)	-1.01%	(391.79)	0.00%	-	-1.16%	(391.79)
7	Gangetic Developers Private Limited	0.63%	3,141.08	0.00%	(1.77)	0.00%	-	-0.01%	(1.77)
8	Grace Works Realty & Leisure Private Limited	2.57%	12,818.11	-0.01%	(2.48)	0.03%	(1.57)	-0.01%	(4.05)
9	Island Star Mall Developers Private Limited	39.54%	197,185.11	20.20%	7,846.59	0.05%	(2.79)	23.32%	7,843.81
10	Market City Resources Private Limited	0.38%	1,880.41	0.69%	267.69	0.69%	(35.89)	0.69%	231.80
11	Market City Management Private Limited	0.00%	10.17	0.00%	0.30	0.00%	-	0.00%	0.30
12	Mugwort Land Holding Private Limited	0.00%	7.92	0.00%	(0.42)	0.00%	-	0.00%	(0.42)
13	Offbeat Developers Private Limited	7.00%	34,900.26	4.63%	1,798.00	-0.15%	7.82	5.37%	1,805.81
14	Palladium Constructions Private Limited	12.61%	62,898.38	15.90%	6,177.93	0.00%	-	18.37%	6,177.93
15	Pallazzio Hotels & Leisure Limited	7.38%	36,818.27	3.15%	1,222.17	-1.02%	53.34	3.79%	1,275.50
16	Phoenix Hospitality Company Private Limited	3.60%	17,968.39	-0.03%	(10.77)	0.00%	-	-0.03%	(10.77)
17	Pinnacle Real Estate Development Private Limited	0.00%	(1.99)	0.00%	(0.07)	0.00%	-	0.00%	(0.07)
18	Plutocrat Commercial Real Estate Private Limited (Formerly known as Plutocrate Asset & Capital Management Co. Pvt. Ltd.)	0.00%	(4.33)	-0.01%	(3.24)	0.00%	-	-0.01%	(3.24)

(₹ in Lakhs)

SR No.	Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share In other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount
19	Sangam Infrabuild Corporation Private Limited	0.06%	318.62	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
20	Savannah Phoenix Pvt. Ltd.	0.00%	(16.42)	0.01%	5.06	0.00%	-	0.02%	5.06
21	Upal Developers Private Limited	0.91%	4,551.99	2.57%	996.52	0.03%	(1.70)	2.96%	994.82
22	Vamona Developers Private Limited	5.08%	25,325.69	9.52%	3,698.07	-0.08%	4.15	11.01%	3,702.23
23	"Insight Mall Developers Private Limited (Formerly known as Insight Hotels & Leisures Pvt Ltd)"	6.71%	33,471.96	-0.04%	(17.43)	0.01%	(0.54)	-0.05%	(17.97)
24	Alyssum Developers Pvt. Ltd.	10.09%	50,337.47	-0.11%	(44.04)	0.23%	(11.93)	-0.17%	(55.98)
25	Sparkle One Mall Developers Private Limited	16.79%	83,742.41	-0.11%	(42.44)	0.00%	-	-0.13%	(42.44)
26	Sparkle Two Mall Developers Private Limited (Subsidiary of ISML)	0.00%	(0.28)	0.00%	(0.47)	0.00%	-	0.00%	(0.47)
27	"Destiny Retail Mall Developers Private Limited (Formerly known as Destiny Hospitality Services Pvt Ltd)"	6.62%	33,034.04	-0.04%	(16.70)	0.00%	-	-0.05%	(16.70)
28	Mindstone Mall Developers Private Limited	0.52%	2,611.17	0.00%	(0.58)	0.00%	-	0.00%	(0.58)
29	SGH Realty LLP	3.44%	17,144.42	-0.03%	(12.89)	0.00%	-	-0.04%	(12.89)
30	True Value LLP	0.00%	(2.81)	-0.01%	(2.66)	0.00%	-	-0.01%	(2.66)
31	Rentcierge Developers Private Limited	0.00%	0.90	0.00%	(0.10)	0.00%	-	0.00%	(0.10)
	Minority Interest in all subsidiaries	25.64%	127,879.11	13.84%	5,376.69	-0.12%	6.41	16.00%	5,383.10
	Associates (investment as per Equity Method)								
1	Classic Housing Projects Private Limited	0.75%	3,751.20	-1.14%	(444.29)	-0.01%	0.39	-1.32%	(443.89)
2	Mirabel Entertainment Private Limited	0.00%	(8.72)	-0.02%	(8.92)	0.00%	-	-0.03%	(8.92)
3	Starboard Hotels Private Limited	4.60%	22,930.04	-0.03%	(12.48)	0.00%	(0.07)	-0.04%	(12.55)
4	Classic Mall Development Company Ltd	12.34%	61,546.46	9.64%	3,743.68	-0.47%	24.35	11.20%	3,768.03
5	Columbus Investment Advisory Private Limited	0.02%	116.92	0.00%	(0.02)	0.00%	-	0.00%	(0.02)

57 Disclosure as per Ind AS 19 "Employee Benefits"

i) Change in Defined Benefit Obligation during the year

(₹ in Lakhs)

Particulars	2019-20 Gratuity (Funded)	2018-19 Gratuity (Funded)
Present value of the obligation at the beginning of the year	914.50	729.29
Current Service Cost	166.04	158.77
Interest Cost	95.07	70.40
Actuarial (Gain) / Loss on Obligation	(8.17)	27.55
Benefits Paid	(87.66)	(83.60)
Past Service Cost	-	12.09
Present value of the obligation at the end of the year	1,079.79	914.50

ii) Change in Fair Value of Assets and Obligations

(₹ in Lakhs)

Particulars	2019-20 Gratuity (Funded)	2018-19 Gratuity (Funded)
Fair value of Plan Assets at the beginning of the year	477.17	506.99
Expected Return on plan assets	37.74	40.69
Contribution	9.05	34.55
Benefits paid during the year	(86.56)	(83.60)
Actuarial (gain)/loss on Plan Asset	(12.96)	(21.46)
Fair value of Plan Assets at the end of the year	424.44	477.17

iii) Amount to be recognized in Balance sheet (Net)

(₹ in Lakhs)

Particulars	2019-20 Gratuity	2018-19 Gratuity
Present Value of Defined Benefit Obligation	1,079.79	914.50
Fair value of Plan Assets at the end of the year	424.44	477.17
Amount to be recognized in Balance sheet	655.35	437.33

iv) Current/Non-Current bifurcation

(₹ in Lakhs)

Particulars	2019-20	2018-19
	Gratuity	Gratuity
Current Benefit Obligation	140.83	89.28
Non - Current Benefit Obligation	514.52	348.05

v) Expense recognised in the Statement of Profit & Loss for the year

(₹ in Lakhs)

Particulars	2019-20	2018-19
	Gratuity (Funded)	Gratuity (Funded)
Current Service Cost	166.04	158.77
Interest cost on Obligation	95.07	70.40
Expected Return on plan assets	(37.74)	(40.69)
Past Service Cost	-	12.09
Net Cost Included in Personnel Expenses	223.37	200.57

vi) Recognised in Other Comprehensive (Income)/Loss at Period-End

(₹ in Lakhs)

Particulars	2019-20	2018-19
	Gratuity (Funded)	Gratuity (Funded)
Amount recognized in OCI, Beginning of Period	(158.93)	(148.17)
Divestiture (SPPL)	-	3.88
Remeasurement due to :		
Effect of Change in financial assumptions	(11.15)	35.77
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	2.98	(71.87)
Actuarial (Gains)/Losses	**(8.17)**	**(36.10)**
Return on plan assets (excluding interest)	12.96	21.46
Total remeasurements recognized in OCI	**4.79**	**(14.64)**
Amount recognized in OCI, End of Period	(154.14)	(158.93)

58. Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company has granted stock options under the following employee stock option scheme:

1. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2011. During the year 1,99,998 Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2011.
2. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2015. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2015.

Each option when exercised would be converted into one fully paid-up equity share of ₹ 2 each of the Company. The options granted under ESOP 2011 and options granted under the ESOS 2015 scheme carry no rights to dividends and no voting rights till the date of exercise.

ESOP 2007

Date of grant	Number of options (Gross)	Exercise Price	Date of vesting	Vesting period	Fair Value of Option
10-Jun-08	650,000	270.00	9-Jun-16	12	153.26
25-Mar-15	10,556	316.80	25-Mar-16	12	118.69
25-Mar-15	15,833	316.80	25-Mar-17	24	138.36
25-Mar-15	21,111	316.80	25-Mar-18	36	154.97
25-Mar-15	26,389	316.80	25-Mar-19	48	169.26
25-Mar-15	31,667	316.80	25-Mar-20	60	181.67
24-Oct-16	124,000	333.90	23-Oct-17	12	112.84
24-Oct-16	186,000	333.90	23-Oct-18	24	128.32
24-Oct-16	248,000	333.90	23-Oct-19	36	144.12
24-Oct-16	310,000	333.90	23-Oct-20	48	158.33
24-Oct-16	372,000	333.90	23-Oct-21	60	171.52

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behavior.

(₹ in Lakhs)

	ESOP 2007		
Grant Date	**24-Oct-16**	**25-Mar-15**	**10-Jun-08**
Vesting Period/ Expected Life	**From grant date - 12 months to 60 months**	**From grant date - 12 months to 60 months**	**1 to 8 years**
Fair value of option at grant date	112.84 - 171.52	118.69 - 181.67	153.26
Share price at grant date	371.00	353.05	274.07
Exercise price	333.90	316.80	270.00
Historical volatility	31.1% - 29.6%	35%	45%
Time to Maturity (Years)	2.50 years to 6.50 years	2.50 years to 6.50 years	1 years to 8 years
Dividend Yield	0.66%	0.80%	0.63%
Risk free Rate	6.85%	8.23%	8.07%

Weighted average remaining contractual life of the options as at 31-Mar-20 - 1.06 (31-Mar-19 - 1.42) years

VALUATION METHODOLOGY, APPROACH & ANALYSIS:

Particulars	Description of the inputs used
Market Price of the optioned Stock	For ESOP weighted average market price as available from the website of BSE as on the date of grant. This price holds good for our Black Scholes Fair Valuation analysis for the grants made by the company on 21st October, 2016.
Exercise price	The exercise price as per the Employees Stock Option Scheme 2007 formulated by the Company per equity share is ₹ 333.90/-
Time to Maturity/Expected Life of the Option	It is the period for which the Company expects the options to be alive. The minimum life of stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the option cannot be exercised. As per the' scheme, options are vested to the employees over a period of five years as under:

Vesting Date	Maximum % of Option that shall vest
12 Months from Grant Date	10%
24 Months from Grant Date	15%
36 Months from Grant Date	20%
48 Months from Grant Date	25%
60 Months from Grant Date	30%

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2020

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.
Option Exercise Period	Option can be Exercise anytime in three year from the Vesting date.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	ESOP 2007			
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
	31st March, 2020	**31st March, 2020**	**31st March, 2019**	**31st March, 2019**
Options outstanding as at the beginning of the year	908,607	332.81	1,120,668	332.69
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	35,000	333.90	64,000	333.90
Less: Options exercised during the year	172,639	331.29	148,061	331.46
Options outstanding as at the year end	700,968	333.13	908,607	332.81

59 Goodwill Impairment

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount based on a number of factors including business plan, operating results, futurssse cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which Goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment.

Goodwill is allocated to the following CGU for impairment testing purpose.

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Goodwill relating to Property & Related Services	42,025.63	42,025.63
Goodwill relating to Hospitality Services	257.16	257.16
Total	**42,282.79**	**42,282.79**

The Group uses discounted cash flow based methods to determine the recoverable amount. These discounted cash flow calculations use five year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into considerations the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).s

60 In the previous year, pursuant to consent provided by the holders of zero coupon non-convertible fully redeemable non-transferable debentures series F (in aggregate holding NCD of ₹ 4,600 lakhs) & approved by the Board of Directors vide resolution dated 30th March, 2019, the Non-Convertible debentures aggregating to ₹ 4,600 lakhs was converted into 0.0001% Optionally Convertible Debentures Series - J (OCD-series J) aggregating to ₹ 4,600 lakhs and as a result of this all the securities attached to the said Non-Convertible Debentures was released. Consequent to the said change in terms, the provision for premium on redemption of the said non-convertible debentures made in the earlier years was written-back in the previous year since it was no longer payable and was disclosed as an exceptional item in the statement of profit & loss. Further provision for premium on redemption of non-convertible debentures aggregating to ₹ 812.84 lakhs debited to finance cost and fair value adjustments aggregating to ₹ 164.46 lakhs made to revenue from operations and finance cost for the period April 2018 to December 2018 was reversed in the previous year.

61 Capital work in progress includes ₹ 10,796.59 Lakhs (P.Y. ₹ 10,557.19 Lakhs) comprising mainly the cost incurred on acquiring long term tenancies on the plot of land admeasuring 7617.51 sq mtrs at High Street Phoenix. The Company is exploring various alternatives for the development of the said plot of land.

62 The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year

For and on behalf of the Board of Directors

For **D T S & Associates LLP**
Chartered Accountants
FRN: 142412W/W100595

Atul Ruia
(Chairman)
DIN - 00087396

Shishir Shrivastava
(Managing Director)
DIN - 01266095

Ashish G. Mistry
Partner
Membership No. 132639

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Gajendra Mewara
(Company Secretary)
Membership No. A22941

Place: Mumbai
Dated : 29th June, 2020

Form AOC-I

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

Statement containing salient features of the financial subsidiaries/associate company/joint ventures

Part "A" Subsidiaries

(information in respect of each subsidiary to be presented with amount in Lakh)

(₹ in Lakhs)

Sr No.	Name of Subsidiary Co	Reporting Currency	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Other Com-prehensive Income	Total Com-prehensive Income	Proposed Dividend	% Shareholding
	Subsidiary														
1	Alliance Spaces Private Limited	INR	199.87	26,237.43	35,625.70	9,188.40	-	1,559.24	261.21	213.59	47.62	(0.96)	46.66	-	75.02%
2	Blackwood Developers Private Limited	INR	1,873.17	2,573.40	15,572.34	11,125.77	-	4,053.60	374.06	63.64	310.43	0.54	310.97	-	100.00%
3	Bellona Hospitality Services Limited	INR	438.71	4,651.74	5,680.39	589.94	4,424.74	572.29	108.55	-	108.55	(5,064.31)	(4,955.76)	-	100.00%
4	Big Apple Real Estate Private Limited	INR	2,558.59	9,426.77	11,985.89	0.53	10,780.26	0.11	(3.18)	-	(3.18)	-	(3.18)	-	100.00%
5	Butala Farm Lands Private Limited	INR	1.25	496.03	500.86	3.57	500.00	-	(0.32)	-	(0.32)	-	(0.32)	-	100.00%
6	Enhance Holdings Private Limited	INR	1.00	(1,295.11)	0.13	1,294.24	-	-	(391.79)	-	(391.79)	-	(391.79)	-	100.00%
7	Gangetic Developers Private Limited	INR	898.60	2,242.48	3,142.08	1.00	2,811.00	2.09	(1.77)	-	(1.77)	-	(1.77)	-	97.08%
8	Grace Works Realty & Leisure Private Limited	INR	6.76	12,811.35	27,101.60	14,283.49	-	3,793.43	(6.98)	(4.50)	(2.48)	(1.57)	(4.05)	-	66.69%
9	Island Star Mall Developers Private Limited	INR	19,974.64	177,210.47	240,654.09	43,468.98	175,646.99	23,819.66	10,626.66	2,780.07	7,846.59	(2.79)	7,843.81	-	70.00%
10	Market City Resources Private Limited	INR	1.00	1,879.41	2,735.30	854.88	323.17	5,078.77	352.57	84.88	267.69	(35.89)	231.80	-	100.00%
11	Market City Management Private Limited	INR	10.00	0.17	10.54	0.37	0.01	0.57	0.40	0.10	0.30	-	0.30	-	100.00%
12	Mugwort Land Holding Private Limited	INR	1.00	6.92	100.47	92.55	-	-	(0.42)	-	(0.42)	-	(0.42)	-	94.86%
13	Offbeat Developers Private Limited	INR	3,157.98	31,742.27	133,368.42	98,468.17	5,428.25	25,951.35	2,777.78	979.78	1,798.00	7.82	1,805.81	-	100.00%
14	Palladium Constructions Private Limited	INR	3,303.17	59,595.20	118,939.43	56,041.06	-	32,040.74	6,292.12	114.19	6,177.93	-	6,177.93	-	79.45%

(₹ in Lakhs)

Sr No.	Name of Subsidiary Co	Reporting Currency	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Other Comprehensive Income	Total Comprehensive Income	Proposed Dividend	% Shareholding
15	Pallazzio Hotels & Leisure Limited	INR	1,200.00	35,618.27	99,421.78	62,603.51	6.05	31,132.85	1,585.81	363.64	1,222.17	53.34	1,275.50	-	72.98%
16	Phoenix Hospitality Company Private Limited	INR	232.14	17,736.25	18,461.36	492.97	18,428.55	8.10	(10.77)	-	(10.77)	-	(10.77)	-	56.92%
17	Pinnacle Real Estate Development Private Limited	INR	1.00	(2.99)	1.36	3.34	0.01	0.20	(0.07)	-	(0.07)	-	(0.07)	-	100.00%
18	"Plutocrat Commercial Real Estate Private Limited (Formerly known as Plutocrate Asset & Capital Management Co. Pvt. Ltd.)"	INR	1.00	(5.33)	25.59	29.91	-	-	(3.24)	-	(3.24)	-	(3.24)	-	100.00%
19	Sangam Infrabuild Corporation Private Limited	INR	334.60	(15.98)	452.51	133.89	-	0.53	(0.01)	-	(0.01)	-	(0.01)	-	100.00%
20	Savannah Phoenix Pvt. Ltd.	INR	83.40	(99.82)	81.58	98.00	-	15.83	5.20	0.14	5.06	-	5.06	-	100.00%
21	Upal Developers Private Limited	INR	1,960.00	2,591.99	14,857.20	10,305.21	200.00	5,461.78	1,445.91	449.39	996.52	(1.70)	994.82	-	99.97%
22	Vamona Developers Private Limited	INR	2,500.00	22,825.69	104,349.19	79,023.50	17,365.00	25,782.25	7,748.66	4,050.59	3,698.07	4.15	3,702.23	-	100.00%
23	"Insight Mall Developers Private Limited (Formerly known as Insight Hotels & Leisures Pvt Ltd)"	INR	10.00	33,461.96	34,853.02	1,381.06	2,533.46	-	(11.03)	6.40	(17.43)	(0.54)	(17.97)	-	100.00%
24	Alyssum Developers Pvt. Ltd.	INR	1.00	50,336.47	52,450.45	2,112.98	4,478.37	-	(28.57)	15.47	(44.04)	(11.93)	(55.98)	-	51.01%
25	Sparkle One Mall Developers Private Limited	INR	1.00	83,741.41	86,546.86	2,804.45	316.78	-	(27.74)	14.70	(42.44)	-	(42.44)	-	51.01%
26	Sparkle Two Mall Developers Private Limited (Subsidiary of ISML)	INR	1.00	(1.28)	0.90	1.18	-	-	(0.47)	-	(0.47)	-	(0.47)	-	51.00%

(₹ in Lakhs)

Sr No.	Name of Subsidiary Co	Reporting Currency	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Other Com-prehensive Income	Total Com-prehensive Income	Proposed Dividend	% Shareholding
27	"Destiny Retail Mall Developers Private Limited (Formerly known as Destiny Hospitality Services Pvt Ltd)"	INR	1.00	33,033.04	88,523.76	55,489.72	-	1.35	(16.70)	-	(16.70)	-	(16.70)	-	100.00%
28	Mindstone Mall Developers Private Limited	INR	1.00	2,610.17	2,628.64	17.47	-	-	(0.58)	-	(0.58)	-	(0.58)	-	100.00%
29	SGH Realty LLP	INR	17,144.42	-	51,233.97	34,089.55	-	-	(10.79)	2.10	(12.89)	-	(12.89)	-	50.00%
30	True Value LLP	INR	(2.81)	-	17,787.99	17,790.81	-	-	(2.66)	-	(2.66)	-	(2.66)	-	50.00%
31	Rentcierge Developers Private Limited	INR	1.00	(0.10)	1.00	0.10	-	-	(0.10)	-	(0.10)	-	(0.10)	-	100.00%

Notes:

1 Names of subsidiaries which are yet to commence operations:

a) Butala Farm Lands Private Limited

b) Enhance Holdings Private Limited

c) Mugwort Land Holding Private Limited

d) Pinnacle Real Estate Development Private Limited

e) Plutocrat Assets And Capital Management Private Limited

f) Sangam Infrabuild Corporation Private Limited

Part "B": Associates and Joint Ventures:

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lakhs)

Sl. No.	1	2	3	4	5
Name of Associates / Joint Ventures	**Classic Housing Projects Private Limited**	**Mirabel Entertainment Private Limited**	**Starboard Hotels Private Limited**	**Columbus Investment Advisory Private Limited**	**Classic Mall Development Company Limted**
Latest Audited Balance sheet Date	31.3.2020	31.3.2020	31.3.2020	31.3.2020	31.3.2020
Shares of Associates/ Joint Ventures held by the Company/ Subsidiary Companies on the year end					
(i) No.	5,208	5,000	2,499,374	5,000	3,849,058
(ii) Amount of Investment in Associates / Joint Venture	963.75	(22.24)	6.00	56.91	32,537.12
(iii) Extend of Holding	50.00%	28.47%	28.47%	50.00%	50.00%
Description of how there is significant influence	Refer Note 3	Refer Note 3	Refer Note 3		
Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balancesheet	3,751.20	(8.72)	22,930.04	116.92	61,546.46
Profit/Loss for the Year	(888.57)	(6.56)	167.66	3.17	4,252.39
(i) Considered in Consolidation	(444.29)	(3.28)	83.83	1.58	2,126.20
(i) Not Considered in Consolidation	-	-	-	-	-

Notes:

1. Names of Associates or joint ventures which are yet to commence operations Nil
2. Name of associates or joint venture which have been liquidated or sold during the year Nil
3. There is a significant influence due to percentage (%) of shareholding.

For and on behalf of the Board of Directors

Atul Ruia
(Chairman)
DIN - 00087396

Shishir Shrivastava
(Managing Director)
DIN - 01266095

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Gajendra Mewara
(Company Secretary)
Membership No. A22941

Place: Mumbai
Dated : 29th June, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of **THE PHOENIX MILLS LIMITED**
Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **THE PHOENIX MILLS LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Associates comprising the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Response to key audit matter
Revenue Recognition - License Fees & Other Operating Services (Refer Note '28' and Para '3.13' of significant accounting policies)	Audit procedures to assess the appropriateness of revenue recognised included the following
Company owns Malls at various locations and earns revenue by giving units on licence basis. Revenue comprises of licence fees, variable licence fees, service charges, parking fees etc. These are accounted as revenue as per the revenue recognition policy described in significant account policies. Considering licence contracts with numerous customers having varied terms, we have identified recording of revenue as Key Audit Matter.	• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over revenue recognition process. • Testing a sample of contracts and testing the revenues recognised with respect thereto by agreeing information back to contract terms. • Testing the controls over the licensee's sale data collated for the purpose of recognising variable revenue on sample basis. • Assessing the adequacy of company's disclosure with respect to revenue recognised.

Revenue Recognition: Property Development (Refer Note '28', '61A' and Para '3.13' of significant accounting policies)	
The auditors of Palladium Constructions Private Limited, subsidiary company, have reported application of Ind AS 115 to real estate development contracts under progress as Key Audit Matter. Subsidiary company has applied the modified retrospective approach in accordance with Ind AS 115 only to contracts that are not completed contracts as on 1st April, 2018. This transitional adjustment of ₹ 11323.26 Lakhs has been adjusted against opening Retained Earnings as per the requirements of Ind AS 115. There is a risk that all the incomplete contracts as on 1st April, 2018 were not considered in applying the transitional provisions of Ind AS 115 due to which the adjustment to the opening Retained Earnings is misstated. The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over a period of time.	Principal Audit procedures: • Assessed the Company's process to identify the impact of adoption of the new Revenue Accounting Standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of the internal controls relating to implementation of the new revenue accounting standard. • Obtained listing of all the contracts as on 31st March, 2018. Identified the contracts that are not completed contracts for which handover of units not done and/ or occupancy certificate not received as on 31st March, 2018. For such identified contracts, verified on a test check basis the consideration received, cost incurred and revenue recognized to verify the adjustment to the opening Retained Earnings as on 1st April, 2018. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. • Selected a sample of continuing and new contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Verified the progress towards satisfaction of performance obligations used to compute recorded revenue with contractual obligations, necessary approvals pertaining to the completion of the project, third party certifications and the collectability of an amount of consideration. • Performed project wise analytical procedures for reasonableness of revenues.
Inventory: (Refer Note ' 12 ' and Para ' 3.9' of significant accounting polices)	
The auditors of Palladium Constructions Private Limited, subsidiary company, have reported that There is a risk that the valuation of inventory may be misstated as it involves the determination of net realizable value (NRV) and estimated total construction cost of completion of each of the projects which is an area of judgement.	Principal Audit procedures: • Assessed the Company's process for the valuation of inventories. Audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of the internal controls relating to the valuation of inventories. • Tested the operating effectiveness of controls for the review of estimates involved for the expected cost of completion of projects including construction cost incurred, construction budgets and net realizable value. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls.

IT system: The auditors of Pallazzio Hotels & Leisure Limited, subsidiary company, have reported transition of accounting for hotel operations to new system as Key Audit Matter. This transition lead to following: • Changes in data flow and integration with multiple operating software • New Chart of accounts and mapping with the transactions with ledger accounts • Changes in work flow and design of internal control systems • Creation of new masters and transition of data from old software to the new software The transition to the system environment introduces risks related to system access, change management and data transfer between the different systems, and we have accordingly designated this as a key audit matter. Management has mitigated this risk by means of manual controls.	Principal Audit Procedures: • Reviewed the process followed for transition from the old software to the new software. • Reviewed the design and adequacy of the internal financial controls. • Performed test on reconciliation of data from operating systems to the new accounting software. • Compared to the old mapping of the ledger accounts with the new mapping to ensure consistency and comparability of the data • Tested the company's controls around system interfaces, and the transfer of data from one system to another. This includes verification of opening balances and review of masters • Reviewed the alternate controls/ manual controls deployed by the management to mitigate the risk during the transition phase.

Information Other than the Consolidated Financial Statements and Auditor's Report

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the company's Annual Report but does not include the Consolidated Financial Statements and auditor's report thereon. The Annual Report is expected to be made available to us after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity 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 consolidated 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.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

Auditor’s Responsibilities for the Audit of the ConsolidatedFinancial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. (a) The accompanying Statement includes Financial results/statements and other information of one subsidiary which reflects total assets of ₹ 2,36,049.29 Lakhs as at 31st March, 2019, total revenue of ₹ 24,249.32 Lakhs for the year ended 31st March, 2019 and total profit after tax of ₹ 6,971.88 Lakhs for the year ended 31st March, 2019 which have been audited by us jointly with another auditor.

   (b) We did not audit the Financial results/statements and other information in respect of twenty five subsidiaries which reflects total assets of ₹ 6,20,054.09 Lakhs as at 31st March, 2019, total revenue of ₹ 1,13,376.80 Lakhs for the year ended 31st March, 2019 and total profit after tax of ₹ 23,310.03 Lakhs for year ended 31st March, 2019 and financial results of three associates in which the share of profit of the group ₹ (8.11) Lakhs for the year ended 31st March, 2019. These financial results/statements and other financial information have been audited by another auditors whose reports have been furnished to us by the management of the Company and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and associates is based solely on the report of other auditors.

   (c) The Statement includes financial results/statements of two subsidiaries which reflect total assets of ₹ 61,565.87 Lakhs as at 31st March, 2019, total revenue of ₹ Nil for the year ended 31st March, 2019 and net loss of ₹ 10.63 Lakhs for the year ended 31st March, 2019, which has not been audited by any auditor. These financial statements have been furnished to us by the management and our opinion on the statement, in so far as it relates to the amounts included in respect of these subsidiaries is solely based on such financial statement as certified by the management.

   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 matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

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

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

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2019 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 its associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the subsidiary companies, associate companies and jointly controlled companies incorporated in India.

g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid by the Holding Company, its subsidiaries, and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act.

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

    a. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 42(ii) to (iv) to the consolidated financial statements.

    b. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

    c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associates.

For **D T S & Associates**
Chartered Accountants
ICAI Firm registration number:142412W

Ashish G. Mistry
Partner
Membership No.: 132639

Place: Mumbai
Date: 15th May, 2019

"Annexure A" to Independent Auditors' Report referred of even date on the Consolidated Financial Statements.

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 The Phoenix Mills Limited (hereinafter referred to as ("the Holding") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") and its associate companies, which are companies incorporated in India as of 31st March, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year then ended.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the holding and its subsidiaries companies. 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 Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, 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 controls over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, 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 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 controls 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 Holding Company, its subsidiary companies and its associate companies, 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 31st March, 2019, based on the internal controls 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

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to separate financial statements of 25 subsidiaries and 3 associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates.

For **D T S & Associates**
Chartered Accountants
ICAI Firm registration number:142412W

Ashish G. Mistry
Partner
Membership No.: 132639

Place: Mumbai
Date: 15th May, 2019

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2019

(₹ in Lakhs)

	Particulars	Note no.	As at 31st March, 2019	As at 31st March, 2018
	ASSETS			
1	**Non-current assets**			
	Property, plant and equipment	6	614,885.12	529,393.07
	Capital work-in-progress	6	89,603.85	50,250.66
	Other Intangible assets	6	249.28	252.42
	Intangible assets under development	6	21.58	0.31
	Goodwill on consolidation		37,106.95	37,106.95
	Financial assets			
	- Investments	7	47,220.59	49,783.67
	- Loan	8	630.25	630.39
	- Other	9	10,600.42	9,432.83
	Deferred tax assets (Net)	10	13,898.12	13,942.68
	Other non-current assets	11	10,783.81	14,442.71
			8,24,999.97	**7,05,235.69**
2	**Current assets**			
	Inventories	12	89,864.86	66,149.52
	Financial assets			
	- Investments	13	27,280.99	33,116.71
	- Trade and other receivables	14	19,552.38	12,915.33
	- Cash and cash equivalents	15	3,958.19	3,082.96
	- Bank Balance other than above	16	15,238.83	978.45
	- Loans	8	2,120.59	3,164.03
	- Other	9	8,167.75	8,070.34
	Current Tax Assets (net)	17	9,291.62	9,280.82
	Other current assets	11	11,115.31	7,740.61
			1,86,590.52	**1,44,498.77**
	TOTAL ASSETS		**1,011,590.49**	**849,734.46**
	EQUITY AND LIABILITIES			
1	**Equity**			
	Equity Share capital	18	3,065.80	3,062.83
	Other equity	19	344,346.01	282,128.48
	Equity attributable to the owners		**347,411.81**	**285,191.31**
	Non-controlling interest		122,330.20	46,610.36
			469,742.01	**331,801.67**
	Liabilities			
2	**Non-current liabilities**			
	Financial liabilities			
	- Borrowings	20	343,194.14	319,719.15
	- Trade Payables	21	15.25	44.04
	- Other financial liabilities	22	16,074.09	17,672.61
	Provisions	23	780.61	5,348.17
	Deferred tax liabilities (Net)	24	33.21	18.08
	Other non-current liabilities	25	1,554.84	1,303.58
			361,652.14	**3,44,105.63**
3	**Current liabilities**			
	Financial liabilities			
	- Borrowings	26	54,909.48	25,371.92
	- Trade Payables	21	14,771.00	10,944.71
	- Other financial liabilities	22	61,774.86	1,01,022.75
	Other current liabilities	25	43,016.30	31,390.38
	Provisions	23	5,518.84	5,084.49
	Current tax Liabilities (net)	27	205.86	12.91
			180,196.34	**1,73,827.16**
	TOTAL LIABILITIES		**1,011,590.49**	**849,734.46**

See accompanying notes to the financial statements 1 to 63

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN: 142412W

Ashish G. Mistry
Partner
Membership No. 132639

Place: Mumbai
Dated: 15th May, 2019

For and on behalf of the Board of Directors

Atul Ruia
(Chairman & Managing Director)
DIN - 00087396

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Gajendra Mewara
(Company Secretary)
Membership No. A22941

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

	Particulars	Note no.	Year ended 31st March, 2019	Year ended 31st March, 2018
	INCOME			
I	**REVENUE FROM OPERATIONS**	28	198,156.05	161,985.31
II	**OTHER INCOME**	29	8,513.39	5,562.32
	TOTAL INCOME		**206,669.44**	**167,547.63**
III	**EXPENSES**			
	Cost of Materials Consumed	30	46,090.21	17,688.19
	Change in Inventory	31	(24,200.70)	(4,497.78)
	Employee Benefits Expenses	32	16,150.29	14,727.24
	Depreciation and Amortisation	6	20,423.20	19,828.16
	Finance Costs	33	35,057.91	34,760.73
	Other Expenses	34	60,802.26	56,301.40
	TOTAL EXPENSES		**154,323.17**	**138,807.94**
	PROFIT / (LOSS) BEFORE TAX EXCEPTIONAL ITEMS AND TAX		52,346.27	28,739.69
	Add: Exceptional Item (Refer to Note No 60)		4,809.89	-
IV	**PROFIT BEFORE TAX**		57,156.16	28,739.69
V	**TAX EXPENSES**			
	Current Income Tax	35	10,911.18	6,872.20
	Deferred Tax Including MAT Credit entitlement of ₹ 2,723.61 lakhs (P.Y. ₹ 3,205.18 lakhs)	35	16.69	698.81
	Tax Adjustments of earlier years	35	59.43	8.58
			10,987.30	**7,579.59**
VI	**PROFIT AFTER TAX**		46,168.86	21,160.10
	Share of Profit from Associates		3,530.68	4423.01
VII	**PROFIT FOR THE YEAR**		**49,699.54**	**25,583.11**
VIII	**OTHER COMPREHENSIVE INCOME**			
	a) Item that will not be reclassified to Profit & Loss A/c			
	i) Re-measurment gain of the net defined benefit plans		(75.67)	16.76
	ii) Gain/(Loss) on Equity Instruments at fair value through other comprehensive Income		(4,432.04)	10,893.58
	iii) Realised Gain on Sales of Investment		6,218.09	1,741.76
	iv) Associates share in OCI		36.99	-
	b) Income Tax relating to the Item that will not be reclassified to Profit & Loss A/c		(71.82)	1.68
	OTHER COMPREHENSIVE INCOME/(LOSS)		**1,675.55**	**12,653.78**
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**51,375.09**	**38,236.89**
	Net Profit attributable to			
	a) Owners of the company		42,101.78	24,236.46
	b) Non Controlling Interest		7,597.76	1,346.65
	Other Comprehensive Income attributable to			
	a) Owners of the company		1,689.65	12,648.60
	b) Non Controlling Interest		(14.10)	5.18
	Total Comprehensive Income attributable to			
	a) Owners of the company		43,791.43	36,885.06
	b) Non Controlling Interest		7,583.66	1,351.83
	Earning per equity shares (Face value ₹ 2 each)	41		
	Basic		27.48	15.83
	Diluted		27.40	15.77

See accompanying notes to the financial statements 1 to 63

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN: 142412W

For and on behalf of the Board of Directors

Atul Ruia
(Chairman & Managing Director)
DIN - 00087396

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Ashish G. Mistry
Partner
Membership No. 132639

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Gajendra Mewara
(Company Secretary)
Membership No. A22941

Place: Mumbai
Dated: 15th May, 2019

CONSOLIDATED CASH FLOW STATEMENTS

FOR THE YEAR ENDED ON 31ST MARCH, 2019

(₹ in Lakhs)

	Particulars		Year ended 31st March, 2019		Year ended 31st March, 2018
A	CASH FLOWS FROM OPERATING ACTIVITIES				
	Net Profit before tax as per the Statement of Profit or Loss		57,156.16		28,739.69
	Adjustments for :				
	Depreciation	20,423.20		19,828.16	
	(Profit)/Loss on Assets sold/discarded	774.48		644.69	
	Balances in Debtors/Advances written off	7.61		7.07	
	Provision for Expected credit loss and Advances	268.27		467.16	
	Reversal of premium on redemption of non-convertible debentures (classified under exceptional item)	(4,809.89)		-	
	Interest Expenses	35,057.91		34,760.73	
	Interest Income	(3,715.69)		(1,675.74)	
	Dividend Income	(363.99)		(140.13)	
	Profit on sale of Investments	(2,171.57)		(2,060.12)	
	Net gain arising on financial assets measured at FVTPL	(975.90)		(1,219.58)	
	Balances written back	(1,091.76)		(21.76)	
			43,402.67		**50,590.48**
	Operating Cash flow before working capital changes		**100,558.83**		**79,330.17**
	Adjustment for Working Capital changes :				
	Trade and other Receivables	(22,857.09)		(11,189.55)	
	Inventories	(23,715.34)		28,400.15	
	Trade and other Payables	(25,176.10)		56,957.16	
			(71,748.53)		**74,167.76**
	Cash generated from Operations		**28,810.30**		**153,497.93**
	Direct Taxes Paid		(8,043.25)		(2,077.47)
	Net Cash from Operating Activities A		**20,767.05**		**151,420.46**
B	CASH FLOWS FROM INVESTING ACTIVITIES				
	Purchases of Property, Plant & Equipments	(146,454.42)		(150,149.15)	
	Sale of Property, Plant & Equipments	393.37		15.57	
	Inter Corporate Deposits & Loans (placed)/ refunded (Net)	1,043.58		493.16	
	Purchase of Investments	(1,811.11)		(6,835.11)	
	Sale of Investments	7,904.87		2,431.85	
	Purchase of Mutual Funds	(129,534.70)		(168,834.23)	
	Sale of Mutual Funds	138,517.89		139,116.66	
	Interest Received	4,418.69		1,133.67	
	Dividend Received	363.99		140.13	
	Net Cash generated from/(used in) Investing Activities B		**(125,157.84)**		**(182,487.45)**

(₹ in Lakhs)

	Particulars		Year ended 31st March, 2019		Year ended 31st March, 2018
C	**CASH FLOWS FROM FINANCING ACTIVITIES**				
	Proceeds from long term borrowings	42,045.44		163,556.57	
	Repayment of long term borrowings	(18,570.45)		(160,067.72)	
	Short term loans availed / (repaid)(Net)	29,537.56		608.04	
	Interest paid	(33,292.63)		(35,163.51)	
	Proceeds from non controlling shareholders	89,857.11		62,975.28	
	Issue of Equity Share	490.74		247.14	
	Dividend paid (including tax on Dividend)	(4,801.75)		(4,418.68)	
	Net Cash generated from/(used in) Financing Activities C		**1,05,266.02**		**27,737.12**
D	**Net Increase/(Decrease) in Cash and Cash Equivalents A+B+C**		**875.23**		**(3,329.87)**
	Cash and Cash equivalents at the beginning of the year		3,082.96		6,412.83
	Cash and Cash equivalents at the end of the year		**3,958.19**		**3,082.96**
	Notes:-				
1	Components of cash and cash equivalents:				
	Cash on hand		93.38		39.96
	Balance with scheduled bank		3,864.81		3,043.00
			3,958.19		**3,082.96**
2	**Change in liability arising from financing activities:**				
			1st April 2018	**Cash flow**	**31st March 2019**
	Borrowings - Non current		319,719.15	23,474.99	343,194.14
	Borrowings - Current		25,371.92	29,537.56	54,909.48
			1st April 2017	**Cash flow**	**31st March 2018**
	Borrowings - Non current		310,657.55	9,061.60	319,719.15
	Borrowings - Current		27,132.28	(1,760.36)	25,371.92

See accompanying notes to the financial statements 1 to 63

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN: 142412W

Ashish G. Mistry
Partner
Membership No. 132639

Place: Mumbai
Dated: 15th May, 2019

For and on behalf of the Board of Directors

Atul Ruia
(Chairman & Managing Director)
DIN - 00087396

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Gajendra Mewara
(Company Secretary)
Membership No. A22941

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2019

(a) Equity share capital

(₹ in Lakhs)

Particulars	As at 1st April, 2017	Changes in equity share capital during the year	As at 31st March, 2018	Changes in equity share capital during the year	As at 31st March, 2019
Equity Share Capital	3,061.34	1.50	3,062.83	2.96	3,065.80

(b) Statement of changes in Other equity

	Reserves and Surplus					Items of Other Comprehensive Income				
Particulars	**Capital Reserve**	**Securities Premium**	**General Reserve**	**Share based payment reserve**	**Retained earning**	**Re-measurment gain of the net defined benefit plans**	**Gain/(Loss) on Equity instruments at fair value**	**Total Other Equity**	**Non Controling Interest**	**Total**
Balance as at 1st April, 2017	**185.25**	**134,539.95**	**22,918.36**	**338.12**	**53,808.37**	**21.52**	**132.89**	**211,944.46**	**27,965.33**	**239,909.79**
Securities Premium On Issues of Shares	-	245.66	-	-	-	-	-	245.66	-	245.66
Final Dividend	-	-	-	-	(3,670.75)	-	-	(3,670.75)	-	(3,670.75)
Tax on Dividend	-	-	-	-	(747.94)	-	-	(747.94)	-	(747.94)
ESOPs Cost for the year	-	-	-	612.61	-	-	-	612.61	-	612.61
Profit for the year	-	-	-	-	24,216.06	-	-	24,216.06	1,339.11	25,555.17
Other Comprehensive Income	-	-	-	-	-	-	12,648.60	12,648.60	5.18	12,653.78
Impact of Acquisition/ Disposal/Change in Controling Interest	-	-	-	-	36,851.95	7.44		36,859.39	17,300.74	54,160.13
Retrospective application of Ind As-21 Amendment [Refer Note.61(B)]	-	-	-	-	20.39	-	-	20.39	-	20.39
Balance as at 31st March, 2018	**185.25**	**134,785.61**	**22,918.36**	**950.73**	**110,478.08**	**28.96**	**12,781.49**	**282,128.48**	**46,610.36**	**328,738.84**
Securities Premium On Issues of Shares	-	487.80	-	-	-	-	-	487.80	-	487.80
Final Dividend	-	-	-	-	(3,983.03)	-	-	(3,983.03)	-	(3,983.03)
Tax on Dividend	-	-	-	-	(818.76)	-	-	(818.76)	-	(818.76)
ESOPs Cost for the year	-	-	-	425.05	-	-	-	425.05	-	425.05
Profit for the year	-	-	-	-	42,101..78	-	-	42,101.78	7,597.76	49,699.54
Other Comprehensive Income	-	-	-	-	-	-	1,689.65	1,689.65	(14.10)	1,675.55
Retrospective application of Ind As-21 Amendment	-	-	-	-	(165.30)	-	-	(165.30)	-	(165.30)
Adjustment relating to cumulative effect of applying Ind-AS-115 [Refer Note 61(A)]	-	-	-	-	(11,323.26)	-	-	(11,323.26)	-	(11,323.26)
Impact of Acquisition/ Disposal/Change in Controling Interest	-	-	-	-	33,786.10	17.50	-	33,803.60	68,136.18	101,939.78
Balance as at 31st March, 2019	**185.25**	**135,273.41**	**22,918.36**	**1,375.78**	**170,075.61**	**46.46**	**14,471.14**	**344,346.01**	**122,330.20**	**466,676.21**

See accompanying notes to the financial statements 1 to 63

As per our report of even date

For and on behalf of the Board of Directors

For **D T S & Associates**
Chartered Accountants
FRN: 142412W

Atul Ruia
(Chairman & Managing Director)
DIN - 00087396

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Ashish G. Mistry
Partner
Membership No. 132639

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Gajendra Mewara
(Company Secretary)
Membership No. A22941

Place: Mumbai
Dated: 15th May, 2019

1) Corporate Information:

The Phoenix Mills Ltd ("PML" or ''Parent'') is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is at 462 Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India.

Group is engaged in operation and management of mall, construction of commercial and residential property and hotel business in India.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting dated 15th May, 2019.

2) Basis of preparation of financial statements:

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes on Financial Statements and are applied consistently to all the periods presented.

3) Significant Accounting Policies:

3.1. Basis of Measurement

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except following which have been measured at fair value:

- Defined benefit plans – plan assets measured at fair value
- Certain financial assets and liabilities that is measured at fair value.
- Share based payments measured at fair value

The consolidated financial statements are presented in Indian Rupees ("in lakhs"), which is the Group's functional currency and all amounts are rounded to the nearest rupees in lakhs

3.2. Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries and associates. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

Consolidation Procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

c) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d) Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

e) All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

f) Carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity are eliminated. Business combinations policy explains how the related goodwill is accounted at the time of acquisition of subsidiary.

g) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

h) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures. The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

3.3. Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree 's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities recognized and contingent liabilities assumed. In the case of bargain purchase, resultant gain is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's identifiable net assets.

3.4. Property, Plant and Equipment

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes the costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Leasehold land is amortized over the period of lease. Depreciation on other fixed assets (excluding land and lease land in perpetuity) is provided on written down value method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period. In some of the Subsidiaries, the Depreciation is provided on the straight line method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein.

High end operating supplies acquired prior to commencement of the hotel operations and opening of new restaurants / outlets are considered as a part of fixed assets and are depreciated over a period of three years on straight line method.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

3.5. Intangible Assets

Identifiable intangible assets are recognized a) when the Group controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Group and c) the cost of the asset can be reliably measured.

Intangible Assets comprising Computer software, License & Franchise and acquired goodwill are amortised over the period not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

3.6. Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the group measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

ii) Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the group's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

- **Debt instrument at amortised cost:**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the statement of profit & loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Debt instrument at fair value through profit and loss (FVTPL):**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit & loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Equity instruments:**

  All equity instruments other than in associates are initially measured at fair value. Any subsequent fair value gain /loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

- **Investment in Associates:**

  The Group has accounted for its Investment in associates at cost

iii) Derecognition:

A financial asset is primarily derecognised i.e. removed from Group's financial statements when:

- The rights to receive cash flows from asset have expired, or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

  a) The Group has transferred substantially all the risks and rewards of the assets,

  b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

iv) Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at fair value less provision for impairment. For some trade receivables, the Group may obtain security in the form of security deposit which can be called upon if the counterparty is in default under the terms of the agreement

Financial Liabilities:

i) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit & loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

iii) Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit & loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

iv) Trade and other payables:

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

v) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.7. Impairment of Assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).

Impairment of Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Non – Financial Asset:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of Financial asset:

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;'

- Financial asset measured at FVOCI debt instruments.

The Group follows 'simplified approach' for recognition of impairment loss allowance on

- Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

3.8. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9. Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

Cost of realty construction / development includes all costs directly related to the project and other expenditure as identified by the management which are incurred for the purpose of executing and securing the completion of the Project (net off incidental recoveries/receipts).

Stock of food, beverages, stores and operating supplies are valued at lower of cost (computed on weighted average basis) and net realizable value.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.10. Foreign currency transactions:

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit or loss, except in respect of long term foreign currency monetary items which are outstanding as on transition date, where the group has availed the optional exemption under Ind AS 101 for capitalization of exchange difference to the cost of property, plant & equipment and intangible assets.

3.11. Classification of assets and liabilities as current and non – current:

The Group presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,
b) It is held primarily for the purpose of trading,
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.12. Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

3.13. Revenue recognition

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from license fees and other operating services

Revenue from license fees are recognised on a straight line basis over the license terms, except where the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary operating cost increases.

Revenue from operating services is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-30 days from the delivery of services.

Revenue from sale of properties

The Company develops and sells residential properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving performance-related milestones

For the periods ended on or before March 31, 2018, the revenue from the property development activities is recognised based on the 'Percentage of completion method' (POC) when the outcome of the contract can be estimated reliably upon fulfillment as under:

Revenue from sale of properties under construction is recognised on the basis of percentage of completion method subject to transfer of significant risk and rewards to the buyer and outcome of real estate project can be estimated reliably. Percentage of completion is determined with reference to the project cost incurred on balance sheet date versus total estimated project cost determined based upon the judgement of management. Accordingly, cost of construction/ development is charged to Statement of Profit and Loss in proportion to the revenue recognised during the year and balance costs are carried as part of 'Project Work in Progress' under inventories. Accounts receivable/ received are reflected a Debtors/advance from customers, respectively, after considering income recognised in the aforesaid manner. The estimates of saleable area and costs are revised periodically by the management and that are considered as change in estimate accordingly, the effect of such changes to estimates is recognised in the year such changes are determined.

Revenue from hotel component of sale of rooms, foods and beverages

Revenue from hotel component of sale of rooms, banquets, foods and beverages, allied services relating to hotel operations are recognized upon rendering of the services. Sales and services are recorded inclusive of excise duty (wherever applicable) and net of sales tax, service tax and luxury tax. Revenue yet to be billed is recognised as unbilled revenue. Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits. Annual membership fees are recognised as income on time proportion basis. Contribution to customer loyalty programs calculated as per agreed percentages of qualifying revenues are accounted on accrual basis and the same is reduced from the revenue.

A contract asset (Trade receivable) is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs part of its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on the Company's future performance.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised when the right to receive the payment is established.

3.14. Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

3.15. Employee Benefits

(i) Short-term Employee benefits:

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

(ii) Post-employment benefits

a. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Group contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Group's contribution to defined contribution plans are recognised in the statement of profit & loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Group has defined benefit plans comprising of gratuity. Group's obligation towards gratuity liability is funded and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit & loss in subsequent periods.

The expected return on plan assets is the Group's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under employee benefit expense.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

(iii) Other long-term benefits

The Group's employees have other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit & loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

(iv) Share-based payments

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit & loss, with a corresponding adjustment to other equity.

3.16. Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate

Deferred Tax:

Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

3.17. Provisions and contingencies

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities' interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.18. Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Use of significant accounting estimates, judgments and assumptions

In the process of applying the Group's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statements:

(a) Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

(b) Investment Property

Management has assessed applicability of Ind AS 40- Investment property to the property held to earn income from licensee fees. In assessing such applicability, management has considered the ownership of assets, terms of license agreement, various services provided to the licensee etc. The Group considers these other services as significant in addition to the License fees charged. Based on such assessment, the management has considered the mall property as owner-occupied property and hence classified as Property, Plant & Equipment.

(c) Recoverability of trade receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The Group uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(d) Defined Benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(e) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(f) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. They are continuously evaluated.

(g) Fair Value measurement

The Group measures financial instrument e.g. investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

5. Standards Issued but not Effective:

On March 30,2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Group from April 01, 2019.

A. ISSUE OF IND AS 116 - LEASES

Ind AS 116 will replace the existing leasing standard i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with non-cancellable period of more than twelve months except for low value assets. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

B. AMENDMENT TO EXISTING STANDARD

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 101- First time adoption of Indian Accounting Standards
ii. Ind AS 103 – Business Combinations
iii. Ind AS 109 - Financial Instruments
iv. Ind AS 111 – Joint Arrangements
v. Ind AS 12 – Income Taxes
vi. Ind AS 19 – Employee Benefits
vii. Ind AS 23 – Borrowing Costs
viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the consolidated financial statements.

Note 6
Property, Plant and Equipment

(₹ In Lakhs)

	Free Hold Land	Lease Hold Land	Buildings	Plant & Machinery	Motor Car, Lorries & Vehicles	Office Furniture & Equipments	Software	Goodwill (Acquired)	Licenses & Franchises	Total	Capital Work In Progress	Intangible Assets Under Development
Gross Block :												
As At 1st April 2017	54,334.21	697.61	325,095.39	60,324.92	1,019.17	59,213.68	690.93	-	10.50	501,386.41		
Addition	87,307.64	-	36,520.52	2,737.33	116.75	6,387.70	120.39	26.17	-	133,216.49		
Adjustments/Deletions	-	-	839.97	226.36	60.52	204.89	62.85	-	-	1,394.59		
As at 31st March 2018	**141,641.85**	**697.61**	**360,775.94**	**62,835.89**	**1,075.40**	**65,396.49**	**748.47**	**26.17**	**10.50**	**633,208.32**	**-**	
Adjustments/Deletions												
Addition	84,814.37	-	16,382.52	1,835.36	133.59	3,875.34	75.55	-	-	107,116.73		
Adjustments/Deletions	-	-	23.38	484.05	157.97	1,763.71	(6.08)	-	-	2,423.03		
As at 31st March 2019	**226,456.22**	**697.61**	**377,135.08**	**64,187.20**	**1,051.02**	**67,508.12**	**830.10**	**26.17**	**10.50**	**737,902.02**	**-**	
Accumulated depreciation:												
As At 1st April 2017	-	49.45	37,026.78	19,811.27	559.84	26,107.50	440.61	-	1.90	83,997.35		
Addition	-	-	8,174.85	4,649.45	128.74	6,722.06	152.04	-	1.02	19,828.16		
Adjustments/Deletions	-	-	29.83	79.43	23.30	67.27	62.85	-	-	262.68		
Merger adjustment	-	-	-	-	-	-	-	-	-	-		
As at 31st March 2018	**-**	**49.45**	**45,171.80**	**24,381.29**	**665.28**	**32,762.29**	**529.80**	**-**	**2.92**	**103,562.83**		
Depreciation charge for the year	-	-	8,649.02	4,715.91	121.23	6,852.40	83.50	-	1.14	20,423.20	-	
Deductions / Adjustments	-	-	0.27	224.23	146.56	847.48	(0.13)	-	-	1,218.41	-	
As at 31st March 2019	**-**	**49.45**	**53,820.55**	**28,872.97**	**639.95**	**38,767.21**	**613.43**	**-**	**4.06**	**122,767.62**	**-**	
Net Book Value												
As at 31st March 2019	**226,456.22**	**648.16**	**323,314.53**	**35,314.23**	**411.07**	**28,740.91**	**216.67**	**26.17**	**6.44**	**615,134.40**	**89,603.85**	**21.58**
As at 31st March 2018	**141,641.85**	**648.16**	**315,604.14**	**38,454.60**	**410.12**	**32,634.20**	**218.67**	**26.17**	**7.58**	**529,645.49**	**50,250.66**	**0.31**

NOTES-

(i) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 20 (A) and Note 26

(ii) Capital Work in Progress includes pre-operative expenses of ₹ **6,468.65** lakhs (31st March 2018 ₹ 7,680.79 lakhs)

(iii) Building Includes 10 shares in Sukhsagar Premises Co-op. Society Ltd. of 10 each

(iv) At the time of transition to Ind AS, the Company had opted to continue the policy to capitalise foreign currency fluctuation on long term borrowings as per previous Indian GAAP on all long term foreign currency borrowings outstanding on transition date (i.e. 1st April 2015). Accordingly, exchange loss aggregating to ₹ Nil (Previous year ₹ 58.24 Lakhs) was added to the cost of fixed assets by transferring from opening capital work in progress.

Note 7

Non Current Investments

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
A INVESTMENTS MEASURED AT COST	₹	₹	₹	₹
1. INVESTMENT IN EQUITY INSTRUMENTS				
In Associates				
Equity shares of ₹ 10/- each fully Paid up, unless otherwise stated.				
5,208 (P.Y. 5,208) Classic Housing Projects Pvt. Ltd.	1,407.65		1,408.28	
2,500,000 (P.Y. 2,500,000) Star Board Hotels Pvt. Ltd.	28.06		125.13	
5,000 (P.Y. 5,000) Mirabel Entertainment Pvt Ltd.	(6.57)		5.79	
38,49,058 (P.Y. 38,49,058) - Classic Mall Development Company Limited	28,737.67		25,167.02	
5,000 (P.Y. 5,000) Columbus Investment & Advisory Pvt Ltd	56.93		56.90	
		30,223.74		**26,763.12**
2. INVESTMENT IN DEBENTURES				
In Associates				
a) Compulsorily Fully Convertible Debentures (CCD) of ₹ 100/- each fully paid up				
7,000 (P.Y. 7,000) CCD's in Mirabel Entertainment Pvt Ltd	7.00		7.00	
1,383,999 (P.Y. 1,383,999) 0.0001% - Star Board Hotels Pvt Ltd	1,384.00		1,384.00	
3,51,564 (P.Y. 351,564) CCD's in Star Board Hotels Pvt Ltd	351.56		351.56	
		1,742.56		**1,742.56**
b) Optionally Convertible Debentures (OCD) of ₹ 100/- each fully paid up				
3,00,000 (P.Y. 300,000), 0.001% Series B Optionally Convertible Debentures in Classic Housing Projects Pvt. Ltd.	300.00		300.00	
120,000 (P.Y. 120,000) 0.001% Series C Optionally Convertible Debentures in Classic Housing Projects Pvt. Ltd.	120.00		120.00	
		420.00		**420.00**

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
B INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS				
INVESTMENT IN EQUITY INSTRUMENTS OF FACE VALUE ₹ 10/- EACH FULLY PAID UP UNLESS OTHERWISE STATED				
36,325 (P.Y. 36,325) - I.C.I.C.I. Bank Limited - face value of ₹ 2 each ****	144.87		101.14	
20 (P.Y. 20) Clariant Chemicals (India) Ltd.	0.07		0.11	
		144.94		**101.25**
C INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Equity shares of ₹ 10/- each fully Paid up, unless otherwise stated.				
36,86,484 (P.Y. 36,86,484) Galaxy Entertainment Corporation Ltd.	1,443.26		626.30	
8,05,000 (P.Y. 1,620,551) Graphite India Limited face value of ₹ 2 each	3,597.14		4,038.33	
584,726 (P.Y. 584,726) GKW Limited	4,567.59		11,008.63	
		9,607.99		**15,673.26**
10 (P.Y. 10) Treasure World Developers Pvt. Ltd. **	0.09		0.09	
25,356,940 (P.Y. 25,356,940) Entertainment World Developers Ltd (Refer Note No. 47)**	5,792.70		5,792.70	
5,000 (P.Y. 5000) Bartraya Mall Development Co. Pvt. Ltd **	0.50		0.50	
2,500,000 (P.Y. 2,500,000) Galaxy Entertainment India Pvt Ltd.	250.00		250.00	
80 (P.Y. 80) ordinary shares of ₹ 25/- each -fully paid of Rashtriya Mazdoor Madhyavarti Sahakari Grahak Sangh (Maryadit)	0.02		0.02	
1,000 (P.Y. 1000) The Cosmos Co-operative Bank Ltd Shares of ₹ 100 Each fully paid	1.00		1.00	
5,000 (P.Y. 5000) The Saraswat Co-op Bank Ltd	0.50		0.50	
		6,044.81		**6,044.81**
Investments In Preference Shares				
1,000,000 (P.Y. 1,000,000) 7% Cumulative Optionally Convertible Preference Shares fully paid up of Galaxy Entertainment India Pvt Ltd.	100.00		100.00	
250,000 (P.Y. 250,000) 7% Cumulative Optionally Convertible Preference Shares each Re. 0.50 paid up of Galaxy Entertainment India Pvt Ltd.	1.25		1.25	
50,000 (P.Y. 50,000) 10.50% Perpetual Non-cumulative Preference shares of ₹ 10 each in The Saraswat Co-Operative Bank Limited	5.00		5.00	
		106.25		**106.25**

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Investments in Debentures		
a) Compulsorily Fully Convertible Debentures of ₹ 100/- each fully Paid up, unless otherwise stated.		
66,500 (P.Y. 66500) 0.0001% - Phoenix Retail Pvt. Limited	66.50	66.50
38,545 (P.Y. 38,545) 0.0001% - Vigilant Developers Pvt. Limited	38.55	38.55
4,000 (P.Y. 4,000) CCD's in ACME Hospitality Services Pvt Ltd	4.00	4.00
34,000 (P.Y. 34,000) 0.0001% - Escort Developers Pvt Limited	34.00	34.00
100,000,000 (P.Y. 100,000,000) Treasure World Developers Pvt. Ltd. - Face value ₹10 each. (refer note no.47)	10,000.00	10,000.00
	10,143.05	**10,143.05**
b) Optionally Convertible Debentures		
25,000 (P.Y. 25,000) 0.0001% Optional Fully Convertible Debentures of ₹10 each fully paid Up in UPAL Hotels Pvt Ltd	25.00	25.00
	25.00	**25.00**
D INVESTMENT IN CAPITAL OF PARTNERSHIP FIRM (MEASURED AT COST)		
Phoenix Construction Company	186.55	188.67
E OTHERS		
7 years - National Savings Certificates	0.70	0.70
(Deposited with State Government and other authorities as security)		
	58,645.59	**61,208.67**
Less: Aggregate provision for dimunition in value of investments (Refer Note No. 47)	(11,425.00)	(11,425.00)
Total Non- Current Investments	**47,220.59**	**49,783.67**

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
1. Aggregate Value of Quoted Investment		
Book Value	9,752.93	15,774.51
Market Value	9,752.93	15,774.51
2. Aggregate Book Value of other Unquoted Investment	48,892.66	45,434.16

**** Out of 36,325 shares, 9,975 shares are held by a Bank in their name as security

50% shares of Classic Mall Developments commpany Limited are held subject to a non-disposal undertaking to the lender bank stating that it shall not dispose / transfer /pledge /encumber these shares owned/held in the company until the loans taken by these companies are fully repaid to the bank.

(₹ in Lakhs)

Category wise Non Current Investments	As at 31st March, 2019	As at 31st March, 2018
Financial Assets Measured at Cost	32,572.85	29,114.35
Financial Assets Measured at Fair value through Other Comprehensive Income	25,927.80	31,993.07
Financial Assets Measured at Fair value through Profit & Loss account	144.94	101.25
Total	**58,645.59**	**61,208.67**

Note 7.1 Investments in Associates includes cost of ESOP granted to employees of respective Associates as under :

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Classic Mall Development company Limited	-	20.22

Note 8

Financial Assets- Loans (Unsecured & Good)

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	Current	Non Current	Current
Inter Corporate Loans and Deposits				
With related parties #	-	21.25	-	21.25
With Others				
Considered good	-	1,100.11	-	3,142.78
Considered doubtful	-	757.25	-	757.25
		1,857.36		3,900.03
Less : Allowances for doubtful receivables	-	(757.25)	-	(757.25)
		1,100.11		3,142.78
Other Loans				
Other Advance	300.00	-	300.00	-
Inter Corporate Deposits to Others	330.25	999.23	330.39	-
	630.25	**2,120.59**	**630.39**	**3,164.03**

Refer Note. 40

Note 9
Other Financial Assets

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	Current	Non Current	Current
Fixed Deposit with Bank (Maturity more than 12 Months)*	10,240.06	-	8,576.58	-
Interest accrued but not due on Fixed Deposit	54.28	292.50	838.99	114.38
Interest accrued on Investments	-	1,432.52	-	1,451.48
Interest accrued on ICD's	-	198.67	-	276.10
Unbilled revenue	-	686.18	-	672.66
Deposits with others	306.08	40.13	17.26	37.97
Deposits with Related Parties #	-	5,517.75	-	5,517.75
	10,600.42	**8,167.75**	**9,432.83**	**8070.34**

* Fixed Deposits of The Phoenix Mills Ltd of ₹ 4,414.01 Lakhs (P.Y. ₹ 4,102.17 Lakhs) earmarked towards maintenance of DSRA as per loan agreement and Fixed Deposit of the Phoenix Mills Limited of ₹ Nil (PY ₹ 27.7 Lakhs) given as security for bank guarantee.
* Deposit of Pallazzio Hotel & Leisure Ltd of ₹ 443.54 Lakhs (P.Y. ₹570.41 Lakhs) earmarked for EPCG license, liquor license and bank guarantee given to pollution control board & electricity distribution company.

* Fixed deposit of Palladium Constructions Pvt Ltd of ₹113.92 lakhs (P.Y ₹.113.92 lakhs) furnished as Bank Guarantee to the Karnataka VAT Authorities towards the tax demand for Financial Year 2013-14 and ₹ 3,72.60 lakhs (P.Y. ₹726.78 lakhs) earmarked for EPCG license, liquor license and bank guarantee given to pollution control board & electricity distribution company.

* Deposit of Upal Developers Pvt Ltd of ₹28.87 lakhs (P.Y ₹ 3 Lakhs) given as security for Bank Guarantee

* Deposit of Blackwood Developers Pvt Ltd of ₹413 lakhs (P.Y. ₹413 lakhs) earmarked towards maintenance of DSRA as per loan agreement and Fixed Deposit of ₹5 Lakhs (P.Y. ₹Nil) is given as security for bank guarantee

* Deposit of Insight Mall Developers Pvt Ltd of ₹5 Lakhs (P.Y. ₹5 Lakhs) is given as security for Bank Guarantee

* Deposit of Destiny Retail Mall Developers Pvt Ltd of ₹852 lakhs (P.Y. ₹NIL) is given as security against secured loan

* Deposit of Alliance Spaces Pvt. Ltd. of ₹164.06 lakhs (P.Y. ₹NIL) is given as security earmarked towards maintenance of DSRA as per loan agreement

* Deposit of Vamona Developers Pvt. Ltd. of ₹2,959.87 lakhs (P.Y. ₹2,959.87 lakhs) is given as security earmarked towards maintenance of DSRA as per loan agreement and Fixed Deposit of ₹69.93 Lakhs (P.Y. ₹Nil) is given as security for bank guarantee

* Deposit of Upal Developers Pvt Ltd of ₹357 Lakhs (P.Y. ₹357 Lakhs) earmarked toward maintenance of DSRA

Refer Note 40

Note 10
Deferred Tax Assets (Net)

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
Deferred Tax Assets				
MAT Credit	4,586.33		5,465.29	
Disallowance under the Income Tax Act. 1961	7,362.64		2,301.90	
Carry Forward of Losses & Depreciation	3,751.25		9,277.99	
		15,700.22		**17,045.18**
Deferred Tax Liability				
Related to Fixed Assets	(1,520.17)		(2,747.36)	
Fair value of gain on investment	(281.93)	**(1,802.10)**	(355.14)	**(3,102.50)**
		13,898.12		**13,942.68**

Note 11

Other Non Current Assets

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	Current	Non Current	Current
(Unsecured Considered Good)				
Capital Advances				
Others	2,262.05		7,096.94	-
With Related Party #	12.52		20.00	-
Deposits				
Security Deposits	1,044.24	223.70	1,028.84	39.50
Other Deposits	474.39	-	720.78	-
Non - Current Tax Assets (Net)	1,963.29	-	-	-
Others				
Advances recoverable in cash or kind	3,859.14	361.15	3,044.80	643.46
Prepaid Expenses	164.70	636.53	75.26	697.48
Advance to Vendors	669.17	1,644.63	397.19	2,786.86
Balance with statutory/government authorities	334.31	8,249.30	2,058.90	3,573.31
	10,783.81	**11,115.31**	**14,442.71**	**7,740.61**

Refer Note. 40

Note 12

Inventories

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Realty Work- In- Progress	67,567.19	43,192.12
Finished Realty Stock	21,880.11	22,414.19
Food & Beverages	417.56	543.10
Stores and spares	-	0.11
	89,864.86	**66,149.52**

Note 13

Current Investments (Measured at Fair Value Through Profit & loss)

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
4690.996 Units (P.Y 116271.987 Units) of Invesco India Liquid Fund	100.17	2,771.56
9767.278 Units (P.Y NIL) of Reliance Money Market Fund	272.43	-
8212.187 Units (P.Y. NIL) of Reliance Liquid Fund	388.11	-
17,888,532.586 Units (P.Y. NIL) HDFC Ultra Short Term Fund – Regular Growth	1,870.62	-
18,972,811.960 Units (P.Y. NIL) of IDFC Ultra Short Term Fund - Regular Plan Growth	2,009.41	-
196,731.904 Units (P.Y. 50,972.207 Units) of Invesco India Liquiod Fund – Growth	5,039.54	1,215.02
106,622.638 Units (P.Y. 147,316.88 Units) of L&T Liquid Fund - Regular Growth	2,722.75	3,499.98
6,702,075.978 Units (P.Y. NIL) of Kotak Savings Fund - Growth (Regular Plan)	2,008.72	-
166,665.738 Units (P.Y. NiL) of Invesco India Money Market Fund - Growth	3,560.40	-
43,849.298 Units (P.Y. NIL) of UTI Liquid Cash Regular Growth Plan	1,337.37	-
72,024.818 Units (P.Y. NIL) of HSBC Cash Fund - Growth	1,336.55	-
125,399.856 Units (P.Y. NIL) of Axis Liquid Fund - Growth	2,589.63	-
39,369.243 Units (P.Y. NIL) of Reliance Liquid Fund- Growth Plan - Growth Option (P.Y. 48,284.414 Units)	1,787.05	-
889,808.727 Units (P.Y. 2,083,953.142 Units) of Aditya Birla Sun Life Money Manager Growth - Regular Plan	2,226.98	4,815.46
1220.24 Units (P.Y. Nil) of Invesco Mutual Fund	31.26	-
Nil (P.Y. 677,019.567 Units) of India Bulls Liquid Fund- Existing Plan – Growth	-	11,439.32
Nil (P.Y. 2,595,909.979 Units) of JM High Liquidity Fund - Growth Option	-	1,229.84
Nil (P.Y. 48,284.414 Units) of Reliance Liquid Fund- Treasury Plan - Growth Plan - Growth Option	-	2,038.69
Nil (P.Y. 72,399.15 Units) of Kotak Floater Short Term- Growth (Regular Plan)	-	2,059.45
Nil (P.Y. 91,366.236 Units) of Principal Cash Management Fund - Regular Plan Growth	-	1,540.81
Nil (P.Y. 58,950.099 Units) of Edelweiss Liquid -Fund Regular Plan Growth	-	1,309.66
Nil (P.Y. 61709.476 Units) of UTI Money Market Fund	-	1,196.92
	27,280.99	**33,116.71**

Note 14

Trade Receivables

(₹ in Lakhs)

		As at 31st March, 2019	As at 31st March, 2018
Unsecured			
(a)	Considered good	20,262.04	14,449.29
	Less: Allowance for Expected credit loss	(1,125.75)	(1557.46)
(b)	Credit impaired	1521.92	976.94
	Less: Allowance for Expected credit loss	(1,105.83)	(953.44)
		19,552.38	**12,915.33**

Note 15

Cash and Cash Equivalents

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Cash on hand	93.38	39.96
Balances with banks		
In Current Accounts	3,612.31	2,852.02
In dividend account	186.00	185.23
In Fixed Deposits		
Deposits with original maturity of less than three months#	66.50	5.00
Cheques on hand	-	0.75
	3,958.19	**3,082.96**

#Fixed Deposit of The Phoenix Mills Limited of ₹ 17.19 Lakhs (P.Y ₹ Nil Lakhs) given as security for bank guarantee.

Note 16

Bank Balance other than above

(₹ in Lakhs)

		As at 31st March, 2019		As at 31st March, 2018
In Fixed Deposits				
Deposits with original maturity of more than three months and less than One Year#	14,888.83		628.45	
Earmarked balance held as security against borrowings*	350.00		350.00	
		15,238.83		**978.45**

Term Deposit of Island Star Mall Private Limited of ₹ 1.27 Lakhs (P.Y ₹ 15.35 Lakhs) earmarked to Bank Guarantee given to Joint Commissioner of Commercial Taxes (Appeals) at Bangalore for disputed tax demand.
Fixed Deposit of Upal Developers Private Limited of ₹ Nil (P.Y ₹ 21.24 Lakhs) given as security for Bank guarantee.
Fixed Deposit of Offbeat Developers Private Limited of ₹ Nil (P.Y ₹ 68.66 Lakhs) given as security for Bank guarantee.
#Fixed Deposit of The Phoenix Mills Limited of ₹ 14.84 Lakhs (P.Y ₹ 14.84 Lakhs) given as security for bank guarantee.-
* Earmarked balance of Island Star Mall Private Limited of ₹ 350 Lakhs (P.Y. 350 Lakhs) represents bank balance, held by the entity that is not available for use by the Company, as it is pledged with a bank to fulfill collateral requirements of the Borrowings taken by the Company.

Note 17

Current Tax Assets (Net)

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Advance income tax (net of provisions)	9,291.62	9,280.82
	9,291.62	**9,280.82**

Note 18

Share Capital

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Authorised		
225,000,000 Equity Shares (P.Y. 225,000,000) of ₹ 2 each	4,500.00	4,500.00
Issued, subscribed and paid up		
153,289,801 Equity Shares (P.Y. 153,141,740) of ₹ 2 each	3,065.80	3,062.83
	3,065.80	**3,062.83**
Note 18.1 Reconciliation of number of shares outstanding is set out below:-		
Equity Shares outstanding at the beginning the year	1,531.42	1,530.67
Add : Issued during the year on exercise of employee options	1.48	0.75
Shares outstanding at the end of the year	**1,532.90**	**1,531.42**

Note 18.2 Terms and Rights attached to equity shareholders:-

The Company has only one class equity shares having face value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. Equity shareholder are also entitled to dividend as and when proposed by the Board of Directors and approved by Share holders in Annual General Meeting. 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 preferential amounts which shall be in proportion to the number of shares held by the shareholders.

Note 18.3 Shares in the Company held by each shareholder holding more than 5 % Shares

	As at 31st March, 2019		As at 31st March, 2018	
Particulars	**No. of Shares**	**% of Holding**	**No. of Shares**	**% of Holding**
Name of Shareholder				
Ruia International Holding Company Private Limited	49,347,248	32.22%	49,347,248	32.22%
Senior Holdings Private Limited.	15,490,049	10.11%	15,490,049	10.11%
Radhakrishna Ramnarain Private Limited.	11,667,800	7.62%	11,667,800	7.62%
Ashok Apparels Private Limited.	9,670,665	6.31%	9,670,665	6.31%

Note 18.4 Issue of shares for ESOP - PML

During the period of five years immediately preceding reporting date, the company has issued total 4,52,449 shares (P.Y. 3,04,388 shares) on exercise of options granted under the Employees Stock Options (ESOP), wherein part consideration was received in the form of employee services.

Note 19

Other Equity

(₹ in Lakhs)

		As at 31st March, 2019		As at 31st March, 2018
Capital Reserves				
As per Last Balance Sheet		**185.25**		**185.25**
General Reserve				
As per Last Balance Sheet		**22,918.36**		**22,918.36**
Securities Premium				
As per Last Balance Sheet	134,785.61		134,539.95	
Add:- On Issue of Shares	487.80		245.66	
		135,273.41		**134,785.61**
Share Based Payment Reserve				
As per last Balance Sheet	950.73		338.12	
Add: ESOPs Cost for the year	425.05		612.61	
		1,375.78		**950.73**
Capital Reserve (on Consolidation)		-		-
Retained Earnings				
Surplus/(defecit) in the Statement of profit and loss				
As per Last Balance Sheet	110,478.08		53,808.37	
Retrospective application of Ind As-21 Amendment [Refer Note.61(B)]	(165.30)		20.39	
Net Profit for the year	42,101.78		24,216.06	
Impact of Acquisition/Disposal/Change in Controlling Interest	33,786.10		36,851.95	
Adjustment relating to cumulative effect of applying Ind AS-115 [Refer Note 61(A)]	(11,323.26)		-	
Final Dividend (₹ 3.00/- Per share) (P.Y. ₹ 2.40/-Per share)	(3,983.03)		(3,670.75)	
Tax on Dividends	(818.76)		(747.94)	
		170,075.61		**110,478.08**
Other Comprehensive Income				
As per Last Balance Sheet	12,810.45		154.41	
Movement in OCI (net)during the year	1,689.65		12,648.60	
Impact of Acquisition/Disposal/Change in Controlling Interest	17.50	**14,517.60**	7.44	**12,810.45**
TOTAL OTHER EQUITY		**344,346.01**		**282,128.48**

Nature & Purpose of Reserves

1) Capital Reserve: Capital reserve represents reserve created pursuant to the business combinations upto year end.
2) Securities Premium: Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.
3) Share Based Payment Reserve: Reserve relates to stock options granted by the Group to employees under an employee stock options plan.
4) General Reserve: General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

Note 20

Borrowings

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	Current	Non Current	Current
Secured				
Loans from Financial Institution	43,496.71	2,448.85	15,908.50	433.97
Loans from Banks	2,79,364.92	23,800.15	295,563.75	20,274.56
Vehicle Loans	0.40	19.73	12.05	851.01
Unsecured				
0.0001% Series A Optionally Convertible Debentures of ₹ 100 each	2,300.00	-	-	-
Zero Coupon Non Convertible Fully Redeemable Non Transferrable Debentures series "F"	-	-	2,300.00	-
Loan from other	12,097.26	-	-	-
Optionally Fully Convertible Unsecured Debentures (OFCD) "Series I"	5,934.85	-	5,934.85	-
Less: Amount disclosed under the head "Other Current Liabilities" (Note 22)	-	(26,268.73)	-	(21,559.54)
	343,194.14	**-**	**319,719.15**	**-**

(i) Loans of ₹ 77,838.03 lakhs (P.Y. ₹ 70,452.92 Lakhs) of The Phoenix Mills Limited by Registered Mortgage in respect of certain immovable properties situated at High Street Phoenix, Senapati Bapat Marg , Lower Parel, Mumbai and by hypothecation of rentals receivable from licencees.

(ii) Loans of ₹ 47,812.50 Lakhs (P.Y. ₹ 56,575.90 Lakhs)for Pallazzio Hotels & Leisure Limited, are secured by Registered Mortgage in respect of certain immovable properties goods, movable properties, including movable machinery, machinery spares, tools and accessories both present and future. First pari passu charged / exclusive charge on all the movable fixed assets, current assets and receivables (both present and future), including escrow of the same project.

(iii) Loan of ₹ 54,727.80 Lakhs (P.Y. ₹ 59,252.09 Lakhs) of Vamona Developers Private Limited secured by future Lease Rent Receivables and a pari passu charge over the land and building of the Mall i.e. Phoenix Marketcity at Viman Nagar, Pune.

(iv) Loans of ₹ 37,731.34 Lakhs (P.Y. ₹ 41,476.87 Lakhs) for Island Star Mall Developers Private Limited,are secured on paripassu basis by equitable mortgage of immovable properties namely 'Mall Building' and 'Multiplex Building', admeasuring approximately 93,529 sq. mts. in aggregate, alongwith an undivided interest to the extent of approximately 21,915.59 Sq. Mts. in the land appurtenant to the said structures forming an undivided part of the plot area of approximately 59,995 sq. mts., situated at Whitefield, Bengaluru and hypothecation of lease rental/ sales receivable from retailers and lien on the DSRA/ ESCROW Account.

(v) Loans of ₹ 63,174.39 Lakhs (P.Y. ₹ 63,174.39 Lakhs) for Offbeat Developers Private Limited are secured by pari passu charge over specified area of land and building of Retail mall & AGH and first pari passu charge on escrow of lease rental from mall and art guild house at kurla -mumbai, Loans of ₹ Nil (P.Y. ₹ 12,500 Lakhs) is secured by exclusive charge by way of registered mortgage on entire land of phase II (Art Guild House) along with the super structures built thereon (present and future) and on all moveable fixed assets and current assets including receivables/future receipts and excrow receipts pertaining to Art Guild House project.

(vi) Loans of ₹ 7,322.51 Lakhs (P.Y. ₹ 7,930.72 Lakhs) of Upal Developers Private Limited are secured by Registered mortgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, and assignment of future rental.

(vii) Loans of ₹ 9,533.50 Lakhs (P.Y. ₹ 8,361.14 Lakhs) of Blackwood Developers Private Limited are secured by Registered mortgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, and assignment of future rental.

(viii) Loans of ₹ 16,104.22 Lakhs (P.Y. ₹ 16,101.38 Lakhs) for Palladium Constructions Private Limited,are secured on paripassu basis by Registered mortgage of immovable properties namely 'Phase 1 (Tower-1-5)' of Project One Banglore West, 'Phase 2 (Tower-6)' of Project One Banglore West, admeasuring approximately 14,87,000 sq. ft. in aggregate and Paripassu charge over Courtyard Marriott,Agra is a c. 189 key 5 Star hotel, Loan amount includes Bank over draft facility.

(ix) Loans of ₹ 10,736.12 Lakhs (P.Y. ₹ 8,980.85 Lakhs) for Graceworks Realty & Leisure Private Limited, is secured by first and exclusive registered mortgage of immovable property situated at Kurla (Mumbai), and hypothecation of lease rental, lease deposit and sales proceeds.

(ix) Loans of ₹ 19,582.21 Lakhs (P.Y. ₹ Nil) for Destiny Retail Mall Developers Private Limited, is secured by first and exclusive registered mortgage of immovable property situated at Lucknow (Gomtinagar), and hypothecation of lease rental, lease deposit and sales proceeds.

(x) Loans of ₹ 6,000 (P.Y. Nil) for Alliance Spaces Private Limited, is Secured by future Lease Rent Receivables and a pari passu charge over the building and proportionate share of undivided land at Phoenix Marketcity - Viman Nagar, Pune.

B Vehicle Loans are secured by the hypothecation of respective vehicles.

C Maturity Profile of Long Term Borrowings are as under:

1) Repayment of Loans from Financials Institutions will be as under:

(₹ in Lakhs)

Year	For the Year Ended 2019	For the Year Ended 2018
FY 2018-19	-	1,039.74
FY 2019-20	2,448.84	1,410.68
FY 2020-21	2,448.12	1,621.98
FY 2021-22	2,779.77	1,858.40
FY 2022-23	3,150.78	2,123.51
FY 2023-24	7,315.26	2,420.24
FY 2024-25	8,390.20	2,751.76
FY 2025-26	4,545.20	1,548.72
FY 2026-27	3,967.79	1,173.30
FY 2027-28	3,195.99	1,065.26
FY 2028-29	2,275.00	-
FY 2029-30	2,625.00	-
FY 2030-31	2,800.00	-

2) **Repayment of Loans from Banks will be as under:**

(₹ in Lakhs)

Year	For the Year Ended 2019	For the Year Ended 2018
	Amount	**Amount**
FY 2018-19	-	19,632.43
FY 2019-20	23,626.16	22,765.28
FY 2020-21	31,689.52	31,447.64
FY 2021-22	38,734.36	41,243.90
FY 2022-23	40,284.50	43,182.63
FY 2023-24	39,049.80	35,712.77
FY 2024-25	31,333.96	31,496.15
FY 2025-26	24,603.49	20,465.30
FY 2026-27	21,690.92	16,347.01
FY 2027-28	20,511.83	16,606.85
FY 2028-29	15,788.51	15,772.32
FY 2029-30	8,296.77	10,572.38
FY 2030-31	7,200.00	9,999.99

3) **Vehicle Loans are repayable within 1 to 4 years.**

D Terms & Conditions of Debentures are as under :

Unsecured

Pallazzio Leisure & Hotels Limited had issued two zero coupon fully redeemable non convertible unsecured debentures to body corporate of ₹2,300 Lkhs each [including the holding company, Phoenix Mills Limited] with an underlying right to occupy the certain portion of Company's premises. The Company had an option but not an obligation to redeem the series F debentures, only collectively during the option window period of three months from (a) the expiry of 7 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders were allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2.5%, quarterly compounded (b) the expiry of 14 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders were allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2%, quarterly compounded. During the year, the Company has converted NCD of ₹ 4,600 Lakhs into 0.0001% OCD aggregating to ₹ 4,600 Lakhs and accordingly, right to occupy certain portion of Company's premises by NCD holders has been relinquished.

Pallazzio Leisure & Hotels Limited has issued 21,980,912 (Previous year: 21,980,912) Optionally Fully Convertible “”Series I”” Unsecured Debentures (OFCD) of ₹100 each to body corporate [including the holding company, Phoenix Mills Limited] at face value. The Company has an option to convert OFCD into Equity shares of the Company at any time after 30th March 2017 . In case of conversion, 1 OFCD of ₹100 each will be converted into such number of Equity shares of ₹100 each at a premium of ₹575 per share. Further at the option of the Company, OFCD may be redeemed within 10 years from the date of allotment in one or more tranches at a premium not exceeding ₹10 per OFCD. The OFCDs carries coupon rate @4% which will accrue only at the time of redemption & it will be payable at the time of redemption of the instrument by the Company.
OFCD are convertible into fixed number of equity shares at fixed price and at the option of the Company and hence meet the definition of equity based on the management intention / judgement that it would exercise the option of conversion.

Note 21

Trade Payables

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	Current	Non Current	
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises	-	453.97	-	103.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.25	14,317.03	44.04	10,841.40
	15.25	**14,771.00**	**44.04**	**10,944.71**

Note 22

Other financial liabilities

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	Current	Non Current	Current
Current maturities of long-term borrowings	-	26,268.73	-	21,559.54
Retention Payable to Contractors	-	-	167.13	-
Security Deposit Received	16,074.09	30,507.38	16,462.06	23,565.19
Interest accrued but not due on borrowings	-	2,012.78	-	682.97
Interest accrued but not due - Related Party	-	661.74	-	245.90
Interest accrued and due on borrowings	-	90.72	-	71.08
Creditors for Capital Expenditure	-	2,225.16	1,043.42	54,898.07
Application money received for allotment	-	8.35	-	-
	16,074.09	**61,774.86**	**17,672.61**	**1,01,022.75**

Note 23

Provisions:

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	**Current**	**Non Current**	**Current**
Provision for Employee Benefits				
Provision for Gratuity	352.82	97.33	182.96	40.62
Provision for compensated absenses	400.88	276.86	355.32	252.78
Other Provisions				
Property Tax #	-	4,828.00	-	3,851.00
Others	26.91	316.65	-	940.09
Provision for premium on redemption of zero coupon non convertible debentures series "F" (Refer Note 60)	-	-	4,809.89	-
	780.61	**5,518.84**	**5,348.17**	**5,084.49**

Provision for Property Tax

(₹ in Lakhs)

Particulars	**For the year ended 31st March 2019**	**For the year ended 31st March 2018**
Opening Balance	3,851.00	2,874.00
Add: Provision during the year	977.00	977.00
Closing Balance	**4,828.00**	**3,851.00**

Note 24

Deferred Tax Liability

(₹ in Lakhs)

	As at 31st March, 2019	**As at 31st March, 2018**
Related to Fixed Assets	33.21	18.08
	33.21	**18.08**

Note 25

Other Non Current Liabilities

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Non Current	Current	Non Current	Current
Statutory Dues	-	6,483.00	-	7,409.72
Other Payables #	597.13	16,591.97	179.60	7,937.88
Security Deposits/Advance From Occupants/ Licensees or Customers	594.40	13,566.91	752.67	9,653.89
Deposit from Related Party##	-	125.00	-	125.00
Deposit/ received from Customers	-	-	371.31	-
Other Deposit	-	0.44	-	-
Income Received in Advance	363.31	6,062.98	-	6,078.65
Unpaid Dividends*	-	186.00	-	185.24
	1,554.84	**43,016.30**	**1,303.58**	**31,390.38**

* These Figures do not include any amounts, due and outstanding to be credited to investor education & protection fund

\# Others include advance of ₹ 1,918.80 Lakhs (P.Y. ₹ 1,918.80 Lakhs) received against the debentures of TWDL (Refer Note 47)

\## Refer Note. 40

Note 26

Short Term Borrowings:

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Secured		
Loans from Bank	34,591.35	20,199.31
Unsecured		
Loans and Advances from related parties	19,987.76	4,842.24
Loan from Others	330.37	330.37
	54,909.48	**25,371.92**

Bank Overdraft/Cash Credit facility of ₹ 20,692.12 Lakhs (P.Y. ₹ 18,116.62 lakhs) are secured against assets stated in Note 20 (i) to (x)

Note 27

Current Tax Liabilities

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Tax Provision (net of taxes paid)	205.86	12.91
	205.86	**12.91**

Note 28

Revenue From Operations

(₹ in Lakhs)

	2018-19	2017-18
Sales		
From Reality Sales	37,984.09	15,617.33
License Fees and Rental Income	86,643.36	76,239.07
Service Charges	31,032.05	31,216.21
Room Rent Income	15,360.57	13,936.85
Food, Beverages and Banquet Income	17,615.74	17,228.72
Other Operating Income	9,520.24	7,747.13
	198,156.05	**161,985.31**

Note 29

Other Income

(₹ in Lakhs)

Particulars	**2018-19**	**2017-18**
Interest at amortised cost	3,715.69	1,675.74
Dividend Income	363.99	140.13
Income from assets measured at fair value through Profit & Loss		
Profit on sale of Financial Assets	2,173.09	2,060.12
Financial assets measured at FVTPL	975.90	1,219.58
Profit on sale of Assets	2.19	0.24
Others		
Project Technical Services/Professional Fees	8.00	167.15
Foreign Exchange (Gain)/Loss	-	0.01
Miscellaneous Receipts	182.76	277.59
Balance/(Provisions) Written Back	1,091.77	21.76
	8,513.39	**5,562.32**

Note 30

Cost of Materials Consumed

(₹ in Lakhs)

	2018-19		2017-18	
Food and Beverage Consumed				
Purchases	4,813.17		4,887.34	
Realty Sales				
Construction & Other related costs	41,277.04		12,800.85	
		46,090.21		**17,688.19**

Note 31

Change In Inventory

(₹ in Lakhs)

	2018-19		2017-18	
Food and Beverage Consumed				
Stock at begning of the year	543.10		505.24	
Stock at closing of the year	417.56		543.10	
Net (Increase)/Decrease		**125.54**		**(37.86)**
Realty Sales				
Opening Work In Progress	71,242.89		93,578.08	
Closing work in progress	89,346.73		71,242.89	
Adjustment Ind As 115/Transfer to FA	6,235.03		26,810.07	
Net (Increase)/Decrease		**(24,338.87)**		**(4,474.88)**
Opening Finished Goods	113.20		128.16	
Closing Finished Goods	100.57		113.20	
		12.63		**14.96**
		(24,200.70)		**(4,497.78)**

Note 32

Employee Benefits Expense

(₹ in Lakhs)

	2018-19	2017-18
Salaries, Wages & Bonus	14,493.83	13,747.08
Contribution to Provident Fund & Other Funds	874.76	454.66
Staff Welfare Expenses	325.46	367.50
Share based payments cost	456.24	158.00
	16,150.29	**14,727.24**

Note 33

Finance Costs

(₹ in Lakhs)

	2018-19	2017-18
Interest Expenses for financial liabilities at amortised cost	34,688.69	32,905.22
Premium on Non Convertible Debenture	-	1,034.28
Other Borrowing Costs	369.22	821.23
	35,057.91	**34,760.73**

Note 34

Other Expenses

(₹ in Lakhs)

	2018-19		2017-18	
Electricity		16,412.02		17,504.71
Repairs and Maintenance:-				
Buildings	4,019.34		1,787.43	
Machinery & Vehicles	2,650.41		2,582.67	
Others	1,425.36		822.32	
		8,095.11		5,192.42
Foreign Exchange (Gain)/Loss		50.21		19.98
Insurance		497.65		461.34
Stores and Operating Supplies		1,539.90		1,620.41
Rent, Rates & Taxes		322.96		625.98
Property Tax		4,336.90		4,301.30
Water Charges		681.76		679.47
Communication expenses		452.16		446.33
Postage & Courier		6.81		5.92
Prinitng & stationary expenses		130.77		154.47
Legal and Professional charges		5,118.96		3,390.87
Travelling Expenses		585.34		573.67
Auditors' Remuneration		172.50		146.41
Directors' sitting fees & Commission		28.75		10.80
Compensation		189.53		184.08
Donation		288.71		222.79
Loss on Assets Sold/Discarded		776.67		536.22
Loss on sale of Investment		1.52		108.70
Advertisement & Sales Promotion		7,971.10		7,887.97
Bank charges		47.55		104.56
Brokerage		382.07		206.62
Rebate & Settlement		478.46		604.69
Bad debts & Sundry balances written off	7.61		7.07	
Provision for Expected Credit Loss & Advances	268.27	275.88	467.16	474.23
Parking Expenses		267.49		274.87
Office Expenses		95.64		112.32
Management Fee		1,809.47		1,152.31
Security Charges		2,436.82		3,595.46
Housekeeping Expenses		4,221.62		2,783.60
General Expenses		1,261.55		959.14
Miscellaneous Expenses		1,864.26		1,957.78
Share of Loss from a Partnership Firm		2.12		1.98
		60,802.26		**56,301.40**

35 Taxation

Income tax related to items charged or credited to profit or loss during the year:

(₹ in Lakhs)

		2018-19	2017-18
A	**Statement of Profit or Loss**		
1.	Current Income Tax	10,911.18	6,872.20
		10,911.18	**6,872.20**
2.	Adjustments in respect of Income Tax of previous year		
	Current Income Tax	59.43	8.58
		59.43	**8.58**
3.	Minimum Alternate Tax credit entitlement	(2,723.61)	(3,205.18)
		(2,723.61)	**(3,205.18)**
4.	Deferred Tax expenses/ (benefits):		
	Relating to origination and reversal of temporary differences	2,740.30	3,903.99
		2,740.30	**3,903.99**
Total Income tax Expenses (1 to 4)		**10,987.30**	**7,579.59**
B	**Reconciliation of Current Tax expenses:**		
	Profit /(Loss) from Continuing operations	57,156.16	28,739.69
	Applicable Tax Rate	34.94%	34.61%
	Computed tax expenses	**19,972.64**	**9,946.33**
	Additional allowances As per Income Tax Act	(9,888.71)	(8,001.20)
	Income not allowed/exempt for tax purposes	(1,855.52)	(2,079.23)
	Expenses not allowed for tax purposes	3,133.03	3,105.72
	Carry Forward Loss utilised	(1,440.78)	(1,533.49)
	Other temporary allowances	227.09	(361.28)
	Additional Tax payable due to MAT provisions	1,522.67	6,356.21
	Non Taxable Subsidiarie and Effect of Differential Tax Rate	(699.81)	(552.18)
		10,970.61	**6,880.78**
	Effective Tax Rate	19.19%	23.94%
C.	**Deferred Tax Recognised in statement of profit and Loss relates to the following:**		
	Accelerated depreciation for tax purpose	(3,636.56)	1,968.17
	Remeasurement Gain on Mutual Fund	(91.02)	372.96
	Expenses allowable on payment basis	(106.70)	(1,353.85)
	Provision for loss allowance	2,049.38	(27.38)
	Other temporary differences	5,332.47	2,377.57
	Unused Carry Forward losses	(807.27)	566.52
	MAT Credit	(2,723.61)	(3,205.18)
	Deferred Tax Liabilities/ (Asset)	**16.69**	**698.81**

(₹ in Lakhs)

	2018-19	2017-18
D. Reconciliation of deferred tax liabilites/(asset) net:		
Opening balance as on 1st April	(13,924.60)	(12,517.17)
Tax expenses/ (income) for the year	16.69	698.81
Add/(Less): MAT/Opening balance adjustment	43.00	(2,260.11)
Add/(Less): On Account of Acquisition/Merger/Disposal of Subsidiary	-	153.87
Closing balance as on 31st March	**(13,864.91)**	**(13,924.60)**

E. The Group has not recognised any deferred tax liabilities for taxes that would be payable on the Group's share in unremitted earnings of certain of its subsidiaries because the Group controls when the liability will be incurred and it is probable that the liability will not be incurred in the foreseeable future.

F. In case of certain Subsidiaries Deffered Tax Assets has not been recognised on Carry Forward Losses.

36. Fair Value of Financial Assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

(₹ in Lakhs)

	As at 31st March, 2019		As at 31st March, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at fair value through Profit and Loss				
Investments				
- in Equity shares	144.94	144.94	101.25	101.25
Financial assets designated at fair value through Other Comprehensive Income				
Investments				
- Equity Shares*	15,653.50	15,653.50	21,718.77	21,718.77
- Preference Shares	106.25	106.25	106.25	106.25
- Compulsorily Convertible Debentures	10,143.05	10,143.05	10,143.05	10,143.05
- Optionally Convertible Debentures	25.00	25.00	25.00	25.00
- Capital Investment in Partnership Firm	186.55	186.55	188.67	188.67
Trade Receivables	19,552.38	19,552.38	12,915.33	12,915.33
Cash and Cash Equivalents	3,958.19	3,958.19	3,082.96	3,082.96
Loans and Advances	2,750.84	2,750.84	3,794.42	3,794.42
Deposits with Banks	15,238.83	15,238.83	978.45	978.45
Other financial assets	18,768.17	18,768.17	17,503.17	17,503.17
TOTAL	**86,527.70**	**86,527.70**	**70,557.32**	**70,557.32**
Financial liabilities designated at amortised cost				
Borrowings	424,372.35	424,372.35	366,650.61	366,650.61
Trade payables and others	14,786.25	14,786.25	10,988.75	10,988.75
Other financial liabilities	51,580.22	51,580.22	97,135.82	97,135.82
TOTAL	**4,90,738.82**	**4,90,738.82**	**4,74,775.18**	**4,74,775.18**

*In respect of Investment in equity shares of EWDL having carrying value of ₹ 5,792.70 Lakhs and in CCD's of TWDPL having carrying value of ₹ 10,000 Lakhs the financial information on the assets and liabilities position of these companies for determining the fair value for the current period is not available, same has been carried at cost.

During the year, groups sold equity investments recognised at fair value through other comprehensive income having fair value of ₹ 7,904.87 Lakhs (P.Y. ₹ 2,736.25 Lakhs) on the respective date of sale to maximise the returns.

Fair valuation techniques:

The Group maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values

Fair value of the Equity Shares are based on price quoted on stock exchange.

Fair value of unquoted equity shares and CCD's is taken at intrinsic value.

Fair value of Long term Borrowings is calculated based on discounted cash flow.

Fair value of Financial Assets & Financial Liability(except Long term Borrowings) are carried at amortised cost and is not materially different from it's carrying cost.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on The Group specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(₹ in Lakhs)

	As at 31st March, 2019			As at 31st March, 2018		
Particulars	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets /Liabilities measured at fair value						
Financial Asset:						
Investments						
- in Equity shares	9,753.63	-	6,044.81	15,775.21	-	6,044.81
- Compulsorily Convertible Debentures	-	-	10,143.05	-	-	10,143.05
- Optionally Compulsorily Convertible Debentures	-	-	25.00	-	-	25.00
- Preference Shares	-	-	106.25	-	-	106.25

Reconciliation of fair value of mesurement categorised within level 3 of the value hierarchy

Particulars	(₹ in Lakhs)
Fair value as at 1st April, 2017	24,501.12
Purchase/Sales of Financial Instruments	(8,182.00)
Amount transferred to/from level 3	-
Fair value as at 31st March, 2018	16,319.12
Purchase/Sales of Financial Instruments	-
Amount transferred to/from level 3	-
Fair value as at 31st March, 2019	16,319.12

Financial Instruments measured at Fair value - Level III

Type	Valuation Technique	Significant Observable Input	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in unquoted equity shares, OFCDs and CCDs	Adjusted NAV (Net Asset Value) method. Adjusted NAV method involves determination of fair values of asset/ liability/business based on its book value with appropriate relevant adjustments.	Not Applicable	Not Applicable

37. Financial risk Management:

The Group's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

- **Market risk:**

  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

- **Foreign currency risk**

  Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
  The groups is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The group generally transacts in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency.
  The group is exposed to insignificant foreign exchange risk as at the respective reporting dates.

- **Interest rate risk**

  Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. Almost 100% of the company's borrowings are linked to BR + 1.75% p.a. floating at Monthly rest including TP. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

Increase/ (decrease) in Interest cost of Long term borrowings for the year:

(₹ in Lakhs)

Change in Rate of Interest	Effect on Profit/(Loss) before tax	
	2018-19	2017-18
+1%/-1%	3,694.63	3,412.79

- **Commodity and Other price risk**

  The group is not exposed to the commodity and other price risk.

- **Credit Risk**

  Credit risk is the risk of financial loss to The Group that a customer or counter party to a financial instrument fails to meet its obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

  Trade and other receivables:

  The group extends credit to customers in normal course of business. The group considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, 1he group periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the group continues regular followup , engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings.

  The group is not exposed to concentration of credit risk to any one single customer since services are provided to vast specturm and hence, the concentration of risk with respect to trade receivables is low. The Group also takes security deposits, advances , post dated cheques etc from its customers, which mitigate the credit risk to an extent."

  Cash and cash equivalents and other investments

  The Group is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds.

  The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which The Group has also availed borrowings. The Group does not maintain significant cash and deposit balances other than those required for its day to day operations.

  Exposure to credit risk

  The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31st March 2019 and 31st March 2018 is as follows:

Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents	3,958.19	3,082.96
Bank Deposits	15,238.83	978.45
Loans	2,750.84	3,794.42
Other financial assets	18,768.17	17,503.17
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	19,552.38	12,915.33

Life time Expected credit loss for Trade receivables under simplified approach

(₹ in Lakhs)

	Past Due				
Aging of Trade Receivables	**0-90 days**	**90-180 days**	**180 - 360 days**	**over 360 days**	**Total**
As at 31st March, 2019					
Gross Carrying Amount	14,668.49	2,638.76	876.34	3,600.37	21,783.96
Expected credit losses (Loss allowance provision)	67.53	82.54	106.80	1,974.71	2,231.58
Net Carrying Amount	**14,600.96**	**2,556.22**	**769.54**	**1,625.66**	**19,552.38**
As at 31st March, 2018					
Gross Carrying Amount	9,565.25	988.63	1,082.51	3,774.90	15,411.29
Expected credit losses (Loss allowance provision)	74.54	68.06	225.03	2,128.33	2,495.96
Net Carrying Amount	**9,490.71**	**920.57**	**857.48**	**1,646.57**	**12,915.33**

Reconciliation of Changes in the life time expected credit loss allowance:

(₹ in Lakhs)

	2018-19	2017-18
Loss allowance on 1 April,	2,495.96	3,778.00
Provided during the year	455.98	615.44
Amount written off during the year	(584.72)	(1,897.48)
On Account of reversal of provision	(135.64)	-
Loss allowance on 31st March,	2,231.58	2,495.96

Cash and Cash equivalent, other Investment, Loans an other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

- **Liquidity risk**

  Liquidity risk is the risk that the group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Group objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors The Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Group is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants , these loans become callable to the extent of failure at the option of lenders, except where exemption is provided by lender.

(₹ in Lakhs)

	As at March 31, 2019					
Particulars	**Carrying Amount**	**On Demand**	**Less than 12 months**	**1-5 years**	**>5 years**	**Total**
Borrowings	424,372.35	58,383.68	39,331.45	172,699.79	153,957.43	424,372.35
Other Financial Liabilities	51,580.22	29,650.16	16,425.18	5,504.88	-	51,580.22
Trade and other payables	14,786.25	2,264.45	6,794.71	5,727.09	-	14,786.25

	As at March 31, 2018					
Particulars	**Carrying Amount**	**On Demand**	**Less than 12 months**	**1-5 years**	**>5 years**	**Total**
Borrowings	3,66,650.61	28,428.47	22,337.18	1,47,884.93	1,68,000.03	366,650.61
Other Financial Liabilities	97,135.82	72,001.08	14,508.63	10,626.11	-	97,135.82
Trade and other payables	10,988.75	5,207.16	5,722.72	58.87	-	10,988.75

38. Capital management

The primary objective of the Group's capital management is to maximize the shareholder value. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard The Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2019 and March 31, 2018.
For the purpose of The Group's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.

(₹ in Lakhs)

Pariculars	**As at 31st March, 2019**	**As at 31st March, 2018**
Loans and Borrowings	424,372.35	366,650.61
Less: Cash and cash equivalents + Bank Deposits	19,197.02	4,061.41
Net Debt	405,175.33	362,589.20
Total Capital	347,411.81	2,85,191.31
Capital+Net Debt	752,587.14	6,47,780.51
Gearing Ratio	54%	56%

39. Segment Reporting

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Ind AS 108. The Group has two reportable segments as under:

Reportable Segment	Nature of operations
Property and related services	Providing mall /office areas on licence basis and development of commercial / residential properties
Hospitality	Operation of hotels and restaurants

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker. The measurement principles of segments are consistent with those used in Significant Accounting Policies with following additional policies for segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(₹ in Lakhs)

Sr no.	Particulars	Property & Related Services		Hospitality Services		Unallocted		Total	
		2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
A	**Revenue**								
	Revenue From Operations	162,235.44	127,599.44	35,920.61	34,385.87	-	-	198,156.05	161,985.31
	Other Income	-	-	-	-	8,513.39	5,562.32	8,513.39	5,562.32
	TOTAL	**162,235.44**	**127,599.44**	**35,920.61**	**34,385.87**	**8,513.39**	**5,562.32**	**206,669.44**	**167,547.63**
B	**Results**								
1	Profit Before Tax & Interest	70,124.28	54,508.81	8,766.52	3,429.29	8,513.38	5,562.32	87,404.18	63,500.42
2	Less: Interest	-	-	-	-	(35,057.91)	(34,760.73)	(35,057.91)	(34,760.73)
	Profit Before Tax & Exceptional Item	70,124.28	54,508.81	8,766.52	3,429.29	(26,544.53)	(29,198.41)	52,346.27	28,739.69
	Exceptional Item	-	-	4,809.89	-	-	-	4,809.89	-
	Profit after Exceptional Item & Before Tax	70,124.28	54,508.81	13,576.41	3,429.29	(26,544.53)	(29,198.41)	57,156.16	28,739.69
	Less: Provision for Tax	-	-	-	-	(10,987.30)	(7,579.59)	(10,987.30)	(7,579.59)
	Net Profit after Tax	70,124.28	54,508.81	13,576.41	3,429.29	(37,531.83)	(36,778.00)	46,168.86	21,160.10
	Add/(less) Share of Profit/(loss) from Associates	-	-	-	-	3,530.68	4,423.01	3,530.68	4,423.01
	Profit After Tax	70,124.28	54,508.81	13,576.41	3,429.29	(34,001.15)	(32,354.99)	49,699.54	25,583.10

(₹ in Lakhs)

Sr no.	Particulars	Property & Related Services		Hospitality Services		Unallocted		Total	
		2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
C	**Other Information**								
	Segment Assets	769,675.99	611,304.46	113,410.95	119,797.08	128,503.55	118,632.92	1,011,590.49	849,734.46
	Segment Liabilities	459,921.78	426,778.35	81,687.62	91,136.37	239.08	18.07	541,848.48	517,932.79
D	**Other Disclosures**								
	Capital Expenditure	106,523.05	54,785.92	593.69	1,309.87	-	-	107,116.74	56,095.79
	Investment in Associates	-	-	-	-	-	-	30,223.74	26,763.12
	Depreciation	13,578.17	13,588.47	6,845.03	6,239.69	-	-	20,423.20	19,828.16

All the activities of the group and its subsidiaries are located in India. There are no secondary reportable segments.

40. Related Party Disclosure

In view of the Ind As 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31st March, 2019 is as under:

a) RELATIONSHIPS

Category I: Associates
Classic Housing Projects Private Limited
Mirabel Entertainment Private Limited
Starboard Hotels Private Limited
Classic Mall Development Pvt Ltd
Columbus Investment Advisory Private Limited

Category II: Key Managerial Personnels

Key Person	Designation
Atul Ruia	Chairman & Managing Director (w.e.f. 8th August 2018)
Atul Ruia	Joint Managing Director (Up to 8th August 2018)
Ashokkumar R Ruia	Chairman & Managing Director (Up to 8th August 2018)
Shishir Shrivastava	Jt. Managing Director
Rajendra Kalkar	Whole-time Director (w.e.f 10th December 2018)

Category III: Other Related Parties where common control exists
R.R.Hosiery Private Limited
R.R. Hosiery
Phoenix Retail Private Limited
Ruia International Holdings Company Private Limited
Phoenix Construction Company
Ashok Apparels Private Limited
Vigilance Developers Private Limited
Padmshil Hospitality & Leisure Private Limited

Category IV: Relatives of Key Managerial Personnel
Gayatri A Ruia

b) **Transaction during the year :**

(₹ in Lakhs)

Sr. No.	Transactions	Category I	Category II	Category III	Category IV	Total
1	Rent,Compensation & Other recoveries	488.20	-	-	19.42	507.62
		(351.99)	-	-	(19.53)	(371.52)
2	Interest Received	2.55	-	-	-	2.55
		(35.23)	-	-	-	(35.23)
3	Remuneration/Salaries/Other Expense	-	999.60	-	-	999.60
		-	(488.50)	-	-	(488.50)
4	Administrative & Other Charges paid (Excluding GST)	-	41.84	61.29	90.63	193.76
		(1.24)	(7.96)	(56.18)	(60.04)	(125.42)
5	ICD Given	-	-	-	-	-
		(345.00)	-	-	-	(345.00)
6	ICD returned by Parties	-	-	-	-	-
		(365.00)	-	-	-	(365.00)
7	ICD received	15,000.00	-	-	-	15,000.00
		(4,750.00)	-	-	-	(4,750.00)
8	Interest Paid	623.74	-	-	-	623.74
		(273.22)	-	-	-	(273.22)
9	Share of Loss from partnership firm	-	-	(2.12)	-	(2.12)
		-	-	(1.98)	-	(1.98)

c) **The following balances were due from / to the related parties as on 31-03-2019**

(₹ in Lakhs)

Sr. No.	Balances	Category I	Category II	Category III	Category IV	Total
1	Investment in Equity Shares / pref shares	30,223.74	-	-	-	30,223.74
		(26,763.12)	-	-	-	(26,763.12)
2	Investment in OCD/CCD	2,162.56	-	105.05	-	2,267.61
		(2,162.56)	-	(109.05)	-	(2,271.61)
3	Investment in Capital of Partnership Firm	-	-	186.55	-	186.55
		-	-	(188.67)	-	(188.67)
4	Capital Advances	12.52	-	-	-	12.52
		(20.00)	-	-	-	(20.00)
5	Loans Taken	19,895.52	-	92.24	-	19,987.76
		(4,750.00)	-	(92.24)	-	(4,842.24)
6	Inter Corporate Deposits Given	21.25	-	-	-	21.25
		(21.25)	-	-	-	(21.25)
7	Advances Received	-	-	1.50	-	1.50

(₹ in Lakhs)

Sr. No.	Balances	Category I	Category II	Category III	Category IV	Total
		-	-	(1.50)	-	(1.50)
8	Trade receivables	42.31	-	-	2.31	44.62
		(473.09)	-	-	(4.25)	(477.34)
9	Trade Payables	-	30.63	-	30.63	61.26
		(2.43)	-	(234.90)	-	(237.33)
10	Deposits received	125.00	-	-	-	125.00
		(125.00)	-	-	-	(125.00)
11	Interest Payable	661.74	-	-	-	661.74
		(245.90)	-	-	-	(245.90)
12	interest receivable	0.57	-	-	-	0.57
		-	-	-	-	-
13	Deposits Given	-	-	5,517.75	-	5,517.75
		-	-	(5,517.75)	-	(5,517.75)

Compensation of key management personnel

The remuneration of director and othe member of key management personnel during the year was as follows :

(₹ in Lakhs)

Particulars	2018-19	2017-18
Short term benefits	703.99	488.50
other long term benefits	38.94	63.60

Note : Figuers in brackets indicates previous year figuers

1. The transaction with related partiesnare are made on term equivalent to those that prevail in arm's length transactions.
2. Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which realted party operates. These balances are unsecured and their settlement occurs through banking channel.

41. Earning Per share

Basic as well as Diluted EPS	2018-19	2017-18
Net Profit after Tax (₹ in Lakhs)	42,101.78	24,236.46
Weighted Average No. of Equity Shares for Basic EPS	153,220,369	153,086,782
Dilution due to ESOPs Granted	462,086	431,331
Weighted Average No. of Equity Shares for Diluted EPS	153,682,456	153,518,113
Nominal Value of Equity Shares	2	2
Basic Earnings Per Share	27.48	15.83
Diluted Earnings Per Share	27.40	15.77

42. Contingent liabilities not provided for in respect of: -

i) Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts is ₹ 3,835.92 Lakhs (P.Y. ₹ 5,715.50 Lakhs) net of advance paid.

ii) Disputed Statutory demands on account of :

(₹ In Lakhs)

Sr No.	Particulars	31st March 2019	31st March 2018
1	Income Tax	6,906.46	5,843.98
2	Service Tax	7,056.18	4,217.98
3	VAT	2,538.19	2,145.21
4	Luxury Tax	20.91	20.91
5	Property Tax	369.12	-

iii) Demand notices received on account of arrears of Provident Fund dues ₹ 82.12 Lakhs (P.Y. ₹ 82.12 Lakhs) are disputed by the Company. The Company's has paid ₹ 10 Lakhs and has also furnished a Bank Guarantee for ₹ 14.72 Lakhs against P.F. demands to the P.F. authorities.

iv) Other Claims against the company not acknowledged of ₹ 1,941.01 Lakhs (P.Y ₹ 1,924.96 Lakhs)

v) Demand against property tax of ₹ 6,135.14 Lakhs (P.Y. ₹ 5,583.19 Lakhs). However provision for the same made in book

vi) Outstanding guarantees given by Banks ₹480.33 Lakhs (P.Y. ₹ 459.58 Lakhs).

vii) Guarantees given by the company for EPCG Licence ₹ 251.51 Lakhs (P.Y. ₹ 274.58 Lakhs)

viii) An order of Commissioner of GST & Central Excise from Service Tax Department, in respect of the RAI related matter. The order states to recover the interest for delayed payment of service tax at an appropriate rate. The company has filed an appeal with CESTAT against the said order. The interest liability on such delayed payments of service tax shall be determined on the basis of the Supreme Court judgement on the RAI Parties Service Tax matter, which is pending.

ix) The above litigations are not expected to have any material adverse effect on the financial position of the company

43. Expenditure incurred during construction period :

The Group's various projects relating to construction of commercial, retail, hotel and entertainment complexes are in progress. The expenditure incurred during the construction period is treated as "Project Development Expenditure" pending capitalisation. The same has been included under Capital Work In Progress and will be apportioned to fixed assets on the completion of the project.

(₹ In Lakhs)

Particulars	31st March 2019	31st March 2018
Opening Balance Expenditure	7,680.79	7,328.47
Property Taxes	6.19	45.90
Interest & Finance charges	2,387.53	96.43
Administration Expences	625.04	209.99
Less:- Capitalised During year	(4,230.90)	-
Closing Balance	6,468.65	7,680.79

44. The Subsidiary companies considered in these consolidated financial statements are:

Sr No.	Name of the Company	Country of incorporation	Proportion of Ownership 2018-2019	Proportion of Ownership 2017-2018
1	Alliance Spaces Private Limited (Subsidiary of PHCPL)	India	75.02%	75.02%
2	Blackwood Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
3	Bellona Hospitality Services Limited	India	100.00%	100.00%
4	Big Apple Real Estate Private Limited (BARE)	India	100.00%	100.00%
5	Butala Farm Lands Private Limited	India	100.00%	100.00%
6	Enhance Holdings Private Limited	India	100.00%	100.00%
7	Gangetic Developers Private Limited (Subsidiary of BARE)	India	97.08%	97.08%
8	Grace Works Realty & Leisure Private Limited (Subsidiary of PHCPL)	India	66.69%	66.69%
9	Island Star Mall Developers Private Limited (ISML)	India	51.00%	70.00%
10	Market City Resources Private Limited	India	100.00%	100.00%
11	Market City Management Private Limited	India	100.00%	100.00%
12	Mugwort Land Holding Private Limited	India	94.86%	94.86%
13	Offbeat Developers Private Limited	India	100.00%	100.00%
14	Palladium Constructions Private Limited	India	79.45%	79.45%
15	Pallazzio Hotels & Leisure Limited	India	72.98%	72.98%
16	Phoenix Hospitality Company Private Limited (PHCPL)	India	56.92%	56.92%
17	Pinnacle Real Estate Development Private Limited	India	100.00%	100.00%
18	Plutocrat Commercial Real Estate Private Limited (Formerly known as Plutocrate Asset & Capital Management Co. Pvt. Ltd.)	India	100.00%	100.00%
19	Sangam Infrabuild Corporation Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
20	Upal Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
21	Vamona Developers Private Limited	India	99.97%	99.97%
22	Savannah Phoenix Pvt Ltd (Associate upto 06/04/2015)	India	100.00%	100.00%
23	Insight Mall Developers Private Limited (Formerly known as Insight Hotels & Leisures Private Limited)"	India	51.00%	100.00%
24	Alysum Developers Pvt Ltd (Subsidiary of ISML)	India	51.01%	70.01%
25	Sparkle One Mall Developers Private Limited (Subsidiary of ISML)	India	51.01%	70.01%
26	Sparkle Two Mall Developers Private Limited (Subsidiary of ISML)	India	51.00%	-

Sr No.	Name of the Company	Country of incorporation	Proportion of Ownership 2018-2019	Proportion of Ownership 2017-2018
27	Destiny Retail Mall Developers Private Limited (Formerly known as Destiny Hospitality Services Private Limited)	India	100.00%	-
28	Mindstone Mall Developers Private Limited	India	100.00%	-
29	SGH Realty LLP	India	50.00%	-
30	True Value LLP	India	50.00%	-

45. The associate companies considered in the consolidated financial statements are:

Sr No.	Name of the Company	Country of incorporation	Proportion of Ownership 2018-2019	Proportion of Ownership 2017-2018
1	Classic Housing Projects Pvt ltd	India	50.00%	50.00%
2	Starboard Hotels Private Limited	India	28.47%	28.47%
3	Mirabel Entertainment Private Limited (Associate through PHCPL)	India	28.47%	28.47%
4	Classic Mall Development Company Limited	India	50.00%	50.00%
5	Columbus Investment Advisory Private Limited (Associate through MCRPL)	India	50.00%	50.00%

46. Capital work in progress includes ₹ 10,557.19 Lakhs (P.Y. ₹ 10,511.29 Lakhs) comprising mainly the cost incurred on acquiring long term tenancies on the plot of land admeasuring 7617.51 sq mtrs at High Street Phoenix. The Company is exploring various alternatives for the development of the said plot of land.

47. The Group carries, as at the year end, Investments of ₹ 5,792.70 Lakhs in the equity shares of Entertainment World Developers Limited (EWDL), ₹ 10,000 Lakhs in FCDs of Treasure world Developers Pvt. Ltd. (TWDPL), subsidiary of EWDL and interest accrued thereon, upto 31-03-2012, of ₹ 1,432.51 Lakhs (net of TDS). The company had exercised the put option available as per the Share and Debenture Subscription Deed for the said FCDs in earlier year against which EWDL has paid a part amount of ₹1,918.80 lakhs in November 2013. Pending receipt of the balance consideration, the amount received has not been adjusted against the investments/ accrued Interest and has been shown under other liability. The Networth of EWDL/TWDPL has been eroded as per latest available unaudited accounts as at 31-03-2015. The Company's Board has, out of abundant caution and as a prudent practice in line with the standard accounting practices, made an impairment provision of ₹ 2,300 Lakhs in the year ended 31st March 2016 and ₹ 9,125 Lakhs for the year ended 31st March 2015. During the year under review, the Company has initiated legal proceedings in High Court of Mumbai to set aside the transfer of certain asset by EWDL and TWDPL after commencement of Winding up proceedings. Pending final outcome of the legal proceedings, in the opinion of the Board, the amounts provided till date against impairment of its investments are adequate.

48. The balances in respect of Trade Receivables & Payables and loans and advances, as appearing in the books of accounts are subject to confirmations from the respective parties and are pending reconciliations/adjustments arising there from, if any.

49. The Leave and License agreements are generally for a period of 1 to 5 years. The terms also provide for escalation of License fees on a periodical basis. Generally, the company has a right to terminate these agreements by giving advance notice as stipulated therein.

Future minimum License Fees receivable under Leave and License agreements for non-expired lock in period as at 31st March 2019 are as follows:

(₹ In Lakhs)

Particulars	Within one year	After one year but not more than five years	More than five years	Total
As on 31st March 2019	38,859.87	45,654.27	-	84,514.14
As on 31st March 2018	40,185.69	62,770.24	93.01	1,03,048.94

Contingent License Fees comprising of Revenue Share income (computed as a % of sales) charged to the Licensees during the year is ₹ 9,333.27 Lakhs (P.Y. ₹ 9,110.60 Lakhs)

50. The Company is a partner in a partnership firm M/s. Phoenix Construction Company. The accounts of the partnership firm have been finalised upto the financial year 2017-18. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:-

(₹ In Lakhs)

Sr. No.	Name of the Partners	Profit Sharing Ratio	Total Capital on	
			31/03/2018	31/03/2017
1	The Phoenix Mills Ltd	50%	157.55	159.77
2	Gold Seal Holding Pvt. Ltd.	50%	109.00	111.21

The Company has accounted for its share of loss amounting to ₹ 2.12 Lakhs (P.Y.₹ 1.98 Lakhs) pertaining to the financial year 2017-18 in the year. The share of profit/loss for the current financial year will be accounted in the books of the Company on the finalisation of the accounts of the firm.

51. Event after Reporting date

The Board of Directors have recommended dividend of ₹ 3/- per fully paid up equity share of ₹ 2 /- each, aggregating ₹ 5,543.97 lakhs, including ₹ 945.28 lakhs dividend distribution tax for the financial year 2018-19, which is based on relevant share capital as on March 31, 2019. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

52. Additional information as required under Section 186 (4) of the Companies Act, 2013 :

a Investment made in Body Corporate are mentioned in Note 7.

b No Guarantee is given by the Company.

c Loans given by the company to Body Corporate or Person are as under:

(₹ In Lakhs)

Particulars	As at 31s March, 2019	Purpose
Anushikha Investments Pvt. Ltd.	132.33	General Corporate Purpose
Excel Telesonic India Private Limited.	55.38	General Corporate Purpose
Hbs Realtors Pvt Ltd.	203.21	General Corporate Purpose
Kalani Industries Pvt Ltd	941.98	General Corporate Purpose
Orson Holdings Co Limited	107.18	General Corporate Purpose
Pratitha Multitrading Pvt Ltd.	28.85	General Corporate Purpose
Prime Hitech Textile LLP	110.80	General Corporate Purpose
Saphire Intrex Limited.	1,315.25	General Corporate Purpose
Sona Promoters Pvt Ltd	4.02	General Corporate Purpose
Treasure World Developers Pvt.Ltd.	57.25	General Corporate Purpose
Vrinda Ispat Private Limited.	0.44	General Corporate Purpose
York Financial Services Pvt. Ltd.	98.00	General Corporate Purpose

53. Corporate Social Responsibility:

a CSR amount required to be spent by the company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof during the year is ₹ 465.38 Lakhs (P.Y. ₹ 327.96 Lakhs).

b Expenditure related to Corporate Social Responsibility is ₹ 144.65 lakhs (Previous Year ₹ 162.58 Lakhs). Details of Amount spent towards CSR given below:

(₹ In Lakhs)

Particulars	2018-19	2017-18
Construction of check dams	119.50	130.00
Promoting Employment enhancing vocation skills amongst differently – abled children	25.15	32.58
Total	**144.65**	**162.58**

54. Investment In Associates

The Group has investment in Classic Mall Development Company Private Limited (CMPL), The company's interest in associate is accounted using the equity method in the consolidated financial statements. The summarised financial information of the company's investment in associate is given below.

(₹ in Lakhs)

Summarised balance sheet	As at 31st March, 2019	As at 31st March, 2018
Current assets	59,053.41	36,663.67
Current Liabilities	9,827.28	3,972.52
Net current assets	**49,226.13**	**32,691.15**
Non-current assets	75,334.07	70,522.90
Non-current liabilities	70,548.92	56,355.26
Net non-current assets	**4,785.15**	**14,167.64**
Net assets	**54,011.28**	**46,858.79**

(₹ in Lakhs)

Summarised statement of profit or loss	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Net Profit for the year	7,070.27	8,978.38
Other comprehensive income	71.03	68.62
Total Comprehensive income	**7,141.30**	**9,047.00**
Group's share of profit	**3,570.65**	**4,523.50**

55. Non-Controlling Interest:

a. Details of non-wholly owned subsidiaries that have material non-controlling interests (NCI):

(₹ In Lakhs)

Particulars	Place of incorporation and principal place of business	Proportion of ownership interests by NCI	Proportion of voting interest held by NCI	Total comprehensive income allocated to NCI	Accumulated NCI
Pallazio Hotels & Leisure Limited	Mumbai - India	-	27.02%	1,733.59	1,301.17
Palladium Construction Pvt Ltd	Bangalore and Agra - India	20.55%	20.55%	2,554.31	11,633.93
Grace Works Realty & Leisure Private Limited	Mumbai - India	33.31%	33.31%	30.24	-441.03
Island Star Mall Developers Pvt Ltd	Bangalore - India	49.00%	49.00%	3,416.11	92,446.67

b. **Information relating to Non-Controlling Interest:**

(₹ In Lakhs)

Particulars	Pallazio Hotels & Leisure Limited As at 31st March, 2019	Pallazio Hotels & Leisure Limited As at 31st March, 2018	Palladium Construction Pvt Ltd As at 31st March, 2019	Palladium Construction Pvt Ltd As at 31st March, 2018
Current Assets	3,894.31	3,679.09	107,235.41	74,681.68
Non Current Assets	99,233.11	103,846.46	16,324.78	17,281.57
Total Assets	**103,127.42**	**107,525.55**	**123,560.19**	**91,963.25**
Current Liabilities	19,259.08	16,667.89	50,148.22	19,959.61
Non Current Liabilities	48,331.30	66,148.62	16,710.14	16,438.41
Total Liabilities	**67,590.38**	**82,816.51**	**66,858.36**	**36,398.02**
Equity attributable to owners of the Company	34,235.87	23974.84	45,067.90	44,129.31
Non-controlling interests	1,301.17	734.21	11,633.93	11,435.93

(₹ In Lakhs)

Particulars	Grace Works Realty & Leisure Private Limited As at 31st March, 2019	Grace Works Realty & Leisure Private Limited As at 31st March, 2018	Island Star Mall Developers Pvt Ltd As at 31st March, 2019	Island Star Mall Developers Pvt Ltd As at 31st March, 2018
Current Assets	939.23	1,005.97	43,217.29	47,744.17
Non Current Assets	25,506.62	25,516.82	192,832.00	92,011.96
Total Assets	**26,445.85**	**26,522.79**	**236,049.29**	**139,756.13**
Current Liabilities	7,708.59	13,150.21	34,170.85	5,932.08
Non Current Liabilities	11,340.10	9,876.20	12,550.34	43,496.00
Total Liabilities	**19,048.69**	**23,026.41**	**46,721.19**	**49,428.08**
Equity attributable to owners of the Company	7,838.19	4,331.87	96,881.43	63,243.20
Non-controlling interests	(441.03)	(835.49)	92,446.67	27,084.85

(₹ In Lakhs)

Particulars	Pallazio Hotels & Leisure Limited As at 31st March, 2019	Pallazio Hotels & Leisure Limited As at 31st March, 2018	Palladium Construction Pvt Ltd As at 31st March, 2019	Palladium Construction Pvt Ltd As at 31st March, 2018
Revenue	35,313.46	27,975.89	42,465.75	19,956.65
Expenses (including tax)	28,851.89	30,389.78	30,036.04	16,302.85
Profit for the year	6,461.57	(2,413.89)	12,429.71	3,653.80
Other Comprehensive Income	(45.60)	32.22	-	-
Total Comprehensive Income	**6,415.97**	**(2,381.67)**	**12,429.71**	**3,653.80**
Total Comprehensive Income attributable to NCI	1,733.59	(643.53)	2,554.31	750.86
Net cash (outflow) from operating activities	13,743.23	9,531.89	(11,585.89)	(4,683.05)

(₹ In Lakhs)

Particulars	Pallazio Hotels & Leisure Limited		Palladium Construction Pvt Ltd	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Net cash (outflow) / inflow from investing activities	(341.21)	1,618.35	(121.00)	4,291.57
Net cash inflow from financing activities	(13,519.07)	(12,524.47)	12,391.22	158.51
Net cash (outflow) / inflow	(117.05)	(1,374.23)	684..33	(232.97)

(₹ In Lakhs)

Particulars	Grace Works Realty & Leisure Private Limited		Island Star Mall Developers Pvt Ltd	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Revenue	3,582.24	2,194.41	24,249.32	22,992.95
Expenses (including tax)	3,489.97	3,291.36	17,277.44	16,542.78
Profit for the year	92.27	(1,096.95)	6,971.88	6,450.17
Other Comprehensive Income	(1.49)	(1.60)	(0.23)	(9.97)
Total Comprehensive Income	**90.78**	**(1,098.55)**	**6,971.65**	**6,440.19**
Total Comprehensive Income attributable to NCI	30.24	(614.62)	3,416.11	1,932.06
Net cash (outflow) from operating activities	(2,755.97)	1,366.52	10,013.80	19,444.30
Net cash (outflow) / inflow from investing activities	(470.38)	(631.99)	(94,462.19)	(69,256.41)
Net cash inflow from financing activities	3,215.71	(446.51)	84,550.18	49,828.59
Net cash (outflow) / inflow	(10.64)	144.53	101.79	16.48

56. Details required as per Schedule III of the Companies Act 2013 as below:-

i) Details of Net Assets & share in profit or loss

(₹ In Lakhs)

Sr No.	Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share In other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount
	1. Parent	58.43%	274,459.66	34.83%	17,309.10	202.35%	3,390.48	40.29%	20,699.58
	Subsidiaries								
	A) Indian								
1	Alliance Spaces Private Limited	3.81%	17,890.64	-0.78%	(389.35)	-0.18%	(2.97)	-0.76%	(392.32)
2	Blackwood Developers Private Limited	0.88%	4,135.60	0.01%	6.62	-0.08%	(1.40)	0.01%	5.22

(₹ In Lakhs)

		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share In other Comprehensive Income		Share In Total Comprehensive Income	
Sr No.	Name of the entity in the	As % of consolidated net assets	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount
3	Bellona Hospitality Services Limited	0.00%	0.10	0.00%	(0.01)	-99.04%	(1,659.51)	-3.23%	(1,659.52)
4	Big Apple Real Estate Private Limited	2.55%	11,988.54	0.00%	(1.99)	0.00%	-	0.00%	(1.99)
5	Butala Farm Lands Private Limited	0.11%	497.60	0.00%	(0.25)	0.00%	-	0.00%	(0.25)
6	Enhance Holdings Private Limited	-0.19%	(902.32)	0.00%	(0.09)	0.00%	-	0.00%	(0.09)
7	Gangetic Developers Private Limited	0.67%	3,142.85	-0.01%	(6.94)	0.00%	-	-0.01%	(6.94)
8	Grace Works Realty & Leisure Private Limited	1.57%	7,397.16	0.19%	92.27	-0.09%	(1.49)	0.18%	90.77
9	Island Star Mall Developers Private Limited	40.30%	189,328.10	14.03%	6,971.88	-0.01%	(0.23)	13.57%	6,971.65
10	Market City Resources Private Limited	0.32%	1,500.27	0.27%	133.78	-1.82%	(30.46)	0.20%	103.32
11	Market City Management Private Limited	0.00%	9.87	0.00%	0.05	0.00%	-	0.00%	0.05
12	Mugwort Land Holding Private Limited	0.00%	8.34	0.00%	(0.37)	0.00%	-	0.00%	(0.37)
13	Offbeat Developers Private Limited	7.69%	36,108.13	4.71%	2,340.46	-0.32%	(5.37)	4.55%	2,335.09
14	Palladium Constructions Private Limited	12.07%	56,701.89	25.01%	12,429.71	0.00%	-	24.19%	12,429.71
15	Pallazzio Hotels & Leisure Limited	7.57%	35,537.04	13.00%	6,461.57	-2.72%	(45.60)	12.49%	6,415.96
16	Phoenix Hospitality Company Private Limited	3.83%	17,979.16	-0.01%	(3.70)	0.00%	-	-0.01%	(3.70)
17	Pinnacle Real Estate Development Private Limited	0.00%	(1.92)	0.00%	(0.16)	0.00%	-	0.00%	(0.16)
18	Plutocrat Commercial Real Estate Private Limited (Formerly known as Plutocrate Asset & Capital Management Co. Pvt. Ltd.)	0.00%	(1.09)	0.00	(0.51)	0.00%	-	0.00%	(0.51)
19	Sangam Infrabuild Corporation Private Limited	0.07%	318.63	0.00%	(0.15)	0.00%	-	0.00%	(0.15)

(₹ In Lakhs)

Sr No.	Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share In other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount
20	Savannah Phoenix Pvt. Ltd.	0.00%	(21.48)	0.17%	84.95	0.00%	-	0.17%	84.95
21	Upal Developers Private Limited	0.76%	3,557.17	1.89%	941.73	0.05%	0.87	1.83%	942.60
22	Vamona Developers Private Limited	4.60%	21,618.82	9.64%	4,793.42	-0.30%	(4.94)	9.32%	4,788.48
23	Insight Mall Developers Private Limited (Formerly known as Insight Hotels & Leisures Pvt Ltd)	5.58%	26,197.49	-0.02%	(9.10)	0.00%	-	-0.02%	(9.10)
24	Alyssum Developers Pvt. Ltd.	7.43%	34,891.75	-0.15%	(73.62)	-0.05%	(0.82)	-0.14%	(74.44)
25	Sparkle One Mall Developers Private Limited	15.18%	71,284.91	-0.03%	(15.99)	0.00%	-	-0.03%	(15.99)
26	Sparkle Two Mall Developers Private Limited (Subsidiary of ISML)	0.00%	0.19	0.00%	(0.81)	0.00%	-	0.00%	(0.81)
27	Destiny Retail Mall Developers Private Limited (Formerly known as Destiny Hospitality Services Pvt Ltd)	4.91%	23,050.74	-0.01%	(4.03)	0.00%	-	-0.01%	(4.03)
28	Mindstone Mall Developers Private Limited	0.11%	525.75	0.00%	(0.25)	0.00%	-	0.00%	(0.25)
29	SGH Realty LLP	3.62%	16,990.49	-0.02%	(9.52)	0.00%	-	0.00%	(9.52)
30	True Value LLP	0.00%	-0.36	0.00%	(2.29)	0.00%	-	-0.02%	(2.29)
	Minority Interest in all subsidiaries	26.04%	122,330.21	15.29%	7,597.76	-0.84%	(14.10)	14.76%	7,583.66
	Associates (investment as per Equity Method)								
1	Classic Housing Projects Private Limited	1.04%	4,888.98	0.00%	(2.15)	0.09%	1.52	0.00%	(0.63)
2	Mirabel Entertainment Private Limited	0.00%	22.61	-0.01%	(5.99)	0.01%	0.09	-0.01%	(5.90)
3	Starboard Hotels Private Limited	2.85%	13,375.63	0.01%	4.67	-0.01%	(0.12)	0.01%	4.55
4	Classic Mall Development Company Ltd	11.50%	54,011.29	7.11%	3,535.13	2.12%	35.52	6.95%	3,570.65
5	Columbus Investment Advisory Private Limited	0.02%	116.96	0.00%	0.03	0.00%	-	0.00%	0.03

57. Disclosure as per Ind AS 19 "Employee Benefits"

i) Change in Defined Benefit Obligation during the year

(₹ in Lakhs)

Particulars	2018-19 Gratuity (Funded)	2017-18 Gratuity (Funded)
Present value of the obligation at the beginning of the year	729.29	578.89
Current Service Cost	158.77	122.47
Interest Cost	70.40	50.94
Actuarial (Gain) / Loss on Obligation	27.55	(42.62)
Benefits Paid	(83.60)	(83.22)
Past Service Cost	12.09	102.83
Present value of the obligation at the end of the year	914.50	729.29

ii) Change in Fair Value of Assets and Obligations

(₹ in Lakhs)

Particulars	2018-19 Gratuity (Funded)	2017-18 Gratuity (Funded)
Fair value of Plan Assets at the beginning of the year	506.99	477.74
Expected Return on plan assets	40.69	35.33
Contribution	34.55	86.61
Benefits paid during the year	(83.60)	(83.22)
Actuarial (gain)/loss on Plan Asset	(21.46)	(9.48)
Fair value of Plan Assets at the end of the year	477.17	506.99

iii) Amount to be recognized in Balance sheet (Net)

(₹ in Lakhs)

Particulars	2018-19 Gratuity	2017-18 Gratuity
Present Value of Defined Benefit Obligation	914.50	729.29
Fair value of Plan Assets at the end of the year	477.17	506.99
Amount to be recognized in Balance sheet	437.33	222.30

iv) Current/Non-Current bifurcation

(₹ in Lakhs)

Particulars	2018-19 Gratuity	2017-18 Gratuity
Current Benefit Obligation	89.28	41.94
Non - Current Benefit Obligation	348.05	180.35

v) **Expense recognised in the Statement of Profit & Loss for the year**

(₹ in Lakhs)

Particulars	2018-19 Gratuity (Funded)	2017-18 Gratuity (Funded)
Current Service Cost	158.77	122.47
Interest cost on Obligation	70.40	50.94
Expected Return on plan assets	(40.69)	(35.33)
Past Service Cost	12.09	102.83
Net Cost Included in Personnel Expenses	200.57	240.91

vi) **Recognised in Other Comprehensive (Income)/Loss at Period-End**

(₹ in Lakhs)

Particulars	2018-19 Gratuity (Funded)	2017-18 Gratuity (Funded)
Amount recognized in OCI, Beginning of Period	(148.17)	(164.93)
Divestiture (SPPL)	3.88	-
Remeasurement due to :		
Effect of Change in financial assumptions	35.77	36.77
Effect of Change in demographic assumptions	-	14.43
Effect of experience adjustments	(71.87)	(25.81)
Actuarial (Gains)/Losses	(36.10)	25.39
Return on plan assets (excluding interest)	21.46	(8.63)
Total remeasurements recognized in OCI	**(14.64)**	**16.76**
Amount recognized in OCI, End of Period	(158.93)	(148.17)

58. Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company has granted stock options under the following employee stock option scheme:
1. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2011. During the year 1,99,998 Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2011.

2. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2015. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2015.

Each option when exercised would be converted into one fully paid-up equity share of ₹ 2 each of the Company. The options granted under ESOP 2011 and options granted under the ESOS 2015 scheme carry no rights to dividends and no voting rights till the date of exercise."

ESOP 2007

Date of grant	Number of options (Gross)	Exercise Price	Date of vesting	Vesting period	Fair Value of Option
10-Jun-08	650,000	270.00	09-Jun-16	12	153.26
25-Mar-15	10,556	316.80	25-Mar-16	12	118.69
25-Mar-15	15,833	316.80	25-Mar-17	24	138.36
25-Mar-15	21,111	316.80	25-Mar-18	36	154.97
25-Mar-15	26,389	316.80	25-Mar-19	48	169.26
25-Mar-15	31,667	316.80	25-Mar-20	60	181.67
24-Oct-16	124,000	333.90	23-Oct-17	12	112.84
24-Oct-16	186,000	333.90	23-Oct-18	24	128.32
24-Oct-16	248,000	333.90	23-Oct-19	36	144.12
24-Oct-16	310,000	333.90	23-Oct-20	48	158.33
24-Oct-16	372,000	333.90	23-Oct-21	60	171.52

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behavior.

ESOP 2007

Grant Date	24-Oct-16	25-Mar-15	10-Jun-08
Vesting Period/ Expected Life	From grant date - 12 months to 60 months	From grant date - 12 months to 60 months	1 to 8 years
Fair value of option at grant date	112.84 - 171.52	118.69 - 181.67	153.26
Share price at grant date	371.00	353.05	274.07
Exercise price	333.90	316.80	270.00
Historical volatility	31.1% - 29.6%	35%	45%
Time to Maturity (Years)	2.50 years to 6.50 years	2.50 years to 6.50 years	1 years to 8 years
Dividend Yield	0.66%	0.80%	0.63%
Risk free Rate	6.85%	8.23%	8.07%

Weighted average remaining contractual life of the options as at 31-Mar-19 - 1.42 (31-Mar-18 - 1.87) years

Valuation Methodology, Approach & Analysis:

Particulars	Description of the inputs used
Market Price of the optioned Stock	For ESOP weighted average market price as available from the website of BSE as on the date of grant. This price holds good for our Black Scholes Fair Valuation analysis for the grants made by the company on 21st October, 2016.
Exercise price	The exercise price as per the Employees Stock Option Scheme 2007 formulated by the Company per equity share is ₹ 333.90/-
Time to Maturity/ Expected Life of the Option	It is the period for which the Company expects the options to be alive. The minimum life of stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the option cannot be exercised. As per the' scheme, options are vested to the employees over a period of five years as under:

Vesting Date	Maximum % of Option that shall vest
12 Months from Grant Date	10%
24 Months from Grant Date	15%
36 Months from Grant Date	20%
48 Months from Grant Date	25%
60 Months from Grant Date	30%

The following table lists the average inputs to the models used for the plans for the year ended 31st March, 2019

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.
Option Exercise Period	Option can be Exercise anytime in three year from the Vesting date.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

ESOP 2007

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31st March, 2019	31st March, 2019	31st March, 2018	31st March, 2018
Options outstanding as at the beginning of the year	1,120,668	332.69	1,335,001	332.68
Add: Options granted during the year	-	-	-	-
Less: Options lapsed during the year	64,000	333.90	139,500	333.90
Less: Options exercised during the year	148,061	331.46	74,833	330.28
Options outstanding as at the year end	908,607	332.81	1,120,668	332.69

59. Goodwill Impairment

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which Goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment.

Goodwill is allocated to the following CGU for impairment testing purpose.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Goodwill relating to Property & Related Services	42,025.63	42,025.63
Goodwill relating to Hospitality Services	257.16	257.16
Total	**42,282.79**	**42,282.79**

The Group uses discounted cash flow based methods to determine the recoverable amount. These discounted cash flow calculations use five year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into considerations the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

60. In respect of Pallazzio Hotels & Leisure Ltd., a subsidiary, pursuant tothe consent provided by the holders of zero coupon non-convertible fully redeemable non-transferable debentures series F (in aggregate holding NCD of ₹ 4,600 Lakhs) & approved by the Board of Directors of subsidiary vide resolution dated 30th March 2019, the Non-Convertible debentures aggregating to ₹ 4,600 Lakhs have been converted into 0.0001% Optionally Convertible Debentures Series - J (OCD-series J) aggregating to ₹ 4,600 Lakhs and as a result of this all the securities attached to the said Non-Convertible Debentures have been released. Consequent to the said change in terms, the provision for premium on redemption of the said non-convertible debentures of ₹ 4,809.89 Lakhs made in the earlier years has been written-back since it is no longer payable and has been disclosed as an exceptional item in the Statement of Profit & Loss. Further, provision for premium on redemption of non-convertible debentures aggregating to ₹ 812.84 Lakhs debited to finance cost and fair value adjustments aggregating to ₹ 164.46 Lakhs made to revenue from operations and finance cost for the period April 2018 to December 2018 have been reversed

61. Impact of new pronouncements as applicable from 01.04.2018

A) IND-AS 115- Revenue from contracts with customers.

The Ministry of Corporate Affairs vide notification dated 28th March 2018 has made Ind AS 115 "Revenue from Contracts with Customers" mandatory w.e.f. 1st April 2018. Palladium Constructions Private Limited, a subsidiary company, has aligned its policy of revenue recognition with Ind AS 115 'Revenue from Contracts with Customers" which is effective from 1st April, 2018. Accordingly, revenue in realty business is recognised on completion of contracts as against recognition based on percentage completion method followed hitherto in accordance with the Guidance note issued by ICAI. The company has followed modified retrospective approach to the contracts that were not completed as at 1st April, 2018 and cumulative effect of initial application has been adjusted in opening retained earnings as permitted by the standard. The transitional adjustment of ₹ 11,323.26 Lakhs (net of deferred tax) has been adjusted against the opening retained earnings. For year ended 31st March, 2019, Income from Sale of property as per note no. 28 is higher by ₹ 9,703.99 lakhs, Cost of Sales as per note no. 30 is higher by ₹ 4,083.24 lakhs, Profit after tax is higher by ₹ 5,620 .75 lakhs. These changes are due to recognition of revenue based on satisfaction of performance obligation (at a point in time), as opposed to the previously permitted percentage of completion method. Accordingly, the comparatives have not been restated for the full year ended March 31, 2018 and hence not comparable.

B) IND-AS 21 The effect of change in foreign exchange rates.

The Ministry of Corporate Affairs vide notification dated 28th March 2018 has made Ind AS 21 "The effect of change in foreign exchange rates" mandatory w.e.f 1st April 2018. In respect of Pallazzio Hotels & Leisure Private Limited, a subsidiary company has given a retrospective effect of this amendment as per transitional provisional as per IND-AS 21. The retrospective effect is given in respect of the non-monetary liability with respect to key money received from hotel operator which is valued at the exchange rate on the date of receipt of advance. Hence, opening Retained Earnings increased by ₹ 20.39 Lakhs. Due to the application IND AS As 21 a result of retrospective effect of IND-AS 21, Income from revenue from operation as per note no 28 is lower by ₹ 6.91 Lakhs ,Other Expenses as per note no 34 is higher by ₹ 383.20 Lakhs, Profit after tax is higher by ₹ 376.29 Lakhs

C) The basic and diluted EPS for the year ended 31st, March 2019 due to change in (A) and (B) is ₹ 27.48 per share and ₹ 27.40 per share respectively instead of ₹ 24.38 per share and ₹ 24.31 per share respectively.

62. Based on the pronouncements/clarifications by the professional bodies/institutions and general accounting practice followed by Industry, the Company has during the year reclassified the following items of financial statements:

Items of financial statements reclassified	Amount as at 31st March, 2018 ₹ In Lakhs	Earlier classified as	Reclassified as
MAT Credit entitlement	776.95	Current Tax Assets (Net)	Deferred Tax Assets
Balance with statutory government authorities	4,688.34	Other Current Assets	Deferred Tax Assets
Deposit with related parties	5,517.75	Other Non-Current Assets	Other Financial Assets (Current)
Security Deposits for lease rentals – Non-Current	16,462.06	Other Non-Current Liabilities (As at 31st March 2018 :- ₹ 34,262.26 Lakhs)	Other Financial Liabilities (Non-Current)
Security Deposits for lease rentals – Current	23,565.19	Other Current Liabilities (As at 31st March 2018:- ₹ 5,942.81 Lakhs)	Other Financial Liabilities (Current)

63. The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year

For and on behalf of the Board of Directors

For **D T S & Associates**
Chartered Accountants
FRN: 142412W

Atul Ruia
(Chairman & Managing Director)
DIN - 00087396

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Ashish G. Mistry
Partner
Membership No. 132639

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Place: Mumbai
Dated: 15th May, 2019

Gajendra Mewara
(Company Secretary)
Membership No. A22941

Form AOC-I

(Pursuant to first proviso to sub-section 129 read with rule 5 of companies (Accounts) Rules 2014)
Statement containing salient features of the financial subsidiaries/associate company/joint ventures

Part "A" Subsidiaries

(information in respect of each subsidiary to be presented with amount in Lakh)

Sr No.	Name of Subsidiary Co	Reporting Currency	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Investment	Turnover /Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Other Comprehensive Income	Total Comprehensive Income	Proposed Dividend	% Share holding
	Subsidiary														
1	Alliance Spaces Private Limited	INR	199.87	17,690.77	27,202.65	9,312.01	-	320.66	-380.73	8.62	-389.35	-2.97	-392.32	-	75.02%
2	Blackwood Developers Private Limited	INR	1,873.17	2,262.43	15,298.30	11,162.70	-	3,864.09	8.00	1.39	6.62	-1.40	5.22	-	100.00%
3	Bellona Hospitality Services Limited	INR	438.71	9,877.25	10,998.94	682.98	-	2,080.47	-1,034.51	-	-1,034.51	-1,659.51	-2,694.01	-	100.00%
4	Big Apple Real Estate Private Limited	INR	2,558.59	9,429.95	11,989.55	1.01	10,780.26	0.04	-1.99	-	-1.99	-	-1.99	-	100.00%
5	Butala Farm Lands Private Limited	INR	1.25	496.35	501.17	3.57	500.00	-	-0.25	-	-0.25	-	-0.25	-	100.00%
6	Enhance Holdings Private Limited	INR	1.00	-903.32	391.70	1,294.03	391.46	0.20	-0.09	-	-0.09	-	-0.09	-	100.00%
7	Gangetic Developers Private Limited	INR	898.60	2,244.25	3,148.98	6.13	2,811.00	6.27	-0.47	6.47	-6.94	-	-6.94	-	97.08%
8	Grace Works Realty & Leisure Private Limited	INR	6.76	7,390.40	26,445.85	19,048.69	-	3,582.24	89.77	-2.49	92.27	-1.49	90.77	-	66.69%
9	Island Star Mall Developers Private Limited	INR	19,974.64	1,69,353.46	2,36,049.29	46,721.19	26,489.02	24,249.32	9,048.25	2,076.37	6,971.88	-0.23	6,971.65	-	70.00%
10	Market City Resources Private Limited	INR	1.00	1,499.27	1,970.35	470.08	55.50	4,183.88	178.34	44.57	133.78	-30.46	103.32	-	100.00%
11	Market City Management Private Limited	INR	10.00	-0.13	10.09	0.22	0.01	0.50	0.07	0.02	0.05	-	0.05	-	100.00%
12	Mugwort Land Holding Private Limited	INR	1.00	7.34	100.88	92.54	-	-	-0.37	-	-0.37	-	-0.37	-	94.86%
13	Offbeat Developers Private Limited	INR	3,157.98	32,950.15	1,26,358.87	90,250.74	1.25	24,963.52	2,938.62	598.16	2,340.46	-5.37	2,335.09	-	100.00%

Sr No.	Name of Subsidiary Co	Reporting Currency	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Investment	Turnover /Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Other Comprehensive Income	Total Comprehensive Income	Proposed Dividend	% Shareholding
14	Palladium Constructions Private Limited	INR	3,303.17	53,398.71	1,23,560.18	66,858.30	-	42,465.75	16,084.40	3,654.69	12,429.71	-	12,429.71	-	79.45%
15	Pallazzio Hotels & Leisure Limited	INR	1,200.00	34,337.04	1,03,127.42	67,590.37	5.95	30,503.21	6,045.66	-415.90	6,461.57	-45.60	6,415.96	-	72.98%
16	Phoenix Hospitality Company Private Limited	INR	232.14	17,747.02	18,469.17	490.01	18,428.55	15.75	-3.70	-	-3.70	-	-3.70	-	56.92%
17	Pinnacle Real Estate Development Private Limited	INR	1.00	-2.92	1.51	3.43	0.01	0.20	-0.16	-	-0.16	-	-0.16	-	100.00%
18	"Plutocrat Commercial Real Estate Private Limited (Formerly known as Plutocrate Asset & Capital Management Co. Pvt. Ltd.)"	INR	1.00	-2.09	52.37	53.45	-	-	-0.51	-	-0.51	-	-0.51	-	100.00%
19	Sangam Infrabuild Corporation Private Limited	INR	334.60	-15.97	452.80	134.16	-	0.46	-0.15	-	-0.15	-	-0.15	-	100.00%
20	Savannah Phoenix Pvt. Ltd.	INR	83.40	-104.88	94.79	116.28	-	100.58	84.95	-	84.95	-	84.95	-	100.00%
21	Upal Developers Private Limited	INR	1,960.00	1,597.17	13,476.07	9,918.89	-	5,042.66	941.45	-0.28	941.73	0.87	942.60	-	99.97%
22	Vamona Developers Private Limited	INR	2,500.00	19,118.82	97,236.91	75,618.09	8,980.00	24,791.72	6,120.66	1,327.24	4,793.42	-4.94	4,788.48	-	100.00%
23	"Insight Mall Developers Private Limited (Formerly known as Insight Hotels & Leisures Pvt Ltd)"	INR	10.00	26,187.49	26,684.99	487.50	-	-	-9.10	-	-9.10	-	-9.10	-	100.00%
24	Alyssum Developers Pvt. Ltd.	INR	1.00	34,890.75	36,843.89	1,952.14	-	-	-19.64	53.98	-73.62	-0.82	-74.44	-	51.01%

Sr No.	Name of Subsidiary Co	Reporting Curr-ency	Share Capital	Reserve & Surplus	Total Asset	Total Liabil-ities	Invest ment	Turnover /Total Income	Profit Before Tax	Prov-ision for Tax	Profit After Tax	Other Comp-rehensive Income	Total Comprehensive Income	Prop-osed Divid-end	% Share hol-ding
25	Sparkle One Mall Developers Private Limited	INR	1.00	71,283.91	72,246.87	961.95	-	-	-9.19	6.80	-15.99	-	-15.99	-	51.01%
26	Sparkle Two Mall Developers Private Limited (Subsidiary of ISML)	INR	1.00	-0.81	0.29	0.10	-	-	-0.81	-	-0.81	-	-0.81	-	51.00%
27	"Destiny Retail Mall Developers Private Limited (Formerly known as Destiny Hospitality Services Pvt Ltd)"	INR	1.00	23,049.74	55,663.16	32,612.42	-	-	-4.03	-	-4.03	-	-4.03	-	100.00%
28	Mindstone Mall Developers Private Limited	INR	1.00	524.75	531.06	5.31	-	-	-0.25	-	-0.25	-	-0.25	-	100.00%
29	SGH Realty LLP	INR	17,000.01	-9.52	43,775.49	26,785.00	-	-	-2.40	7.12	-9.52	-	-9.52	-	50.00%
30	True Value LLP	INR	1.93	-2.29	17,790.38	17,790.74	-	-	-2.29	-	-2.29	-	-2.29	-	50.00%

Notes:

1 Names of subsidiaries which are yet to commence operations:

a) Butala Farm Lands Private Limited
b) Enhance Holdings Private Limited
c) Mugwort Land Holding Private Limited
d) Pinnacle Real Estate Development Private Limited
e) Plutocrat Assets And Capital Management Private Limited
f) Sangam Infrabuild Corporation Private Limited

Part "B": Associates and Joint Ventures:

"Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures"

Sl. No.	1	2	3	4	5
Name of Associates / Joint Ventures	**Classic Housing Projects Private Limited**	**Mirabel Entertainment Private Limited**	**Starboard Hotels Private Limited**	**Columbus Investment Advisory Private Limited**	**Classic Mall Development Company Private Limted**
Latest Audited Balance sheet Date	31.3.2019	31.3.2019	31.3.2019	31.3.2019	31.3.2019
Shares of Associates/ Joint Ventures held by the Company/ Subsidiary Companies on the year end					
(i) No.	5,208	5,000	24,99,374	5,000	38,49,058
(ii) Amount of Investment in Associates / Joint Venture	1,407.65	-0.11	129.68	56.93	28,737.67
(iii) Extend of Holding	50.00%	28.47%	28.47%	50.00%	50.00%
Description of how there is significant influence	Refer Note 3	Refer Note 3	Refer Note 3		
Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balance sheet	4,888.98	22.61	13,375.63	116.96	54,011.29
Profit/Loss for the Year	(4.30)	(21.06)	16.39	0.06	7,070.27
(i) Considered in Consolidation	(2.15)	(10.53)	8.20	0.03	3,535.13
(i) Not Considered in Consolidation	-	-	-	-	-

Notes:

1. Names of Associates or joint ventures which are yet to commence operations Nil
2. Name of associates or joint venture which have been liquidated or sold during the year Nil
3. There is a significant influence due to percentage (%) of shareholding.

For and on behalf of the Board of Directors

Atul Ruia
(Chairman & Managing Director)
DIN - 00087396

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Gajendra Mewara
(Company Secretary)
Membership No. A22941

Place: Mumbai
Dated: 15th May, 2019

AUDITOR'S REPORT

To The Members of **THE PHOENIX MILLS LIMITED**
Report on the Consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of **THE PHOENIX MILLS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Associates comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and changes in the equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended..

The respective Board of Directors of the companies included in the Group and of its associates are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (1) and (2) of the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and it's associates as at 31st March, 2018, and their consolidated profit including total comprehensive income, their consolidated cash flows and the statement of changes in equity for the year ended on that date.

Other Matters

1. We did not audit the financial statements of twenty two subsidiaries, whose financial statements reflect total assets of ₹ 5,12,555.16 lakhs as at 31st March, 2018, total revenues of ₹ 84,467.95 lakhs and net cash outflow of ₹ 2,135.66 lakhs for the year ended on that date and of three associates which reflects Group's share of net profit of ₹ 190.41 Lakhs for the year ended march 31, 2018, as considered in the consolidated Ind AS financial statements. These financial statements and other financial information have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements,

in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

2. The comparative financial information of the Group including its associates for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standard (Ind AS), included in these Consolidated Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated May 10, 2017 expressed an unmodified opinion.

   Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on the separate financial statements and the other financials information of subsidiaries and associates, as referred in the 'Other Matters' paragraph, 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 Ind AS financial statements.

b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

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

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2018 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 its associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 42(ii) to (v) to the consolidated Ind AS financial statements.

   ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associates.

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

"Annexure A" to Independent Auditors' Report referred of even date on the consolidated Ind AS Financial Statements.

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 **The Phoenix Mills Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India as of 31st March, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year then ended.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls 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 the respective 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 Act.

Auditor's 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 Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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 controls over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, 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 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 controls 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 Holding Company, its subsidiary companies and its associate companies, 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 31st March, 2018, based on the internal controls 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to separate financial statements of 22 subsidiaries and 3 associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates.

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2018

₹ in Lakhs

	Particulars	Note no.	As at 31st March 2018	As at 31st March 2017
	ASSETS			
1	**Non-current assets**			
	Property, plant and equipment	6	5,29,393.07	4,17,130.15
	Capital work-in-progress	6	50,250.66	32,774.64
	Other Intangible assets	6	252.42	258.92
	Intangible assets under development	6	0.31	72.00
	Goodwill on consolidation		37,106.95	32,727.71
	Financial assets			
	- Investments	7	49,783.67	40,957.40
	- Loan	8	630.39	889.76
	- Other	9	9,004.38	11,641.26
	Deferred tax assets (net)	10	8,477.39	12,517.17
	Other non-current assets	11	19,968.07	11,274.47
	(A)		**7,04,867.31**	**5,60,129.89**
2	**Current assets**			
	Inventories	12	66,149.52	94,549.67
	Financial assets			
	- Investments	13	33,116.71	-
	- Trade receivables	14	12,915.33	14,701.15
	- Cash and cash equivalents	15	3,432.96	6,412.83
	- Bank Balance other than above	16	1,056.89	1,711.37
	- Loans	8	3,164.03	3,397.81
	- Other	9	2,552.59	2,291.18
	Current Tax Assets (net)	17	10,057.77	12,196.33
	Other current assets	11	12,421.35	5,419.74
	(B)		**1,44,867.15**	**1,40,680.08**
	TOTAL ASSETS (A + B)		**8,49,734.46**	**7,00,809.98**
	EQUITY AND LIABILITIES			
1	**Equity**			
	Equity share capital	18	3,062.83	3,061.34
	Other equity	19	2,82,108.09	2,11,944.42
	Equity attributable to the owners		**2,85,170.92**	**2,15,005.76**
	Non-controlling interest		46,610.36	27,965.33
	(A)		**3,31,781.28**	**2,42,971.09**
	Liabilities			
2	**Non-current liabilities**			
	Financial liabilities			
	- Borrowings	20	3,19,719.15	3,10,657.55
	- Trade Payables	21	57.59	388.78
	- Other financial liabilities	22	1,210.55	966.46
	Provisions	23	5,348.17	4,426.15
	Deferred tax liabilities (Net)	24	18.08	-
	Other non-current liabilities	25	35,565.83	28,964.37
	(B)		**3,61,919.37**	**3,45,403.31**
3	**Current liabilities**			
	Financial liabilities			
	- Borrowings	26	25,371.92	24,763.88
	- Trade Payables	21	10,421.56	10,770.89
	- Other financial liabilities	22	77,284.66	30,304.99
	Provisions	23	5,653.71	3,452.03
	Other current liabilities	25	37,289.04	42,590.44
	Current tax Liabilities (net)	27	12.92	553.34
	(C)		**1,56,033.81**	**1,12,435.57**
	TOTAL EQUITY AND LIABILITIES (A+B+C)		**8,49,734.46**	**7,00,809.98**

Significant Accounting Policies and Notes on Financials Statements 1 to 61

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

For and on behalf of the Board of Directors

Ashokkumar R. Ruia
(Chairman & Managing Director)
DIN - 00086762

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Atul Ruia
(Jt. Managing Director)
DIN - 00087396

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Puja Tandon
(Company Secretary)
M.No.A21937

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lakhs

Sr No.	Particulars	Note no.		For the year ended 31st March 2018	For the year ended 31st March 2017
	Income				
I	Revenue from operations	28		1,61,975.14	1,82,460.70
II	Other income	29		5,562.32	4,716.91
III	**Total Income**			**1,67,537.46**	**1,87,177.61**
	Cost of Materials/Construction	30		17,688.19	28,272.88
	Change in Inventory	31		(4,497.78)	(3,608.71)
	Employee Benefits Expenses	32		14,727.24	14,026.05
	Depreciation and Amortisation	6		19,828.16	19,530.73
	Finance Costs	33		34,760.73	42,302.52
	Other Expenses	34		56,319.18	59,076.98
IV	**Total Expenses**			**1,38,825.71**	**1,59,600.46**
V	**Profit before Tax**			**28,711.75**	**27,577.15**
VI	**Tax expense:**	35			
	Current Income Tax		6,872.20		7,925.16
	Minimum Alternate Tax credit entitlement		(3,205.18)		(1,250.06)
	Deferred Tax		3,903.99		1,994.30
	Tax Adjustments of earlier years		8.58	7,579.59	(93.64)
VII	**Profit after tax**			**21,132.16**	**19,001.40**
	Share of Profit/(Loss) in Associates			4,423.01	95.07
VIII	**Profit for the year**			**25,555.17**	**19,096.47**
IX	**Other comprehensive income**				
	a) Item that will not be reclassified to Profit or Loss				
	i) Re-measurment gain of the net defined benefit plans			16.76	(18.02)
	ii) Gain/(Loss) on Equity Instruments at fair value through other comprehensive Income			10,893.58	(53.79)
	iii) Realised Gain on sale of Investments			1,741.76	-
	b) Income Tax relating to the Item that will not be reclassified to Profit or Loss			1.69	10.30
	Other Comprehensive Income/(Loss)			**12,653.78**	**(61.51)**
X	**Total Comprehensive Income for the year (VIII + IX)**			**38,208.95**	**19,034.96**
	Net Profit attributable to				
	a) Owners of the company			24,216.06	16,792.13
	b) Non Controlling Interest			1,339.11	2,304.33
	Other Comprehensive Income attributable to				
	a) Owners of the company			12,648.60	(57.11)
	b) Non Controlling Interest			5.18	(4.40)
	Total Comprehensive Income attributable to				
	a) Owners of the company			36,864.66	16,735.02
	b) Non Controlling Interest			1,344.29	2,299.93
	Basic and Diluted EPS (Face Value ₹2)	41			
	Basic EPS			**15.82**	**10.97**
	Diluted EPS			**15.77**	**10.97**

Significant Accounting Policies and Notes on Financials Statements 1 to 61

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

For and on behalf of the Board of Directors

Ashokkumar R. Ruia
(Chairman & Managing Director)
DIN - 00086762

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Atul Ruia
(Jt. Managing Director)
DIN - 00087396

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Puja Tandon
(Company Secretary)
M.No.A21937

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31ST MARCH, 2018

(₹ In Lakhs)

			2017-2018		2016-2017	
A	**CASH FLOWS FROM OPERATING ACTIVITIES**					
	Net Profit before tax as per the Statement of Profit or Loss			**28,711.75**		**27,577.15**
	Adjustments for :					
	Depreciation		19,828.16		19,530.73	
	(Profit)/Loss on Assets sold/discarded		644.69		778.96	
	Balances in Debtors/Advances written off		7.07		92.55	
	Provision for Doubtful Debts and Advances		467.16		1,120.35	
	Interest Expenses		34,760.73		42,302.52	
	Interest Income		(1,675.74)		(3,212.82)	
	Dividend Income		(140.13)		(41.29)	
	Profit on sale of Investments		(2,060.12)		(368.46)	
	Net gain arising on financial assets measured at FVTPL		(1,219.58)		(96.62)	
	Compensation on relinquishment of rights		-		(24.69)	
	Balances written back		(21.76)		(440.97)	
				50,590.48		59,640.26
	Operating Cash flow before working capital changes			**79,302.22**		**87,217.41**
	Adjustment for Working Capital changes :					
	Trade and other Receivables		(10,811.61)		27,414.63	
	Inventories		28,400.15		37,846.52	
	Trade and other Payables		56,957.17		(6,217.47)	
				74,545.71		59,043.68
	Cash generated from Operations			**1,53,847.93**		**1,46,261.09**
	Direct Taxes Paid			(2,077.47)		(4,375.63)
	Net Cash from Operating Activities	A		**1,51,770.46**		**1,41,885.46**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**					
	Purchases of Property, Plant & Equipments		(1,50,149.18)		(18,468.81)	
	Sale of Property, Plant & Equipments		15.57		-	
	Inter Corporate Deposits & Loans (placed)/refunded (Net)		493.16		4,518.01	
	Purchase of other Investments		(6,835.11)		(26,791.65)	
	Purchase of Mutual Funds		(1,68,834.23)			
	Sale of Mutual Funds		1,39,116.66			
	Sale of other Investments		2,431.85		2,503.81	
	Interest Received		1,133.67		2,841.78	
	Dividend Received		140.13		41.29	
	Net Cash generated from/(used in) Investing Activities	B		**(1,82,487.47)**		**(35,355.57)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**					
	Proceeds from long term borrowings		1,63,556.57		49,037.97	
	Repayment of long term borrowings		(1,60,067.72)		(76,389.76)	
	Short term loans availed / (repaid)(Net)		608.04		444.85	
	Interest paid		(35,163.51)		(43,206.96)	
	Proceeds from Shares issue to Non Controlling Shareholders		62,975.28		(40,072.85)	
	Issue of Equity Share		247.16		215.69	
	Dividend paid (including tax on Dividend)		(4,418.68)		(828.60)	
	Net Cash generated from/(used in) Financing Activities	C		**27,737.14**		**(1,10,799.66)**
D	**Net Increase/(Decrease) in Cash and Cash Equivalents**	A+B+C		**(2,979.87)**		**(4,269.77)**
	Cash and Cash equivalents at the beginning of the year			**6,412.83**		**10,682.60**
	Cash and Cash equivalents at the end of the year (Refer Note No. 15)			**3,432.96**		**6,412.83**

Notes:-

1 **Components of cash and cash equivalents:**

Cash on hand	39.96	29.23
Balance with scheduled bank	3,393.00	6,383.60
	3,432.96	**6,412.83**

2 **Change in liability arising from financing activities:**

	1st April 2017	Cash flow	31st March 2018
Borrowings - Non current	3,10,657.55	9,061.59	3,19,719.15
Borrowings - Current	27,132.28	(5,572.74)	21,559.53

Significant Accounting Policies and Notes on Financials Statements 1 to 61

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashokkumar R. Ruia
(Chairman & Managing Director)
DIN - 00086762

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Ashish G. Mistry
Partner
M. No. 132639

Atul Ruia
(Jt. Managing Director)
DIN - 00087396

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Puja Tandon
(Company Secretary)
M.No.A21937

Place: Mumbai
Dated : 08th May 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED ON 31ST MARCH, 2018

(a) Equity share capital

(₹ In Lakhs)

Particulars	As at 1st April, 2016	Changes in equity share capital during the year	As at 31st March, 2017	Changes in equity share capital during the year	As at 31st March, 2018
Equity Share Capital	3,059.78	1.56	3,061.34	1.49	3,062.83

(b) Statement of changes in Other equity

(₹ In Lakhs)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income		Total Other Equity	Non Controling Interest	Total
	Capital Reserve	Securities Premium	General Reserve	Share based payment reserve	Retained earning	Re-measurment gain of the net defined benefit plans	Gain/(Loss) on Equity instruments at fair value			
Balance as at 1st April, 2016	**185.25**	**1,34,325.83**	**22,918.36**	**42.56**	**41,993.43**	**19.91**	**185.34**	**1,99,670.68**	**47,894.11**	**2,47,564.79**
Securities Premium On Issuse of Shares	-	214.13	-	-	-	-	-	214.13	-	214.13
Final Dividend	-	-	-	-	(688.45)	-	-	(688.45)	-	(688.45)
Tax on Dividend	-	-	-	-	(140.15)	-	-	(140.15)	-	(140.15)
ESOPs Cost for the year	-	-	-	295.56	-	-	-	295.56	-	295.56
Profit for the year	-	-	-	-	16,792.13	-	-	16,792.13	2,304.33	19,096.46
Other Comprehensive Income	-	-	-	-	-	1.61	(58.72)	(57.11)	(4.40)	(61.51)
Impact of Acquisition/Disposal/ Change in Controling Interest	-	-	-	-	(4,148.64)	-	6.27	(4,142.37)	(22,228.71)	(26,371.03)
Balance as at 31st March, 2017	**185.25**	**1,34,539.96**	**22,918.36**	**338.12**	**53,808.32**	**21.52**	**132.89**	**2,11,944.42**	**27,965.33**	**2,39,909.80**
Securities Premium On Issuse of Shares	-	245.66	-	-	-	-	-	245.66	-	245.66
Final Dividend	-	-	-	-	(3,670.75)	-	-	(3,670.75)	-	(3,670.75)
Tax on Dividend	-	-	-	-	(747.94)	-	-	(747.94)	-	(747.94)
ESOPs Cost for the year	-	-	-	612.61	-	-	-	612.61	-	612.61
Profit for the year	-	-	-	-	24,216.06	-	-	24,216.06	1,339.11	25,555.17
Other Comprehensive Income	-	-	-	-	-	-	12,648.60	12,648.60	5.18	12,653.78
Impact of Acquisition/Disposal/ Change in Controling Interest	-	-	-	-	36,851.98	7.45		36,589.43	17,300.74	54,160.12
Balance as at 31st March, 2018	**185.25**	**1,34,785.62**	**22,918.36**	**950.73**	**1,10,457.67**	**28.97**	**12,809.71**	**2,82,108.09**	**46,610.36**	**3,28,718.45**

Significant Accounting Policies and Notes on Financials Statements 1 to 61

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

For and on behalf of the Board of Directors

Ashokkumar R. Ruia
(Chairman & Managing Director)
DIN - 00086762

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Atul Ruia
(Jt. Managing Director)
DIN - 00087396

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Puja Tandon
(Company Secretary)
M.No.A21937

1. Corporate and General Information

The Phoenix Mills Ltd ("PML" or "Parent") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is at 462 Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India.

Group is engaged in operation and management of mall, construction of commercial and residential property, hotel business in India.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting dated 8th May, 2018.

2. Basis of Preparation of Financial Statement

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes to Financial Statements. The accounting policies have been applied consistently over all the periods presented in this consolidated financial statement.

3. Significant Accounting Policies

3.1. Basis of Measurement

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except following which have been measured at fair value:

- Defined benefit plans – plan assets measured at fair value
- Certain financial assets and liabilities that is measured at fair value.
- Share based payments measured at fair value.

The consolidated financial statements are presented in Indian Rupees, which is the Group's functional currency and all amounts are rounded to the nearest rupees in lakhs

3.2. Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries and associates. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

Consolidation Procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

c) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d) Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

e) All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

f) Carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity are eliminated. Business combinations policy explains how the related goodwill is accounted at the time of acquisition of subsidiary.

g) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

h) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures. The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

3.3. Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree 's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities recognized and contingent liabilities assumed. In the case of bargain purchase, resultant gain is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's identifiable net assets.

3.4. Property, Plant and Equipment

Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes the costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Leasehold land is amortized over the period of lease. Depreciation on other fixed assets (excluding land and lease land in perpetuity) is provided on written down value method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period. In some of the Subsidiaries, the Depreciation is provided on the straight line method as per the useful life specified in schedule II to the Companies Act, 2013, in the manner state therein.

High end operating supplies acquired prior to commencement of the hotel operations and opening of new restaurants / outlets are considered as a part of fixed assets and are depreciated over a period of three years on straight line method.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

3.5. Intangible Assets

Identifiable intangible assets are recognized a) when the Group controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Group and c) the cost of the asset can be reliably measured.

Intangible Assets comprising Computer software, License & Franchise and acquired goodwill are amortised over the period not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

3.6. Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i) Initial recognition and measurement:
At initial recognition, the group measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

ii) Subsequent recognition and measurement:
Subsequent measurement of financial asset depends on the group's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

- **Debt instrument at amortised cost:**
  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**
  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the statement of profit & loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Debt instrument at fair value through profit and loss (FVTPL):**
  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Equity instruments:**
  All equity instruments other than in associates are initially measured at fair value. Any subsequent fair value gain / loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

- **Investment in Associates:**
  The Group has accounted for its Investment in associates at cost.

iii) Derecognition:

A financial asset is primarily derecognised i.e. removed from Group's financial statements when:

- The rights to receive cash flows from asset have expired, or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

a) The Group has transferred substantially all the risks and rewards of the assets,

b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

iv) Trade receivables:

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at fair value less provision for impairment. For some trade receivables, the Group may obtain security in the form of security deposit which can be called upon if the counterparty is in default under the terms of the agreement.

Financial Liabilities:

i) Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit & loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Financial liabilities at amortised cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit & loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

iii) Trade and other payables:

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

iv) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.7. Impairment of Assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use).

Impairment of Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each legal entity based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Non – Financial Asset:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Impairment of Financial asset:

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Group follows 'simplified approach' for recognition of impairment loss allowance on

- *Trade receivables or contract revenue receivables.*

  The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

  The Group uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

  For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

  Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

3.8. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9. Inventories

Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

Cost of realty construction / development includes all costs directly related to the project and other expenditure as identified by the management which are incurred for the purpose of executing and securing the completion of the Project (net off incidental recoveries/receipts).

Stock of food, beverages, stores and operating supplies are valued at lower of cost (computed on weighted average basis) and net realizable value.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.10. Foreign currency transactions:

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non-monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit or loss, except in respect of long term foreign currency monetary items which are outstanding as on transition date, where the group has availed the optional exemption under Ind AS 101 for capitalization of exchange difference to the cost of property, plant & equipment and intangible assets.

3.11. Classification of assets and liabilities as current and non – current:

The Group presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,
b) It is held primarily for the purpose of trading,
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.12. Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

3.13. Revenue recognition

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from license fees and other operating services

Revenue from license fees and other operating services are recognised on a straight line basis over the license terms, except where the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary operating cost increases.

Revenue from sale of properties

Revenue from sale of properties under construction is recognized on the basis of percentage of completion method subject to transfer of significant risk and rewards to the buyer and outcome of the real estate project can be estimated reliably. Percentage of completion is determined with reference to the entire project cost incurred versus total estimated project cost determined based upon the judgment of management. Accordingly, cost of construction / development is charged to Statement of Profit and Loss in proportion to the revenue recognized during the year and balance costs are carried as part of 'Project Work in Progress' under inventories. Amounts receivable/received are reflected as Debtors/Advances from Customers, respectively, after considering income recognized in the aforesaid manner. The estimates of saleable area and costs are revised periodically by the management and are considered as change in estimate accordingly, the effect of such changes to estimates is recognized in the year when such changes are determined.

Revenue from sale of completed properties (Finished Realty Stock) is recognised upon the transfer of significant risks and rewards to the buyer.

Revenue from hotel component of sale of rooms, foods and beverages

Revenue from hotel component of sale of rooms, banquets, foods and beverages, allied services relating to hotel operations are recognized upon rendering of the services. Sales and services are recorded inclusive of excise duty (wherever applicable) and net of sales tax, service tax, goods and service tax and luxury tax. Revenue yet to be billed is recognised as unbilled revenue. Initial non-refundable membership fee is recognised as income over the period of validity of membership which reflects the expected utilization of membership benefits. Annual membership fees are recognised as income on time proportion basis. Contribution to customer loyalty programs calculated as per agreed percentages of qualifying revenues are accounted on accrual basis and the same is reduced from the revenue.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised when the right to receive the payment is established.

3.14. Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

3.15. Employee Benefits

(i) *Short-term Employee benefits:*

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

(ii) *Post-employment benefits*

a. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Group contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund and Employee State Insurance Scheme. The Group's contribution to defined contribution plans are recognised in the statement of profit & loss in the period in which the employee renders the related services.

b. Defined benefit plan

The Group has defined benefit plans comprising of gratuity. Group's obligation towards gratuity liability is funded and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit & loss in subsequent periods.

The expected return on plan assets is the Group's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date.

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

(iii) *Other long-term benefits*

The Group's employees have other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognised immediately in the statement of profit & loss as income or expense.

Gains or losses on the curtailment or settlement of other long-term benefits are recognised when the curtailment or settlement occurs.

(iv) *Share-based payments*

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit & loss, with a corresponding adjustment to other equity.

3.16. Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.17. Provisions and contingencies

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities' interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.18. Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Use of significant accounting estimates, judgments and assumptions

In the process of applying the Group's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statements:

(a) Depreciation and useful lives of Property, Plant and Equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

(b) Investment Property

Management has assessed applicability of Ind AS 40- Investment property to the property held to earn income from licensee fees. In assessing such applicability, management has considered the ownership of assets, terms of license agreement, various services provided to the licensee etc. The Group considers these other services as significant in addition to the License fees charged. Based on such assessment, the management has considered the mall property as owner-occupied property and hence classified as Property, Plant & Equipment.

(c) Recoverability of trade receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The Group uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(d) Defined Benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(e) Treatment of Security Deposit for Lease Rentals

In assessing the applicability of Ind AS 32-Financial Instruments to security deposits received, the management has considered the substance of the transactions, terms and conditions of agreement and historical experience to conclude whether such security deposits meet the criteria of a financial liability. These deposits are primarily intended to secure compliance of the licensees' obligations under the agreement and have no bearing on the license fees charged. Further, there is no contractual obligation to deliver cash or other financial asset to the licensees and can be adjusted against the dues, if any and therefore these have been treated as non- financial liability.

(f) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(g) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. They are continuously evaluated.

(h) Fair Value measurement

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

5. Standards Issued but not Effective:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

ii) Ind AS 40 - Investment Property (Not applicable to the company)

iii) Ind AS 12 - Income Taxes

iv) Ind AS 28 - Investments in Associates and Joint Ventures and

v) Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

Note 6

PORPERTY, PLANT & EQUIPMENT

₹ in Lakhs

	Tangible Assets						Intangible Assets		Total	Capital Work In Progress	Intangible Assets under Development
	Freehold Land	LeaseHold Land	Building	Plant and Machinery	Motor Car, Lorries & Vehicles	Office Furniture & Equipments	Software	Goodwill (Acquired)	Licenses & Franchises			
Gross Block												
As At 1st April 2016	**59,323.88**	**697.61**	**3,14,940.99**	**70,301.63**	**860.64**	**56,561.11**	**696.97**	**17.05**	**10.50**	**5,03,410.38**		
Addition	1,752.89	-	46,641.84	2,049.26	203.25	6,034.29	32.28	-	-	56,713.81		
Adjustments/Deletions	6,742.56	-	36,487.44	12,025.97	44.72	3,381.71	38.32	17.05	-	58,737.77		
As at 31st March 2017	**54,334.21**	**697.61**	**3,25,095.39**	**60,324.92**	**1,019.17**	**59,213.69**	**690.93**	**-**	**10.50**	**5,01,386.42**		
Addition	87,307.64	-	36,520.50	2,737.33	116.75	6,387.70	120.40	26.16	-	1,33,216.48		
Adjustments/Deletions	-	-	839.97	226.36	60.52	204.89	62.85	-	-	1,394.59		
As at 31st March 2018	**1,41,641.85**	**697.61**	**3,60,775.92**	**62,835.89**	**1,075.40**	**65,396.50**	**748.48**	**26.16**	**10.50**	**6,33,208.31**		
Accumulated Depreciation												
As At 1st April 2016	**-**	**49.45**	**31,791.36**	**16,739.49**	**425.80**	**18,883.96**	**343.57**	**6.82**	**0.88**	**68,241.33**		
Depreciation charge for the year	-	-	7,255.35	5,347.25	135.69	6,714.29	66.90	10.23	1.02	19,530.73		
Deductions / Adjustments	-	-	2,019.91	2,275.48	1.66	(509.25)	(30.14)	17.05	-	3,774.71		
As at 31st March 2017	**-**	**49.45**	**37,026.80**	**19,811.26**	**559.83**	**26,107.50**	**440.61**	**-**	**1.90**	**83,997.35**		
Depreciation charge for the year	-	-	8,174.85	4,649.45	128.74	6,722.06	152.04	-	1.02	19,828.16		
Deductions / Adjustments	-	-	29.84	79.43	23.30	67.27	62.85	-	-	262.69		
As at 31st March 2018	**-**	**49.45**	**45,171.81**	**24,381.28**	**665.27**	**32,762.29**	**529.80**	**-**	**2.92**	**1,03,562.82**		
Net Book Value												
As at 31st March 2018	**1,41,641.85**	**648.16**	**3,15,604.11**	**38,454.61**	**410.13**	**32,634.21**	**218.68**	**26.16**	**7.58**	**5,29,645.49**	**50,250.66**	**0.31**
As at 31st March 2017	54,334.21	648.16	2,88,068.59	40,513.66	459.34	33,106.19	250.32	-	8.60	4,17,389.07	32,774.64	72.00

NOTES-

(i) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 20 (A) and Note 26

(ii) Capital Work in Progress includes pre-operative expenses of ₹ 3,370.14 lakhs (31st March 2017 ₹ ₹ 3,324.24 lakhs)

(iii) Building Includes 10 shares in Sukhsagar Premises Co-op. Society Ltd. of 10 each

NOTE 7

NON CURRENT INVESTMENTS

(₹ In Lakhs)

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
A INVESTMENTS MEASURED AT COST				
1. INVESTMENT IN EQUITY INSTRUMENTS				
In Associates				
Equity shares of ₹ 10/- each fully Paid up, unless otherwise stated.				
5,208 (P.Y. 5,208) Classic Housing Projects Pvt. Ltd.	1,408.28		1,392.58	
2,500,000 (P.Y. 2,500,626) Star Board Hotels Pvt. Ltd.	125.13		378.47	
5,000 (P.Y. 5,000) Mirabel Entertainment Pvt Ltd.	5.79		13.03	
38,49,058 (P.Y. 3,709,416) - Classic Mall Development Pvt. Limited	25,167.02		18,172.72	
5,000 (P.Y. Nil) Columbus Investment & Advisory Pvt Ltd	56.90		-	
		26,763.12		19,956.80
2. INVESTMENT IN DEBENTURES				
In Associates				
a) Compulsorily Fully Convertible Debentures (CCD) of ₹ 100 /- each fully paid up				
7,000 (P.Y. 7,000) CCD's in Mirabel Entertainment Pvt Ltd.	7.00		7.00	
351,564 (P.Y. 351,564) CCD's in Star Board Hotels Pvt Ltd.	351.56		351.56	
1,383,999 (P.Y. 1,383,999) 0.0001% - Star Board Hotels Pvt Ltd	1,384.00		1,384.00	
		1,742.56		1,742.56
b) Optionally Convertible Debentures (OCD) of ₹ 100 /- each fully paid up			-	
3,00,000 (P.Y. 300,000), 0.001% Series B Optionally Convertible Debentures in Classic Housing Projects Pvt. Ltd.	300.00		300.00	
1,20,000 (P.Y. 120,000) 0.001% Series C Optionally Convertible Debentures in Classic Housing Projects Pvt. Ltd.	120.00		120.00	
		420.00		420.00
B INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS				
INVESTMENT IN EQUITY INSTRUMENTS OF FACE VALUE ₹ 10/- EACH FULLY PAID UP UNLESS OTHERWISE STATED				
36,325 (P.Y. 36,325) - I.C.I.C.I. Bank Limited - face value of ₹ 2 each **	101.13		100.66	
20 (P.Y. 20) Clariant Chemicals (India) Ltd.	0.11		0.14	
		101.24		100.80
C INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Equity shares of ₹ 10/- each fully Paid up, unless otherwise stated.				
36,86,484 (P.Y. 36,86,484) Galaxy Entertainment Corporation Ltd.	626.30		707.80	
1,620,551 (P.Y. 1,949,090) Graphite India Limited face value of ₹ 2 each	4,038.33		2,186.88	
584,726 (P.Y. 584,726) GKW Limited	11,008.63		2,575.10	
10 (P.Y. 10) Treasure World Developers Pvt. Ltd.	0.09		0.09	
25,356,940 (P.Y. 25,356,940) Entertainment World Developers Ltd (Refer Note No. 47)	5,792.70		5,792.70	
5,000 (P.Y. 5000) Bartraya Mall Development Co. Pvt. Ltd	0.50		0.50	
2,500,000 (P.Y. 2,500,000) Galaxy Entertainment India Pvt Ltd.	250.00		250.00	
80 (P.Y. 80) ordinary shares of ₹ 25/- each -fully paid of Rashtriya Mazdoor Madhyavarti Sahakari Grahak Sangh (Maryadit)	0.02		0.02	
1,000 (P.Y. 1000) The Cosmos Co-operative Bank Ltd Shares of ₹ 100 Each fully paid	1.00		1.00	
5,000 (P.Y. 5000) The Saraswat Co-op Bank Ltd.	0.50		0.50	
		21,718.07		11,514.59

(₹ In Lakhs)

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
Investments In Preference Shares				
1,000,000 (P.Y. 1,000,000) 7% Cumulative Optionally Convertible Preference Shares fully paid up of Galaxy Entertainment India Pvt Ltd.	100.00		100.00	
250,000 (P.Y. 250,000) 7% Cumulative Optionally Convertible Preference Shares each Re. 0.50 paid up of Galaxy Entertainment India Pvt Ltd.	1.25		1.25	
50,000 (P.Y. 50,000) 10.50% Perpetual Non-cumulative Preference shares of ₹ 10 each in The Saraswat Co-Operative Bank Limited	5.00		5.00	
		106.25		106.25
Investments in Debentures				
a) Compulsorily Fully Convertible Debentures				
66,500 (P.Y. 66500) 0.0001% - Phoenix Retail Pvt. Limited - Face value ₹ 100 each.	66.50		66.50	
38,545 (P.Y. 38,545) 0.0001% - Vigilant Developers Pvt. Limited - Face value ₹ 100 each.	38.55		38.55	
4,000 (P.Y. 4,000) CCD's in ACME Hospitality Services Pvt Ltd. - Face value ₹ 100 each.	4.00		4.00	
Nil (P.Y. 7,000) Insight Hotels & Leisure Pvt. Ltd. - Face value ₹ 100 each. (Subsidiary with effect from 05/05/2017)	-		7.00	
34,000 (P.Y. 34,000) 0.0001% - Escort Developers Pvt Limited - Face value ₹ 100 each.	34.00		34.00	
100,000,000 (P.Y. 100,000,000) Treasure World Developers Pvt. Ltd. - Face value ₹ 10 each. (refer note no. 47)	10,000.00		10,000.00	
		10,143.05		10,150.05
b) Optionally Convertible Debentures				
Nil (P.Y. 61,000,000) 0.0001% Optionally Convertible Debentures of ₹ 10 each Fully paid in Insight Hotels Leisures Pvt Ltd.	-		6,100.00	
Nil (P.Y. 21,000,000) 0.0001% Optionally Convertible Debentures of ₹ 10 each fully paid in Roomy Construction Company Pvt Ltd.	-		2,100.00	
25,000 (P.Y. Nil) 0.0001% Optional Fully Convertible Debentures of ₹ 100 each fully paid Up UPAL Hotels Pvt Ltd.	25.00		-	
		25.00		8,200.00
D INVESTMENT IN CAPITAL OF PARTNERSHIP FIRM (MEASURED AT COST)				
Phoenix Construction Company		188.67		190.65
E OTHERS				
7 years - National Savings Certificates		0.70		0.70
(Deposited with State Government and other authorities as security)				
		61,208.67		**52,382.40**
Less: Aggregate provision for diminution in value of investments (Refer Note No. 47)		(11,425.00)		(11,425.00)
Total Non- Current Investments		**49,783.67**		**40,957.40**

₹ in Lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017
1. Aggregate value of Quoted Investments:		
Book Value	15,774.50	5,570.58
Market Value	15,774.50	5,570.58
2. Aggregate book value of other Unquoted Investments:	**45,434.17**	**46,811.82**

** Out of 36,325 shares, 9,975 shares are held by a Bank in their name as security

48.19% shares of Classic Mall Developments Private Limited are held subject to a non-disposal undertaking to the lender bank stating that it shall not dispose / transfer / pledge /encumber these shares owned/held in the company until the loans taken by these companies are fully repaid to the bank Investments in Equity Shares of Classic Mall Development Company Pvt Ltd includes cost of ESOP granted to employees of ₹ 13.11 lakhs (P.Y. ₹ 7.10 lakhs)

₹ in Lakhs

Category wise Non Current Investments	As at 31st March, 2018	As at 31st March, 2017
Financial Assets Measured at Cost	29,114.36	22,310.02
Financial Assets Measured at Fair value through Other Comprehensive Income	31,993.07	29,971.58
Financial Assets Measured at Fair value through Profit & Loss account	101.24	100.80
Total	**61,208.67**	**52,382.40**

Note 7.1 Investments in Associates includes cost of ESOP granted to employees of respective Associates as under :

₹ in Lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017
Classic Mall Developers Company Pvt Ltd	13.11	7.10
	13.11	**7.10**

NOTE 8

FINANCIAL ASSETS- LOANS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Inter Corporate Loans and Deposits				
Unsecured, Considered good				
With related parties #	-	21.25	259.51	-
With Others				
Considered good	330.39	3,142.78	630.25	3,397.81
Considered doubtful	-	757.25	-	-
		3,900.03	-	-
Less : Provision for doubtful receivables	-	(757.25)	-	-
	-	3,142.78	-	-
Other Loans				
Other Advance	300.00	-	-	-
	630.39	**3,164.03**	**889.76**	**3,397.81**

Refer Note no. 40

NOTE 9

OTHER FINANCIAL ASSETS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Fixed Deposit with Bank (Maturity more than 12 Months)*	8,163.58	-	11,410.42	-
Interest accrued but not due on Fixed Deposit	823.55	114.39	100.84	152.43
Interest accrued on Investments	-	1,451.48	-	1,432.51
Interest accrued on ICD's	-	276.10	-	437.67
Unbilled revenue	-	672.66	-	268.57
Deposits	17.25	37.96	130.00	-
	9,004.38	**2,552.59**	**11,641.26**	**2,291.18**

* Fixed Deposits of The Phoenix Mills Ltd of ₹ 4102.17 Lakhs (P.Y. ₹ 3,817.63 Lakhs) earmarked towards maintenance of DSRA as per loan agreement and Fixed deposits of ₹ 42.54 Lakhs (P.Y. ₹ 42.54 Lakhs) is given as security for bank guarantee.

* Deposit of Offbeat Developers Pvt Ltd of ₹ Nil (P.Y. ₹ 2,000 lakhs) earmarked toward maintenance of DSRA.

* Deposit of Pallazzio Hotel & Leisure Ltd of ₹ 570.41 lakhs (P.Y. ₹ 2,228.24 lakhs) earmarked for EPCG license, liquor license and bank guarantee given to pollution control board & electricity distribution company.

* Fixed deposit of Palladium constructions pvt Ltd of ₹ 113.92 lakhs (P.Y ₹ 113.92 lakhs) Furnished as Bank Guarantee to the Karnataka VAT Authorities towards the tax demand for Financial Year 2013-14.

* Deposit of Upal Developers Pvt Ltd of ₹ 3 lakhs (P.Y ₹ Nil) Given as security for Bank Guarantee.

* Deposit of Upal Developers Pvt Ltd of ₹ 357 lakhs (P.Y. ₹ 357 lakhs) earmarked toward maintenance of DSRA.

NOTE 10

DEFERRED TAX ASSETS (NET)

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Deferred Tax Assets				
Disallowance under the Income Tax Act. 1961	2,301.90		5,286.05	
Carry Forward of Losses & Depreciation	9,277.99		7,243.25	
		11,579.99		12,529.30
Deferred Tax Liability				
Related to Fixed Assets	(2,747.36)	-	(12.13)	-
Fair value of gain on Investment	(355.14)	(3,102.50)	-	(12.13)
		8,477.39		**12,517.17**

NOTE 11

OTHER NON FINANCIAL ASSETS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	**Current**	**Non Current**	**Current**
(Unsecured Considered Good)				
Capital Advances				
With Related Party #	20.00	-	2,207.71	-
Others	7,096.94	-	639.56	-
Deposits				
Deposits with related parties #	5,517.75	-	471.42	-
Security Deposits	1,028.84	39.50	1,005.27	229.69
Other Deposits	720.78	-	307.14	-
Others				
Advances recoverable in cash or kind	3,044.80	643.46	3,871.51	702.39
Prepaid Expenses	82.87	697.48	0.50	738.14
Advance to Vendors	397.19	2,786.86	471.82	1,265.41
Balance with statutory/government authorities	2,058.90	8,254.05	2,299.54	2,484.11
	19,968.07	**12,421.35**	**11,274.47**	**5,419.74**

Refer Note no. 40

NOTE 12

INVENTORIES

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Realty Work- In- Progress	43,192.13		65,655.76	
Finished Realty Stock	22,414.19		28,361.22	
Food & Beverages	543.10		505.24	
Stores and spares	0.10	66,149.52	27.45	94,549.67
		66,149.52		**94,549.67**

NOTE 13

CURRENT INVESTMENTS (MEASURED AT FAIR VALUE THROUGH PROFIT & LOSS)

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
2,083,953.142 Units (P.Y. Nil) of Aditya Birla Sun Life Floating Rate Fund Short Term – Growth Regular Plan	4,815.46		-	
677,019.567 Units (P.Y. Nil) of India Bulls Liquid Fund- Existing Plan – Growth	11,439.32		-	
2,595,909.979 Units (P.Y. Nil) of JM High Liquidity Fund - Growth Option	1,229.84		-	
50,972.207 Units (P.Y. Nil) of Invesco India Ultra Short Term Fund – Growth	1,215.02		-	
147,316.88 Units (P.Y. Nil) of L&T Liquid Fund - Regular Growth	3,499.98		-	
72,399.15 Units (P.Y. Nil) of Kotak Floater Short Term- Growth (Regular Plan)	2,059.45		-	
91,366.236 Units (P.Y. Nil) of Principal Cash Management Fund - Regular Plan Growth	1,540.81		-	
58,950.099 Units (P.Y. Nil) of Edelweiss Liquid -Fund Regular Plan Growth	1,309.66		-	
48,284.414 Units (P.Y. Nil) of Reliance Liquid Fund- Treasury Plan - Growth Plan - Growth Option	2,038.69		-	
116271.987 Units (P.Y. Nil) of Invesco India Liquid Fund	2,771.55		-	
61709.476 Units (P.Y. Nil) of UTI Money Market Fund	1,196.93		-	
		33,116.71		-
		33,116.71		-

NOTE 14

TRADE RECEIVABLES

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Unsecured				
Considered good #	12,915.33		14,701.15	
Considered doubtful	2,495.96		3,778.00	
Less : Provision for Doubtful receivables	(2,495.96)		(3,778.00)	
		12,915.33		14,701.15
		12,915.33		**14,701.15**

Trade Receivables include ₹ Nil (P.Y. ₹ 11.74 Lakhs) from private companies in which a director is a director / Member

NOTE 15

CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Cash on hand	39.96		29.23	
Balances with banks				
In Current Accounts	3,202.02		5,825.25	
In Fixed Deposits				
Deposits with original maturity of less than three months	5.00		381.85	
In dividend account	185.24		176.50	
Cheques on hand	0.74		-	
		3,432.96		6,412.83
		3,432.96		**6,412.83**

NOTE 16

BANK BALANCE OTHER THAN ABOVE

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
In Fixed Deposits				
Deposits with original maturity of more than three months and less than One Year #	1,056.89		1,711.37	
		1,056.89		1,711.37
		1,056.89		**1,711.37**

Fixed Deposit of Offbeat Developers Pvt Ltd of ₹ Nil (P.Y. ₹ 290.63 lakhs) earmarked toward maintaining of DSRA as per loan agreement with IndusInd Bank and Fixed Deposit of ₹ 68.66 lakhs (P.Y. ₹ 230.33 lakhs) given as security for Bank gurantee.
Term Deposit of Island star mall private limited of ₹ 15.34 lakhs (P.Y ₹ 14.06 lakhs) earmarked to Bank Guarantee given to Joint Commissioner of Commercial Taxes (Appeals) at Bangalore for disputed tax demand.
Fixed Deposit of Upal Developers private limited of ₹ 21.24 lakhs (P.Y ₹ 19.95 lakhs) given as security for bank guarantee.

NOTE 17

CURRENT TAX ASSETS (NET)

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Advance income tax (net of provision)	9,280.82		9,921.99	
Minimum Alternate Tax Credit Receivable	776.95		2,274.34	
		10,057.77		12,196.33
		10,057.77		**12,196.33**

NOTE 18

SHARE CAPITAL

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Authorised		
225,000,000 Equity Shares (P.Y. 225,000,000) of ₹ 2 each	4,500.00	4,500.00
Issued, subscribed and paid up		
153,141,740 Equity Shares (P.Y. 153,066,907) of ₹ 2 each	3,062.83	3,061.34
	3,062.83	**3,061.34**

Note 18.1

RECONCILIATION OF NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

	As at 31st March, 2018	As at 31st March, 2017
Equity Shares outstanding at the beginning the year	15,30,66,907	15,29,88,852
Add : Issued during the year on exercise of employee options	74,833	78,055
Shares outstanding at the end of the year	**15,31,41,740**	**15,30,66,907**

Note 18.2 Terms and Rights attached to equity shareholders:-

The Company has only one class equity shares having face value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. Equity shareholder are also entitled to dividend as and when proposed by the Board of Directors and approved by Share holders in Annual General Meeting. 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 ll preferential amounts which shall be in proportion to the number of shares held by the shareholders.

Note 18.3 Shares in the Company held by each shareholder holding more than 5 % Shares

Particulars	31st March, 2018		31st March, 2017	
Name of Shareholder	**Number of shares**	**% of Holding**	**Number of shares**	**% of Holding**
Ruia International Holding Company Private Limited	4,93,47,248	32.22	4,93,47,248	32.24
Senior Holdings Private Limited.	1,54,90,049	10.11	1,54,90,049	10.12
Radhakrishna Ramnarain Private Limited.	1,16,67,800	7.62	1,16,67,800	7.63
Ashok Apparels Private Limited.	96,70,665	6.31	96,70,665	6.32

Note 18.4 Issue of shares for ESOP - PML

During the period of five years immediately preceding reporting date, the company has issued total 3,04,388 shares (2017:229,555 Shares) on exercise of options granted under the Employees Stock Options (ESOP), wherein part consideration was received in the form of employee services.

NOTE 19

OTHER EQUITY

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Capital Reserves				
As per Last Balance Sheet		**185.25**		185.25
General Reserve				
As per Last Balance Sheet		**22,918.36**		22,918.36
Securities Premium Account				
As per Last Balance Sheet	1,34,539.96		1,34,325.83	
Add:- On Issue of Shares	245.66		214.13	
		1,34,785.62		1,34,539.96
Share Based Payment Reserve				
As per last Balance Sheet	338.12		42.56	
Add: ESOPs Cost for the year	612.61		295.56	
		950.73		338.12
Retained Earnings				
Surplus/(defecit) in the Statement of profit and loss				
As per Last Balance Sheet	53,808.32		41,993.43	
Net Profit for the year	24,216.06		16,792.13	
Impact of Acquisition/Disposal/Change in Controlling Interest	36,851.98		(4,148.59)	
Final Dividend (₹ 2.40/- Per share) (P.Y. ₹ 2.20/-)	(3,670.75)		(688.45)	
Tax on Dividends	(747.94)		(140.15)	
		1,10,457.67		53,808.32
Other Comprehensive Income				
As per Last Balance Sheet	154.41		205.25	
Movement in OCI (net)during the year	12,648.60		(57.11)	
Impact of Acquisition/Disposal/Change in Controlling Interest	7.44	**12,810.46**	6.27	154.41
Total Other Equity		**2,82,108.09**		**2,11,944.42**

Nature & Purpose of Reserves & Surplus

1) Capital Reserve: Capital reserve represents reserve created pursuant to the business combinations upto year end.

2) Securities Premium Reserve: Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

3) Share Based Payment Reserve: Reserve relates to stock options granted by the Group to employees under an employee stock options plan.

4) General Reserve: General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

NOTE 20

BORROWINGS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Secured				
Loans from Financial Institution	15,908.50	433.97	8,649.43	520.73
Loans from Banks	2,95,563.75	20,274.56	2,93,571.60	26,611.55
Vehicle Loans	12.05	851.00	25.07	-
Unsecured				
0.0001% Series A Optionally Convertible Debentures of ₹ 100 each	-	-	176.60	-
Zero Coupon Non Convertible Fully Redeemable Non Transferable Debentures series "F"	2,300.00	-	2,300.00	-
Optionally Fully Convertible Unsecured Debentures (OFCD) "Series I"	5,934.85	-	5,934.85	-
Less: Amount disclosed under the head "Other Current Liabilities" (Note 22)	-	(21,559.53)	-	(27,132.28)
	3,19,719.15	**-**	**3,10,657.55**	**-**

A) (i) Loans of ₹ 70,452.92 Lakhs (P.Y ₹ 64,808.35 Lakhs) of The Phoenix Mills Limited by Equitable Mortgage of deposit of Title deeds in respect of certain immovable properties situated at High Street Phoenix, Senapati Bapat Marg , Lower Parel, Mumbai and by hypothecation of rentals receivable from licencees.

(ii) Loans of ₹ 56,575.90 Lakhs (P.Y ₹ 62,573.29 Lakhs)for Pallazzio Hotels & Leisure Limited, are secured by Equitable Mortgage of deposit of title deeds in respect of certain immovable properties goods, movable properties, including movable machinery, machinery spares, tools and accessories both present and future.

(iii) Loan of ₹ 59,252.09 Lakhs (PY ₹ 48,871.39 Lakhs) of Vamona Developers Pvt Ltd, secured by future Lease Rent Receivables and a paripassu charge over the land and building of the Mall i.e. Phoenix Marketcity at Viman Nagar, Pune.

(iv) Loans of ₹ 41,476.87 lakhs (P.Y. ₹ 44,427.19 lakhs) for Island Star Mall Developers Private Limited,are secured on paripassu basis by equitable mortgage of immovable properties namely 'Mall Building' and 'Multiplex Building', admeasuring approximately 93,529 sq. mts. in aggregate, alongwith an undivided interest to the extent of approximately 21,915.59 Sq. Mts. in the land appurtenant to the said structures forming an undivided part of the plot area of approximately 59,995 sq. mts., situated at Whitefield, Bengaluru and hypothecation of lease rental/ sales receivable from retailers and lien on the DSRA/ ESCROW Account.

(v) Loans of ₹ 63,174.39 Lakhs (P.Y ₹ 69,725.82 Lakhs)for Offbeat Developers Private Limited are secured by paripassu charge over specified area of land and building of Retail mall and first paripassu charge on escrow of lease rental from mall and art guild house at kurla -mumbai, Loans of ₹ Nil (P.Y 12,500 lakhs) is secured by exclusive charge by way of registered mortgage on entire land of phase II (Art Guild House) along with the super structures built thereon (present and future) and on all moveable fixed assets and current assets including receivables/future receipts and escrow receipts pertaining to Art Guild House project.

(vi) Loans of ₹ 7,930.72 Lakhs (P.Y ₹ 8,329.36 Lakhs) of Upal Developers Private Limited are secured by Equitable mortgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, and assignment of future rental.

(vii) Loans of ₹ 8,361.14 Lakhs (P.Y ₹ 8,351.68 Lakhs) of Blackwood Developers Private Limited are secured by Equitable mortgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, and assignment of future rental.

(viii) Loans of ₹ 16,101.38 lakhs (P.Y ₹ 12,498.23 lakhs) for Palladium Constructions Private Limited,are secured on paripassu basis by equitable mortgage of immovable properties namely 'Phase 1 (Tower-1-5)' of Project One Bangalore West, 'Phase 2 (Tower-6)' of Project One Bangalore West, admeasuring approximately 14,87,000 sq. ft. in aggregate and Paripassu charge over Courtyard Marriott,Agra is a c. 189 key 5 Star hotel, Loan amount includes Bank over draft facility.

(ix) Loans of ₹ 8,980.85 Lakhs (P.Y ₹ 9,000.00 Lakhs) for Graceworks Realty & Leisure Private Limited, is secured by first and exclusive registered mortgage of immovable property situated at Kurla (Mumbai), and hypothecation of lease rental, lease deposit and sales proceeds.

B Vehicle Loans are secured by the hypothecation of respective vehicles.

C Maturity Profile of Long Term Borrowings are as under:

1) Repayment of Loans from Financials Institutions will be as under:

₹ in Lakhs

Year	For the Year Ended 2018	For the Year Ended 2017
FY 2017-18	-	520.72
FY 2018-19	1,039.74	661.10
FY 2019-20	1,410.68	801.48
FY 2020-21	1,621.98	952.98
FY 2021-22	1,858.40	1,123.73
FY 2022-23	2,123.51	1,316.73
FY 2023-24	2,420.24	1,534.27
FY 2024-25	2,751.76	1,778.83
FY 2025-26	1,548.72	480.29
FY 2026-27	1,173.30	-
FY 2027-28	1,065.26	-

2) Repayment of Loans from Banks will be as under:

₹ in Lakhs

Year	For the Year Ended 2018	For the Year Ended 2017
FY 2017-18	-	25,339.34
FY 2018-19	19,632.43	30,655.04
FY 2019-20	22,765.28	29,957.03
FY 2020-21	31,447.64	34,487.80
FY 2021-22	41,243.90	38,437.79
FY 2022-23	43,182.63	41,149.62
FY 2023-24	35,712.77	45,238.30
FY 2024-25	31,496.15	35,330.86
FY 2025-26	20,465.30	11,428.80
FY 2026-27	16,347.01	7,802.46
FY 2027-28	16,606.85	8,124.99
FY 2028-29	15,772.32	9,374.99
FY 2029-30	10,572.38	9,999.99
FY 2030-31	9,999.99	-

3) Vehicle Loans are repayable within 1 to 5 years.

D Terms & Conditions of Debentures are as under :

I) Unsecured

Pallazzio Leisure & Hotels Limited has issued two zero coupon fully redeemable non convertible unsecured debentures to body corporate of ₹ 2,300.00 Lakhs each [including the holding company, Phoenix Mills Limited] with an underlying right to occupy the certain portion of Company's premises. The Company has an option but not an obligation to redeem the series F debentures, only collectively during the option window period of three months from (a) the expiry of 7 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders are allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2.5%, quarterly compounded (b) the expiry of 14 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders are allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2%, quarterly compounded.

"Pallazzio Leisure & Hotels Limited has issued 21,980,912 (PY 59,34,846) Optionally Fully Convertible ""Series I"" Unsecured Debentures (OFCD) of ₹ 100 each to body corporate [including the holding company, Phoenix Mills Limited] at face value. Pallazzio Leisure & Hotels Limited has an option to convert OFCD into Equity shares at any time after 30th March 2017 . In case of conversion, 1 OFCD of ₹ 100 each will be converted into such number of Equity shares of ₹ 100 each at a premium of ₹ 575 per share. Further at the option of Pallazzio Leisure & Hotels Limited , OFCD may be redeemed within 10 years from the date of allotment in one or more tranches at a premium not exceeding ₹ 10 per OFCD. The OFCDs carries coupon rate @4% which will accrue only at the time of redemption & it will be payable at the time of redemption of the instrument by the Company. OFCD are convertible into fixed number of equity shares at fixed price and at the option of the Company and hence meet the definition of equity based on the management intention / judgement that it would exercise the option of conversion."

Graceworks Realty & Leisure Private Limited has issued 6,01,183, 0.0001% Series A Optionally Convertible Debenture holders have an option to convert the debentures into equity shares on or before March, 2020. Each debenture is convertible into equity shares of ₹ 10 each fully paid at premium of ₹ 2400 on the date of conversion. Graceworks Realty & Leisure Private Limited has an option to redeem the shares in one or more tranches at the redemption premium not exceeding ₹ 10/- per Optionally Convertible Debenture.

Graceworks Realty & Leisure Private Limited has issued 43,10,000 ,0.0001% Optionally Fully Convertible Debenture holders have an option to convert the debentures into equity shares on or before October 1, 2026. Each debenture is convertible into equity shares of ₹ 10 each fully paid at premium of ₹ 1740 on the date of conversion. Graceworks Realty & Leisure Private Limited has an option to redeem the shares in one or more tranches at the redemption premium not exceeding ₹ 10/- per Optionally Fully Convertible Debenture on or before October 1, 2026.

NOTE 21

TRADE PAYABLES

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Micro and Small Enterprises*	-	14.47	-	14.18
Others	57.59	10,407.09	388.78	10,756.71
	57.59	**10,421.56**	**388.78**	**10,770.89**
*** The disclosure pursuant to the said Act under:**				
a) Principal amount remaining unpaid to suppliers		14.47		14.18
b) Principal amount paid to beyond due date		-		-
c) Amount of interest paid under section 16		-		-
d) Amount of interest due and remaining unpaid		-		-
e) Amount of interest accrued and remaining unpaid		-		-
f) 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 of the above Act.		-		-

NOTE 22

OTHER FINANCIAL LIABILITIES

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Current maturities of long-term borrowings	-	21,559.53	-	27,132.28
Retention Payable to Contractors	167.13	-	949.12	-
Interest accrued but not due on borrowings	-	682.97	-	977.10
Interest accrued and due on borrowings from Related party	-	245.90	-	425.64
Interest accrued and due on borrowings from others	-	71.10	-	-
Creditors for Capital Expenditure	1,043.42	54,725.16	17.34	1,769.97
	1,210.55	**77,284.66**	**966.46**	**30,304.99**

NOTE 23

PROVISIONS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Provision for Employee Benefits				
Gratuity	182.95	40.62	170.21	37.52
Leave Encashment	355.32	252.78	314.95	226.87
Other Provisions				
Property Tax #	-	3,851.00	-	2,874.00
Others	-	1,509.32	165.38	313.64
Provision for premium on redemption of zero coupon non convertible debentures series "F" **	4,809.89	-	3,775.61	-
	5,348.17	**5,653.71**	**4,426.15**	**3,452.03**

**The Subsidiary company Pallazzio Hotels & Leisure has an option but not an obligation to redeem the NCD collectively only during the specified window period along with redemption premium. Considering the long term nature of the instrument, other uncertainties as regards exercising of the option, the company is of the view that the event is contingent in nature. However in order to comply with the requirements of the generally accepted accounting principles, the company has made a provision for redemption premium payable (if any) and the same was adjusted against the securities premium account in accordance with section 52 of the Companies Act, 2013 till 31st March 2015 and after 1st April 2015 the said premium has been debited to statement of profit and loss."

Movement in Provision for Property Tax

₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Balance	2874.00	1897.00
Add: Provision during the year	977.00	977.00
Closing Balance	**3851.00**	**2874.00**

NOTE 24

DEFERRED TAX LIABILITY

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Related to Fixed Assets	18.08	-
	18.08	-

NOTE 25
OTHER NON FINANCIAL LIABILITIES

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Statutory Dues	-	7,409.72	-	3,659.77
Other Payables #	179.60	7,937.88	-	15,271.02
Security Deposits/Advance From Occupants/Licensees or Customers	35,014.93	15,532.17	28,579.07	23,207.58
Deposits received from related party	-	125.00	-	125.00
Deposit received from Customers	371.30	-	-	-
Other Deposit	-	-	1.00	-
Income Received in Advance	-	6,099.03	384.30	150.57
Unpaid Dividends*	-	185.24	-	176.50
	35,565.83	**37,289.04**	**28,964.37**	**42,590.44**

* These Figures do not include any amounts, due and outstanding to be credited to Investor Education & Protection Fund
# Others include advance of ₹ 1,918.80 Lakhs (P.Y. ₹ 1,918.80 Lakhs) received against the debentures of TWDL (Refer Note No. 47)

NOTE 26
SHORT TERM BORROWINGS

(₹ In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Secured		
Loans from Bank	20,199.31	24,170.37
Unsecured		
Loans and Advances from related parties	4,842.24	170.90
Loan from Others	330.37	422.61
	25,371.92	**24,763.88**

Bank Overdraft/Cash Credit facility of ₹ 18,116.62 lakhs (P.Y. ₹ 21,689.49 Lakhs) are secured against assets stated in Note 20 (A) (i) to (ix)

NOTE 27
CURRENT TAX LIABILITIES

(₹ In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Tax Provision (net of taxes paid)	12.92	553.34
	12.92	**553.34**

NOTE 28
REVENUE FROM OPERATIONS

(₹ In Lakhs)

	2017-18	2016-17
Sales		
From Reality Sales	15,617.33	32,050.13
License Fees and Rental Income	76,239.07	78,459.06
Service Charges	31,216.22	33,812.43
Room Rent Income	13,936.85	12,296.62
Food, Beverages and Banquet Income	17,228.71	15,388.63
Other Operating Income	7,736.96	10,453.83
	1,61,975.14	**1,82,460.70**

NOTE 29

OTHER INCOME

(₹ In Lakhs)

	2017-18	2016-17
Interest	1,675.74	3,212.82
Dividend Income	140.13	41.29
Income from assets measured at fair value through Profit & Loss		
Profit on sale of Financial Assets	2,060.12	368.46
Financial assets remeasured at FVTPL	1,219.58	96.62
Profit on assignment of rights / transfer of property under development	-	24.69
Profit on sale of Assets	0.24	0.44
Others		
Project Technical Services	167.15	-
Foreign Exchange Gain/(Loss)	0.01	-
Miscellaneous Receipts	277.59	531.62
Balance/(Provisions) Written Back	21.76	440.97
	5,562.32	**4,716.91**

NOTE 30

COST OF MATERIALS/CONSTRUCTION

(₹ In Lakhs)

	2017-18		2016-17	
Food and Beverage Consumed				
Purchases	4,887.34		4,358.68	
Realty				
Construction & Other related costs	12,800.85		23,914.20	
		17,688.19		**28,272.88**

NOTE 31

CHANGE IN INVENTORY

(₹ In Lakhs)

	2017-18		2016-17	
Food and Beverage Consumed				
Stock at beginning of the year	505.24		603.05	
Stock at closing of the year	543.10		505.24	
Net (Increase)/Decrease		**(37.86)**		**97.81**
Realty				
Opening Work In Progress	93,578.08		1,06,834.01	
Closing work in progress	71,242.89		93,578.08	
Transfer to fixed Assets/Adjustment for de-subsidization	26,810.07		17,021.66	
Net (Increase)/Decrease		**(4,474.88)**		**(3,765.73)**
Opening Finished Goods	128.16		25,243.78	
Closing Finished Goods	113.20		128.16	
Inventory Capitalised/Transfer to CWIP	-		25,056.41	
		14.96		**59.21**
		(4,497.78)		**(3,608.71)**

NOTE 32

EMPLOYEE BENEFITS EXPENSE

(₹ In Lakhs)

	2017-18	2016-17
Salaries, Wages & Bonus	13,480.99	12,813.09
Contribution to Provident Fund & Other Funds	454.67	451.41
Gratuity and Leave encashment	266.08	211.65
Staff Welfare Expenses	367.50	389.11
Share based payments cost	158.00	160.79
	14,727.24	**14,026.05**

NOTE 33

FINANCE COSTS

(₹ In Lakhs)

	2017-18	2016-17
Interest Expenses	32,905.22	40,737.36
Premium on Non Convertible Debenture	1,034.28	988.15
Other Borrowing Costs	821.23	577.01
	34,760.73	**42,302.52**

NOTE 34

OTHER EXPENSES

(₹ In Lakhs)

	2017-18		2016-17	
Electricity		17,504.71		19,372.57
Repairs and Maintenance:-				
Buildings	1,787.43		1,724.77	
Machinery & Vehicles	2,582.67		2,866.55	
Others	822.32		890.56	
		5,192.42		5,481.88
Foreign Exchange (Gain)/Loss		37.74		(7.41)
Insurance		461.34		464.31
Stores and Operating Supplies		1,620.41		1,547.48
Rent, Rates & Taxes		625.98		628.37
Property Tax		4,301.30		4,398.20
Water Charges		679.47		900.24
Communication expenses		446.33		410.59
Postage & Courier		5.92		6.04
Prinitng & stationary expenses		154.47		129.61
Legal and Professional charges		3,390.87		2,337.83
Travelling Expenses		573.67		614.55
Auditors' Remuneration		146.41		173.70
Car Hire charges		-		321.08
Directors' sitting fees & Commission		10.80		23.65
Compensation		184.08		433.86
Donation		222.79		122.22
Loss on Assets Sold/Discarded		536.22		779.40
Loss on Cancellation of Unit		108.70		-
Advertisement & Sales Promotion		7,887.97		8,357.64

(₹ In Lakhs)

	2017-18		2016-17	
Bank charges		104.56		87.05
Brokerage		206.62		209.18
Rebate & Settlement		604.69		780.03
Bad debts & Sundry balances written off	7.07		92.55	
Provision for Doubtful Debts & Advances	467.16	474.23	1,120.35	1,212.90
Parking Expenses		274.87		390.20
Office Expenses		112.32		44.50
Management Fee		1,152.31		782.39
Security Charges		3,595.47		3,324.60
Housekeeping Expenses		2,783.60		3,170.78
General Expenses		959.15		970.07
Other Miscellaneous Expenses		1,957.78		1,607.64
Share of Loss from a Partnership Firm		1.98		1.85
		56,319.18		**59,076.98**

35 Taxation

Income tax related to items charged or credited to profit or loss during the year:

(₹ In Lakhs)

		2017-18	2016-17
A	**Statement of Profit or Loss**		
	1. Current Income Tax	6,872.20	7,925.16
		6,872.20	**7,925.16**
	2. Adjustments in respect of Income Tax of previous year		
	Current Income Tax	8.58	(93.64)
		8.58	**(93.64)**
	3. Minimum Alternate Tax credit entitlement	(3,205.18)	(1,250.06)
		(3,205.18)	**(1,250.06)**
	4. Deferred Tax expenses/ (benefits):		
	Relating to origination and reversal of temporary differences	3,903.99	1,994.30
		3,903.99	**1,994.30**
	Total Income tax Expenses (1 to 4)	**7,579.59**	**8,575.76**
B	**Reconciliation of Current Tax expenses:**		
	Profit /(Loss) from Continuing operations	28,711.75	27,577.15
	Applicable Tax Rate	34.608%	34.608%
	Computed tax expenses	**9,937.56**	**9,543.90**
	Additional allowances As per Income Tax Act	(8,001.20)	(9,578.73)
	Income not allowed/exempt for tax purposes	(2,079.23)	(1,061.95)
	Expenses not allowed for tax purposes	3,115.39	1,806.79
	Carry Forward Loss utilised	(1,533.49)	2,457.91
	Other temporary allowances	(361.28)	268.60
	Additional Tax payable due to MAT provisions	3,151.03	1,434.61
	Non Taxable Subsidiarie and Effect of Differential Tax Rate	(551.18)	1,710.33
		3,675.60	**6,581.46**
	Effective Tax Rate	12.802%	23.87%
C	**Deferred Tax Recognised in statement of profit and Loss relates to the following:**		
	Accelerated depreciation for tax purpose	1,968.17	3,118.47
	Remeasurement Gain on Mutual Fund	372.96	-
	Expenses allowable on payment basis	(1,353.85)	(511.53)
	Provision for loss allowance	(27.38)	2,802.20

(₹ In Lakhs)

		2017-18	2016-17
	Other temporary differences	2,377.57	(2,328.28)
	Unused Carry Forward losses	566.52	(1,086.57)
	Deferred Tax Liabilities/ (Asset)	**3,903.99**	**1,994.29**
D	**Reconciliation of deferred tax liabilites/(asset) net:**		
	Opening balance as on 1st April	(12,517.17)	(10,958.55)
	Tax expenses/ (income) for the year	3,903.99	1,994.30
	Add/(Less): On Account of Acquisition/Merger/Disposal of Subsidiary	153.87	(3,552.92)
	Closing balance as on 31st March	**(8,459.31)**	**(12,517.17)**

E. The Group has not recognised any deferred tax liabilities for taxes that would be payable on the Group's share in unremitted earnings of certain of its subsidiaries because the Group controls when the liability will be incurred and it is probable that the liability will not be incurred in the foreseeable future.

F. In Case of certain Subsidiaries Deferred Tax Assets has not been recognised on Carry Forward Losses.

36 Fair Value of Financial Assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at fair value through Profit and Loss				
Investments				
- in Equity shares	101.24	101.24	100.80	100.80
Financial assets designated at fair value through Other Comprehensive Income				
Investments				
- Equity Shares *	21,718.77	21,718.77	11,515.29	11,515.29
- Preference Shares	106.25	106.25	106.25	106.25
- Compulsorily Convertible Debentures	10,143.05	10,143.05	10,150.05	10,150.05
- Optionally Compulsorily Convertible Debentures	25.00	25.00	8,200.00	8,200.00
- Capital Investment in Partnership Firm	188.67	188.67	190.65	190.65
Trade Receivables	12,915.33	12,915.33	14,701.15	14,701.15
Cash and Cash Equivalents	3,432.96	3,432.96	6,412.83	6,412.83
Loans and Advances	3,794.42	3,794.42	4,287.58	4,287.58
Deposits with Banks	1,056.89	1,056.89	1,711.37	1,711.37
Other financial assets	11,556.98	11,556.98	13,932.43	13,932.43
Total	**65,039.56**	**65,039.56**	**71,308.40**	**71,308.40**
Financial liabilities designated at amortised cost				
Borrowings	3,46,376.05	3,46,376.05	3,62,553.71	3,62,553.71
Trade payables and others	10,479.14	10,479.14	11,159.67	11,159.67
Other financial liabilities	77,284.66	77,284.66	4,139.18	4,139.18
Total	**4,34,139.85**	**4,34,139.85**	**3,77,852.56**	**3,77,852.56**

*In respect of Investment in equity shares of EWDL having carrying value of ₹ 5,792.70 Lakhs and in CCD's of TWDPL having carrying value of ₹ 10,000 Lakhs, the financial information on the assets and liabilities position of these companies for determining the fair value for the current period is not available, same has been carried at cost.

During the year, groups sold equity investments recognised at fair value through other comprehensive income having fair value of ₹ 2,736.25 Lakhs on the respective date of sale to maximise the returns.

Fair valuation techniques:

The Group maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the easurement date.

The following methods and assumptions were used to estimate the fair values

1. Fair value of the Equity Shares are based on price quoted on stock exchange.

2. Fair value of unquoted equity shares and CCD's is taken at intrinsic value.

3. Fair value of Long term Borrowings is calculated based on discounted cash flow.

4. Fair value of Financial Assets & Financial Liability(except Long term Borrowings) are carried at amortised cost and is not materially different from it's carrying cost.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(₹ In Lakhs)

Particulars	**As at March 31, 2018**			**As at March 31, 2017**		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets /Liabilities measured at fair value						
Financial Asset:						
Investments						
- in Equity shares	15,775.20	-	6,044.81	5,571.28	-	6,044.81
- Compulsorily Convertible Debentures	-	-	10,143.05	-	-	10,150.05
- Optionally Compulsorily Convertible Debentures	-	-	25.00	-	-	8,200.00
- Preference Shares	-	-	106.25	-	-	106.25

Reconciliation of fair value of mesurement categorised within level 3 of the value hierarchy

(₹ In Lakhs)

Particulars	
Fair value as at 1st April, 2016	10,256.30
Purchase/Sales of Financial Instruments	8,200.00
Amount transferred to/from level 3	-
Fair value as at 31st March, 2017	18,456.30
Purchase/Sales of Financial Instruments	(8,182.00)
Amount transferred to/from level 3	-
Fair value as at 31st March, 2018	10,274.30

Financial Instruments measured at Fair value - Level III

Type	Valuation Technique	Significant Observable Input	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in unquoted equity shares, OFCDs and CCDs	Adjusted NAV (Net Asset Value) method. Adjusted NAV method involves determination of fair values of asset/liability/business based on its book value with appropriate relevant adjustments.	Not Appicable	Not Appicable

37. Financial risk Management:

The Group's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

- **Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

- **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
The Group is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The Group generally transacts in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency.
The Group is exposed to insignificant foreign exchange risk as at the respective reporting dates.

- **Interest rate risk**

Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. Almost 100% of the company's borrowings are linked to BR + 1.75% p.a. floating at Monthly rest including TP. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

Increase/ (decrease) in Interest cost of Long term borrowings for the year:

(₹ In Lakhs)

Change in Rate of Interest	Effect on Profit/(Loss) before tax	
	2017-18	2016-17
+1%/-1%	3,210 .04	3,377.90

- **Commodity and Other price risk**

The Group is not exposed to the commodity and other price risk.

- **Credit Risk**

Credit risk is the risk of financial loss to the Group that a customer or counter party to a financial instrument fails to meet its obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

Trade and other receivables:

The Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Group periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Group continues regular followup , engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings.
The Group is not exposed to concentration of credit risk to any one single customer since services are provided to vast specturm and hence, the concentration of risk with respect to trade receivables is low. The Group also takes security deposits, advances , post dated cheques etc from its customers, which mitigate the credit risk to an extent.

Cash and cash equivalents an other investments

The Group is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds. The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances other than those required for its day to day operations.

Exposure to credit risk

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31.2018 and March 31, 2017 is as follows:

Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):

(₹ In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Other Investments		
Cash and cash equivalents	3,432.96	6,412.83
Bank Deposits	1,056.89	1,711.37
Loans	3,794.42	4,287.58
Other financial assets	11,556.98	13,932.43
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	12,915.33	14,701.15

Life time Expected credit loss for Trade receivables under simplified approach

(₹ In Lakhs)

Aging of Trade Receivables	Past Due				Total
	0-90 days	90-180 days	180 - 360 days	over 360 days	
As at 31st March, 2018					
Gross Carrying Amount	9,565.25	988.62	1,082.52	3,774.90	15,411.29
Expected credit losses (Loss allowance provision)	74.54	68.06	225.03	2,128.33	2,495.97
Net Carrying Amount	**9,490.71**	**920.57**	**857.49**	**1,646.57**	**12,915.33**
As at 31st March, 2017					
Gross Carrying Amount	10,217.92	2,163.28	1,390.35	4,707.60	18,479.15
Expected credit losses (Loss allowance provision)	20.84	25.77	150.57	3,580.82	3,778.00
Net Carrying Amount	**10,197.08**	**2,137.51**	**1,239.78**	**1,126.78**	**14,701.15**

Reconciliation of Changes in the life time expected credit loss allowance:

(₹ In Lakhs)

	2017-18	2016-17
Loss allowance on 1 April,	3,778.00	7,144.90
Provided during the year	615.45	1,120.35
Amount written off during the year / Adjusted against provision	(1,897.48)	(4,356.39)
On Account of Disposal of Subsidiary	-	(130.86)
Loss allowance on 31st March,	2,495.96	3,778.00

Cash and Cash equivalent, other Investment, Loans an other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

- **Liquidity risk**

  Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

  The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

  The Group is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants , these loans become callable to the extent of failure at the option of lenders, except where exemption is provided by lender.

(₹ In Lakhs)

Particulars	As at March 31, 2018					
	Carrying Amount	On Demand	Less than 12 months	1 - 5 years	>5 years	Total
Borrowings	3,59,970.87	36,759.01	23,311.52	1,37,652.47	1,62,247.88	3,59,970.87
Other Financial Liabilities	5,163.29	3,911.86	1,251.43	-	-	5,163.29
Trade and other payables	9,003.83	2,870.32	6,058.00	75.52	-	9,003.83

(₹ In Lakhs)

Particulars	As at March 31, 2017					
	Carrying Amount	On Demand	Less than 12 months	1 - 5 years	>5 years	Total
Borrowings	3,62,553.71	21,362.59	32,351.20	1,07,205.02	2,01,634.91	3,62,553.72
Other Financial Liabilities	4,139.18	3,665.48	473.70	-	-	4,139.18
Trade and other payables	11,159.67	4,653.08	6,249.22	257.37	-	11,159.67

38. Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2018 and March 31, 2017.
For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.

(₹ In Lakhs)

Pariculars	As At 31-03-2018	As At 31-03-2017
Loans and Borrowings	3,46,376.05	3,62,553.71
Less: Cash and cash equivalents + Bank Deposits	4,489.85	8,124.20
Net Debt	3,41,886.20	3,54,429.51
Total Capital	2,85,170.93	2,18,718.78
Capital+Net Debt	6,27,057.12	5,73,148.29
Gearing Ratio	54.52%	61.84%

39. Segment Reporting

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Ind AS 108. The Group has two reportable segments as under:

Reportable Segment	Nature of operations
Property and related services	Providing mall /office areas on license basis and development of commercial / residential properties
Hospitality	Operation of hotels and restaurants

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker. The measurement principles of segments are consistent with those used in Significant Accounting Policies with following additional policies for segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(₹ In Lakhs)

Sr no.	Particulars	Property & Related Services		Hospitality Services		Unallocted		Total	
		2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
A	**Revenue**								
	Revenue From Operations	1,27,599.44	1,51,928.70	34,375.70	30,532.00	-	-	1,61,975.14	1,82,460.70
	Other Income	-	-	-	-	5,562.32	4,716.91	5,562.32	4,716.91
	Total	**1,27,599.44**	**1,51,928.70**	**34,375.70**	**30,532.00**	**5,562.32**	**4,716.91**	**1,67,537.56**	**1,87,177.61**
B	**Results**								
1	Profit Before Tax & Interest	54,508.81	60,932.31	3,401.35	4,230.45	5,562.32	4,716.91	63,472.48	69,879.67
2	Less: Interest	-	-	-	-	(34,760.73)	(42,302.52)	(34,760.73)	(42,302.52)
	Profit Before Tax & Exceptional Item	**54,508.81**	**60,932.31**	**3,401.35**	**4,230.45**	**(29,198.41)**	**(37,585.61)**	**28,711.75**	**27,577.15**
	Less: Provision for Tax	-	-	-	-	(7,579.59)	(8,575.76)	(7,579.59)	(8,575.76)
	Net Profit after Tax	**54,508.81**	**60,932.31**	**3,401.35**	**4,230.45**	**(36,778.00)**	**(46,161.37)**	**21,132.16**	**19,001.39**
	Add/(less) Share of Profit/(loss) from Associates	-	-	-	-	-	-	4,423.01	95.07
	Profit After Tax	**54,508.81**	**60,932.31**	**3,401.35**	**4,230.45**	**(36,778.00)**	**(46,161.37)**	**25,555.17**	**19,096.46**
C	**Other Information**								
	Segment Assets	6,11,304.40	4,75,139.20	1,19,797.14	1,28,275.46	1,18,632.92	97395.32	8,49,734.46	7,00,809.98
	Segment Liabilities	4,26,778.35	3,59,789.28	91,156.75	98,049.50	18.08	-	5,17,953.18	4,57,838.88
D	**Other Disclosures**								
	Capital Expenditure	54,785.92	53,017.66	1,309.87	3,078.13	-	-	56,095.79	56,095.79
	Investment in Associates	-	-	-	-	-	-	26,763.12	19,956.80
	Depreciation	13,588.47	12,069.63	6,239.69	7,461.10	-	-	19,828.16	19,530.73

All the activities of the Group and its subsidiaries are located in India. There are no secondary reportable segments.

40. Related Party Disclosure

In view of the Ind As 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31st March, 2018 is as under:

a) RELATIONSHIPS

Category I: Associates

Classic Housing Projects Private Limited
Mirabel Entertainment Private Limited
Starboard Hotels Private Limited
Classic Mall Development Pvt Ltd (Associate from 31/03/2017)
Columbus Investment Advisory Private Limited (wef 04/10/2017)

Category II: Key Managerial Personnels

Key Person	Designation
Ashokkumar R Ruia	Chairman & Managing Director
Atul Ruia	Jt. Managing Director
Shishir Shrivastava	Jt. Managing Director

Category III: Other Related Parties where common control exists

R.R.Hosiery Private Limited
R.R. Hosiery
Phoenix Retail Private Limited
Ruia International Holdings Company Private Limited
Phoenix Construction Company
Vigilance Developers Private Limited
Padmashil Hospitality & Leisures Private Limited

Category IV: Relatives of Key Managerial Personnel

Gayatri A Ruia

b) Transactions During the year

(₹ In Lakhs)

Sr.No.	TRANSACTIONS	Category I	Category II	Category III	Category IV	Total
1	Rent, Compensation & Other recoveries	351.99	-	-	19.53	371.52
		(226.50)	-	-	(19.19)	(245.69)
2	Interest Received	35.23	-	-	-	35.23
		(770.27)	-	-	-	(770.27)
3	Remuneration/Salaries/Other Expense	-	203.27	-	-	203.27
		-	(201.38)	-	-	(201.38)
4	Administrative & Other Charges paid (Excluding Service Tax)	1.24	7.96	-	116.22	125.42
		(2.60)	(11.91)	-	(61.03)	(75.53)
5	ICD Given	345.00	-	-	-	345.00
		(15,139.18)	-	-	-	(15,139.18)
6	ICD returned by Parties	365.00	-	-	-	365.00
		(21,473.21)	-	-	-	(21,473.21)
7	ICD received	4,750.00	-	-	-	4,750.00
		-	-	-	-	-
8	Interest Paid	273.22	-	-	-	273.22
		-	-	-	-	-
9	Share of Loss from partnership firm	-	-	1.98	-	1.98
		-	-	(1.85)	-	(1.85)
10	Advances Given	-	-	-	-	-
		(61.83)	-	-	-	(61.83)

c) The following balances were due from / to the related parties as on 31-03-2018

(₹ In Lakhs)

Sr.No.	Balances	Category I	Category II	Category III	Category IV	Total
1	Investment in Equity Shares / pref shares	26,763.12	-	-	-	26,763.12
		(19,956.80)	-	-	-	(19,956.80)
2	Investment in OCD/CCD	2,162.56	-	109.05	-	2271.61
		(2,162.56)	-	(109.05)	-	(2,271.61)
3	Investment in Capital of Partnership Firm	-	-	188.67	-	188.67
		-	-	(190.65)	-	(190.65)
4	Capital Advances	20.00	-	-	-	20.00
		(20.00)	-	-	-	(20.00)
5	Loans Taken	4,750.00	-	92.24	-	4,842.24
		(170.90)	-	(92.24)	-	(263.14)
6	Inter Corporate Deposits Given	21.25	-	-	-	21.25
		(259.51)	-	-	-	(259.51)
7	Advances Received	-	-	1.50	-	1.50
		-	-	(1.50)	-	(1.50)
8	Trade receivables	473.09	-	-	4.25	477.33
		(453.14)	-	(11.74)	-	(464.88)

(₹ In Lakhs)

Sr.No.	Balances	Category I	Category II	Category III	Category IV	Total
9	Trade Payables	2.43	-	234.90	-	237.33
		(3.66)	-	(234.92)	-	(238.57)
10	Deposits received	125.00	-	-	-	125.00
		(125.00)	-	-	-	(125.00)
11	Interest Payable	245.90	-	-	-	245.90
		-	-	-	-	-
12	Deposits Given	-	-	5,517.75	-	5,517.75
		-	-	(2,659.13)	-	(2,659.13)

Compensation of Key management personnel

The remuneration of director and other member of key management personnel during the year was as follows:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Short-term benefits	203.27	201.38
Other long term benefits	56.42	53.50

Note: Figures in brackets indicates previous year figure.
1.The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
2.Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through banking channel.

41. Earnings Per Share

Basic as well as Diluted EPS	2017-18	2016-17
Net Profit after Tax (₹ in Lakhs)	24,216.06	16,792.13
Weighted Average No. of Equity Shares for Basic EPS	15,30,86,782	15,30,49,774
Dilution due to ESOPs Granted	4,31,331	2,86,219
Weighted Average No. of Equity Shares for Diluted EPS	15,35,18,113	15,33,35,993
Nominal Value of Equity Shares	2	2
Basic Earnings Per Share	15.82	10.97
Diluted Earnings Per Share	15.77	10.97

42. Contingent liabilities not provided for in respect of: -

i) Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts is ₹ 5715.50 Lakhs (P.Y. ₹ 6249.02 Lakhs) net of advance paid.

ii) Disputed Statutory demands on account of :

(₹ in Lakhs)

Sr No	Particulars	31st March 2018	31st March 2017
1	Income Tax	5,843.98	2,863.32
2	Service Tax	4,217.98	1,628.60
3	VAT	2,145.21	1,523.96
4	Luxury Tax	20.91	-

iii) Demand notices received on account of arrears of Provident Fund dues ₹ 82.12 lakhs (P.Y. ₹ 82.12 lakhs) are disputed by the Company. The Company's has paid ₹ 10 lakhs and has also furnished a Bank Guarantee for ₹ 14.71 lakhs against P.F. demands to the P.F. authorities.

iv) Other Claims against the company not acknowledged of ₹ 1,924.96 lakhs (P.Y ₹ 105.41 lakhs)

v) Demand against property tax of ₹ 5583.19 lakhs (P.Y. ₹ 6023.23 lakhs). However provision for the same made in book

vi) Outstanding guarantees given by Banks ₹ 459.58 lakhs (P.Y. ₹ 437.97 lakhs).

vii) Guarantees given by the company for EPCG Licence ₹ 274.58 lakhs (P.Y. ₹ 1614.09 lakhs).

viii) The above litigations in (ii),(iii) & (v) are not expected to have any material adverse effect on the financial position of the company.

43. Expenditure incurred during construction period :

The Group's various projects relating to construction of commercial, retail, hotel and entertainment complexes are in progress. The expenditure incurred during the construction period is treated as "Project Development Expenditure" pending capitalisation. The same has been included under Capital Work In Progress and will be apportioned to fixed assets on the completion of the project.

The details of Project Development Expenditure as on the date of Balance sheet are as under:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Opening Balance Expenditure	**3324.24**	**3,048.38**
Interest & Finance Charges	-	229.96
Property Taxes	45.90	45.90
Closing Balance	**3370.14**	**3,324.24**

44. The Subsidiary companies considered in these consolidated financial statements are:

Sr no.	Name of the Company	Country of incorporation	Proportion of Effective Ownership interest 2017-2018	Proportion of Effective Ownership interest 2016-2017
1	Alliance Spaces Private Limited (Subsidiary of PHCPL)	India	75.02%	33.01%
2	Blackwood Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
3	Bellona Hospitality Services Limited	India	100.00%	100.00%
4	Big Apple Real Estate Private Limited (BARE)	India	100.00%	100.00%
5	Butala Farm Lands Private Limited	India	100.00%	100.00%
6	Enhance Holdings Private Limited	India	100.00%	100.00%
7	Gangetic Developers Private Limited (Subsidiary of BARE)	India	97.08%	58.61%
8	Grace Works Realty & Leisure Private Limited (Subsidiary of PHCPL)	India	66.69%	44.02%
9	Island Star Mall Developers Private Limited (ISML)	India	70.00%	100.00%
10	Market City Resources Private Limited (MCRPL)	India	100.00%	100.00%
11	Market City Management Private Limited	India	100.00%	100.00%
12	Mugwort Land Holding Private Limited	India	94.86%	94.86%
13	Offbeat Developers Private Limited	India	100.00%	83.60%
14	Palladium Constructions Private Limited	India	79.45%	79.52%
15	Pallazzio Hotels & Leisure Limited	India	72.98%	58.51%
16	Phoenix Hospitality Company Private Limited (PHCPL)	India	56.92%	56.92%
17	Pinnacle Real Estate Development Private Limited	India	100.00%	100.00%
18	Plutocrat Assets And Capital Management Private Limited	India	100.00%	100.00%
19	Sangam Infrabuild Corporation Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
20	Upal Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
21	Vamona Developers Private Limited	India	99.97%	86.55%
22	Savannah Phoenix Pvt Ltd	India	100.00%	100.00%
23	Insight Hotels & Leisure Private Limited	India	100.00%	-
24	Alysum Developers Pvt Ltd (Subsidiary of ISML)	India	70.01%	100.00%
25	Sparkle One Mall Developers Private Limited (Subsidiary of ISML)	India	70.01%	-

45. The associate companies considered in the consolidated financial statements are:

Sr no.	Name of the Company	Country of incorporation	Proportion of Effective Ownership interest 2017-2018	Proportion of Effective Ownership interest 2016-2017
1	Classic Housing Projects Pvt ltd	India	50.00%	50.00%
2	Starboard Hotels Private Limited	India	28.47%	28.47%
3	Mirabel Entertainment Private Limited (Associate through PHCPL)	India	28.47%	28.47%
4	Classic Mall Development Company Private Limited	India	50.00%	48.19%
5	Columbus Investment Advisory Private Limited (Associate through MCRPL from 04/10/2017)	India	50.00%	-

46. Capital work in progress includes ₹ 10,511.29 Lakhs (P.Y. ₹ 10,465.39 Lakhs) comprising mainly the cost incurred on acquiring long term tenancies on the plot of land admeasuring 7617.51 sq mtrs at High Street Phoenix. The Company is exploring various alternatives for the development of the said plot of land.

47. The Group carries, as at the year end, Investments of ₹ 5,792.70 lakhs in the equity shares of Entertainment World Developers Limited (EWDL), ₹ 10,000 lakhs in FCDs of Treasure world Developers Pvt. Ltd. (TWDPL), subsidiary of EWDL and interest accrued thereon, upto 31-03-2012, of ₹ 1,432.51 lakhs (net of TDS). The company had exercised the put option available as per the Share and Debenture Subscription Deed for the said FCDs in earlier year against which EWDL has paid a part amount of ₹ 1,918.80 Lakhs in November 2013. Pending receipt of the balance consideration, the amount received has not been adjusted against the investments/ accrued Interest and has been shown under other liability. The Networth of EWDL/TWDPL has been eroded as per latest available unaudited accounts as at 31-03-2015. The Company's Board has, out of abundant caution and as a prudent practice in line with the standard accounting practices, made an impairment provision of ₹ 2,300 Lakh in the year ended 31st March 2016 and ₹ 9,125 Lakh for the year ended 31st March 2015. While the Company would continue its efforts for the recovery of the dues against the put option exercised by it on the FCDs, in the opinion of the Board, considering the realisable value of assets of EWDL & its subsidiaries, the impairment provisions against these investments are adequate.

48. The balances in respect of trade receivables & payables and loans and advances, as appearing in the books of accounts are subject to confirmations from the respective parties and are pending reconciliations/adjustments arising there from, if any.

49. The Group provides units at its mall on License basis for which it charges license fee. The license agreements are generally for the period of 1 year to 5 years. The terms also provide for escalation of License fees and other charges on a periodical basis. Generally, the company has a right to terminate the license agreement by giving 6 months' notice.

50. The Company is a partner in a partnership firm M/s. Phoenix Construction Company. The accounts of the partnership firm have been finalised upto the financial year 2016-17. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:-

(₹ in Lakhs)

Sr. No.	Name of the Partners	Profit Sharing Ratio	Total Capital on 31-03-2017	Total Capital on 31-03-2016
1	The Phoenix Mills Ltd	50%	159.77	161.64
2	Gold Seal Holding Pvt. Ltd.	50%	111.21	113.08

The Company has accounted for its share of loss amounting to ₹ 1.98 Lakhs (P.Y. ₹ 1.85 Lakhs) pertaining to the financial year 2016-17 in the year. The share of profit/loss for the current financial year will be accounted in the books of the Company on the finalisation of the accounts of the firm.

51. Event after Reporting date :

a) The Board of Directors have recommended dividend of ₹ 2.60 per fully paid up equity share of ₹ 2 /- each, aggregating ₹ 4684.34 lakhs, including ₹ 702.65 lakhs dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on March 31, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

b) The Island Star Mall Developers Pvt Ltd has subsequent to the end of the financial year issued 5,33,78,204/- equity shares of ₹ 10/- each to Canada Pension Plan Investment Board at premium of ₹ 165.81/-, thereby reducing holding company's stake from 70% to 51%.

52. Additional information as required under Section 186 (4) of the Companies Act, 2013 :

a. Investment made in Body Corporate are mentioned in Note 7.

b. No Guarantee is given by the Company.

c. Loans given by the company to Body Corporate or Person are as under:

(₹ In Lakhs)

Particulars	As at 31s March, 2018	Purpose
Academy Printers Pvt Ltd.	25.33	General Corporate Purpose
Accuraform Pvt Ltd	42.85	General Corporate Purpose
Alpha Stich-Art Pvt.Ltd.	57.86	General Corporate Purpose
Anushikha Investments Pvt. Ltd.	294.94	General Corporate Purpose
ERP Infrastructure Projects Pvt Ltd	121.24	General Corporate Purpose
Ganjam Trading Company Pvt Ltd	99.72	General Corporate Purpose
Hbs Realtors Pvt Ltd.	203.21	General Corporate Purpose
Kalani Industries Pvt Ltd	941.98	General Corporate Purpose
Pratitha Multitrading Pvt Ltd.	26.15	General Corporate Purpose
Prime Hitech Textile LLP	200.00	General Corporate Purpose
Prosperity Metals Pvt. Ltd.	110.33	General Corporate Purpose
Shailaja Finance Limited	1,385.00	General Corporate Purpose
Sona Promoters Pvt Ltd	55.40	General Corporate Purpose
Sunflag Commercial Enterprises Ltd	221.60	General Corporate Purpose
Swaran Financial Pvt Ltd	166.47	General Corporate Purpose
Treasure World Developers Pvt.Ltd.	57.25	General Corporate Purpose
York Financial Services Pvt. Ltd.	135.84	General Corporate Purpose
Risewell Housing LLP.	40.85	General Corporate Purpose

53. Corporate Social Responsibility:

a. CSR amount required to be spent by the company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof during the year is ₹ 327.96 lakhs (P.Y. ₹ 353.24 lakhs).

b. Expenditure related to Corporate Social Responsibility is ₹ 162.58/- lakhs (Previous Year ₹ 90.35 lakhs). Details of Amount spent towards CSR given below:

(₹ In Lakhs)

Particulars	2017-18	2016-17
Construction of check dams	130.00	75.00
Promoting Employment enhancing vocation skills amongst differently – abled children	32.58	15.35
Total	**162.58**	**90.35**

54. Investment In Associates

The Group has investment in Classic Mall Development Company Private Limited (CMPL), which was subsidiary upto 31st March, 2017. The company's interest in associate is accounted using the equity method in the consolidated financial statements. The summarised financial information of the company's investment in associate is given below, which excludes profit and loss information for financial year 2016-17 since same is consolidated as subsidiary in that year.

(₹ in Lakhs)

Summarised balance sheet	As at 31st March, 2018	As at 31st March, 2017
Current assets	36,663.67	25,997.92
Current Liabilities	3,972.52	2,621.62
Net current assets	**32,691.15**	**23,376.30**
Non-current assets	70,522.90	66,423.08
Non-current liabilities	56,355.26	52,088.81
Net non-current assets	**14,167.64**	**14,334.27**
Net assets	**46,858.79**	**37,710.57**

Summarised statement of profit or loss

(₹ in lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Net Profit for the year	8,978.38	7,547.06
Other comprehensive income	68.62	(3.12)
Total Comprehensive income	**9,047.00**	**7,543.94**
Group's share of profit	**4,523.50**	**3,635.43**

55. During the year, Gangetic Hotel Pvt Ltd (GHPL), subsidiary of the company amalgamated into Palladium Constructions Pvt Ltd (PCPL), another subsidiary of company in terms of scheme of amalgamation approved by the National Company Law Tribunal, Mumbai & Allahabad as per its order dated 20th July, 2017 and 27th October, 2017 respectively and filed with Registrar of Companies on 3rd November 2017. The appointed date of amalgamation as per scheme is 1st April, 2016. The company received 2,53,150 equity share of PCPL as consideration in lieu of investment in GHPL. The previous year figures has been re-casted to include the post amalgamation audited financial statement of PCPL.

56. Non-Controlling Interest:

a. Details of non-wholly owned subsidiaries that have material non-controlling interests (NCI):

(₹ in lakhs)

Particulars	Place of incorporation and principal place of business	Proportion of ownership interests by NCI	Proportion of voting interest held by NCI	Total comprehensive income allocated to NCI	Accumulated NCI
Pallazio Hotels & Leisure Limited	Mumbai - India	Nil	27.02%	(643.53)	**734.21**
Palladium Construction Pvt Ltd	Bangalore and Agra - India	20.55%	20.55%	750.86	**11,435.93**
Grace Works Realty & Leisure Private Limited	Mumbai - India	33.31%	33.31%	(614.62)	**(835.49)**
Island Star Mall Developers Pvt Ltd	Bangalore - India	30.00%	30.00%	1,932.06	**27,084.85**

b. Information relating to Non-Controlling Interest:

Summarised financial information before intragroup eliminations in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below.

(₹ In lakhs)

Particulars	Pallazio Hotels & Leisure Limited		Palladium Construction Pvt Ltd	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Current Assets	3,679.09	4,945.42	74,681.68	72,538.28
Non Current Assets	1,03,846.46	1,10,452.40	17,281.57	18,356.41
Total Assets	**1,07,525.55**	**1,15,397.82**	**91,963.25**	**90,894.69**
Current Liabilities	16,667.89	17,498.73	19,959.61	17,863.13
Non Current Liabilities	66,148.62	70,815.81	16,438.41	12,463.34
Total Liabilities	**82,816.50**	**88,314.54**	**36,398.02**	**30,326.47**
Equity attributable to owners of the Company	23,974.84	24,829.78	44,129.31	49,909.30
Non-controlling interests	734.21	2,253.50	11,435.93	10,658.92

Particulars	Grace Works Realty & Leisure Private Limited		Island Star Mall Developers Pvt Ltd	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Current Assets	1,005.97	1,520.02	47,744.17	24,513.08
Non Current Assets	25,516.82	25,755.82	92,011.96	53,907.59
Total Assets	26,522.79	27,275.85	1,39,756.13	78,420.67
Current Liabilities	13,150.21	10,001.66	5,932.08	8,684.28
Non Current Liabilities	9,876.20	9,795.00	43,496.00	46,352.11
Total Liabilities	**23,026.41**	**19,796.66**	**49,428.08**	**55,036.40**
Equity attributable to owners of the Company	4,331.87	7,479.19	63,243.20	23,384.27
Non-controlling interests	(835.49)	-	27,084.85	-

Particulars	Pallazio Hotels & Leisure Limited		Palladium Construction Pvt Ltd	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Revenue	27,975.89	25,586.12	19,956.65	26,506.20
Expenses (including tax)	30,389.78	27,942.16	16,302.85	24,722.28
Profit for the year	(2,413.89)	(2,356.04)	3,653.80	1,783.92
Other Comprehensive Income	32.22	(1.37)	-	-
Total Comprehensive Income	**(2,381.67)**	**(2,357.41)**	**3,653.80**	**1,783.92**
Total Comprehensive Income attributable to NCI	(643.53)	(977.47)	750.86	1,025.88
Net cash (outflow) from operating activities	9,531.89	8,593.55	4,683.05	1,675.20
Net cash (outflow) / inflow from investing activities	1,618.35	473.37	4,291.57	362.76
Net cash inflow from financing activities	(12,524.47)	(6,697.92)	158.51	(1,986.98)
Net cash (outflow) / inflow	**(1,374.23)**	**2,369.00**	**232.96**	**50.99**

Particulars	Grace Works Realty & Leisure Private Limited		Island Star Mall Developers Pvt Ltd	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Revenue	2,194.41	1,809.70	22,992.95	17,181.91
Expenses (including tax)	3,291.36	3,502.90	16,542.78	21,918.30
Profit for the year	(1,096.95)	(1,693.20)	6,450.17	(4,736.38)
Other Comprehensive Income	(1.60)	0.92	(9.97)	25.03
Total Comprehensive Income	**(1,098.55)**	**(1,692.28)**	**6,440.19**	**(4,711.35)**
Total Comprehensive Income attributable to NCI	(614.62)	(947.34)	1,932.06	-
Net cash (outflow) from operating activities	1,366.52	1,370.45	13,217.94	10,701.20
Net cash (outflow) / inflow from investing activities	(631.99)	(34.42)	(63,030.05)	(4,008.06)
Net cash inflow from financing activities	(446.51)	(2,751.95)	49,828.59	(6,692.78)
Net cash (outflow) / inflow	**144.53**	**(228.44)**	**16.48**	**0.36**

57. Details required as per Schedule III of the Companies Act 2013 as below:-

i) Details of Net Assets & share in profit or loss

(₹ in Lakhs)

SR No.	Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share In other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount
	1. Parent	**77.41%**	**2,56,843.25**	**60.59%**	**15,483.21**	**10.00%**	**12,653.78**	**73.64%**	**28,136.99**
	Subsidiaries								
	A) Indian								
1	Alliance Spaces Private Limited	5.14%	17,040.33	-0.93%	-238.08	0.00%	-	-0.62%	-238.08
2	Blackwood Developers Private Limited	1.30%	4,305.41	0.83%	212.01	0.01%	1.17	0.56%	213.17
3	Bellona Hospitality Services Limited	4.05%	13,448.38	-6.03%	-1,540.22	89.83%	11,367.02	25.72%	9,826.80
4	Big Apple Real Estate Private Limited	3.61%	11,990.53	0.00%	0.11	0.00%	-	0.00%	0.11
5	Butala Farm Lands Private Limited	0.15%	497.85	0.00%	-0.17	0.00%	-	0.00%	-0.17
6	Enhance Holdings Private Limited	-0.27%	-902.23	0.00%	-0.15	0.00%	-	0.00%	-0.15
7	Gangetic Developers Private Limited	0.95%	3,149.79	-0.01%	-3.78	0.00%	-	-0.01%	-3.78
8	Grace Works Realty & Leisure Private Limited	1.05%	3,496.39	-4.29%	-1,096.95	-0.01%	-1.60	-2.88%	-1,098.55
9	Island Star Mall Developers Private Limited	27.23%	90,328.05	25.24%	6,450.17	-0.08%	-9.97	16.86%	6,440.19
10	Market City Resources Private Limited	0.34%	1,141.70	0.02%	4.03	0.04%	5.47	0.02%	9.50
11	Market City Management Private Limited	0.00%	9.82	0.00%	-0.28	0.00%	-	0.00%	-0.28
12	Mugwort Land Holding Private Limited	0.00%	8.71	0.00%	-0.17	0.00%	-	0.00%	-0.17
13	Offbeat Developers Private Limited	11.07%	36,712.44	-0.56%	-143.75	-0.02%	-3.03	-0.38%	-146.78
14	Palladium Constructions Private Limited	16.75%	55,565.24	14.30%	3,653.80	0.00%	-	9.56%	3,653.80
15	Pallazzio Hotels & Leisure Limited	7.45%	24,709.04	-9.45%	-2,413.89	0.25%	32.22	-6.23%	-2,381.67
16	Phoenix Hospitality Company Private Limited	5.42%	17,982.86	0.00%	-0.22	0.00%	-	0.00%	-0.22
17	Pinnacle Real Estate Development Private Limited	0.00%	-1.76	0.00%	-0.52	0.00%	-	0.00%	-0.52
18	Plutocrat Assets And Capital Management Private Limited	0.00%	-0.57	0.00%	-0.24	0.00%	-	0.00%	-0.24
19	Sangam Infrabuild Corporation Private Limited	0.10%	318.78	0.00%	-0.06	0.00%	-	0.00%	-0.06
20	Savannah Phoenix Pvt. Ltd.	0.00%	-11.15	-0.23%	-59.52	0.00%	-	-0.16%	-59.52
21	Upal Developers Private Limited	0.79%	2,614.57	3.27%	836.48	-0.01%	-1.38	2.19%	835.10
22	Vamona Developers Private Limited	5.99%	19,880.93	12.82%	3,276.10	-0.01%	-1.60	8.57%	3,274.51
23	Insight Hotels & Leisure Private Limited	1.81%	5,991.58	-0.01%	-2.08	0.00%		-0.01%	-2.08
24	Alyssum Developers Pvt. Ltd.	10.54%	34,966.19	-0.14%	-34.81	0.00%	-	-0.09%	-34.81
25	Sparkle One Mall Developers Private Limited	0.00%	0.84	0.00%	-0.16	0.00%	-	0.00%	-0.16
									-
	Minority Interest in all subsidiaries	14.05%	46,610.36	5.24%	1,339.11	0.04%	5.18	3.52%	1,344.29
	Associates (investment as per Equity Method)								
1	Classic Housing Projects Private Limited	1.47%	4,890.25	0.76%	193.14	0.00%	-	0.51%	193.14
2	Mirabel Entertainment Private Limited	0.01%	43.33	-0.03%	-7.24	0.00%	-	-0.02%	-7.24
3	Starboard Hotels Private Limited	4.03%	13,359.66	-0.99%	-253.47	0.00%	-	-0.66%	-253.47
4	Classic Mall Development Company Pvt Ltd	14.12%	46,858.79	17.57%	4,489.19	0.00%	-	11.75%	4,489.19
5	Columbus Investment Advisory Private Limited	0.04%	116.90	0.01%	1.40	0.00%	-	0.00%	1.40

58. Disclosure as per Ind AS 19 "Employee Benefits"

i) Change in Defined Benefit Obligation during the year

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Present value of the obligation at the beginning of the year	578.89	489.17
Current Service Cost	122.47	108.93
Interest Cost	50.94	43.00
Actuarial (Gain) / Loss on Obligation	(42.62)	7.30
Acquisition/Business Combination/Divestiture	-	(33.86)
Benefits Paid	(83.22)	(35.65)
Past Service Cost	102.83	
Present value of the obligation at the end of the year	729.29	578.89

ii) Change in Fair Value of Assets and Obligations

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Fair value of Plan Assets at the beginning of the year	477.74	400.35
Expected Return on plan assets	35.33	32.55
Contribution	86.61	92.72
Benefits paid during the year	-83.22	(35.64)
Actuarial (gain)/loss on Plan Asset	-9.48	(12.24)
Fair value of Plan Assets at the end of the year	506.99	477.74

iii) Amount to be recognized in Balance sheet (Net)

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Present Value of Defined Benefit Obligation	729.29	578.89
Fair value of Plan Assets at the end of the year	506.99	477.75
Amount to be recognized in Balance sheet	222.30	101.14

iv) Current/Non-Current bifurcation

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Current Benefit Obligation	41.94	18.60
Non - Current Benefit Obligation	180.35	82.54

v) Expense recognised in the statement of Profit and Loss for the year

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Current Service Cost	122.47	144.41
Interest cost on Obligation	50.94	31.84
Expected Return on plan assets	(35.33)	(10.86)
Net Actuarial (Gain) / Loss recognised in the year	102.83	11.54
Net Cost Included in Personnel Expenses	240.91	176.94

vi) Recognised in Other Comprehensive (Income)/Loss at Period-End

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Amount recognized in OCI, Beginning of Period	(164.93)	(146.91)
Remeasurement due to :		
Effect of Change in financial assumptions	36.77	55.81
Effect of Change in demographic assumptions	14.43	(21.24)
Effect of experience adjustments	(25.81)	(9.51)
Actuarial (Gains)/Losses	25.39	(30.75)
Return on plan assets (excluding interest)	(8.63)	12.73
Total remeasurements recognized in OCI	16.76	(18.02)
Amount recognized in OCI, End of Period	(148.17)	(164.93)

59. Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company has granted stock options under the following employee stock option scheme:
1. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2011. During the year 1,99,998 Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2011.

2. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2015. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2015.

Each option when exercised would be converted into one fully paid-up equity share of ` 2 each of the Company. The options granted under ESOP 2011 and options granted under the ESOS 2015 scheme carry no rights to dividends and no voting rights till the date of exercise.

ESOP 2007

Date of grant	Number of options (Gross)	Exercise Price	Date of vesting	Vesting period	Fair Value of Option
10-Jun-08	6,50,000	270.00	09-Jun-16	12	153.26
25-Mar-15	10,556	316.80	25-Mar-16	12	118.69
25-Mar-15	15,833	316.80	25-Mar-17	24	138.36
25-Mar-15	21,111	316.80	25-Mar-18	36	154.97
25-Mar-15	26,389	316.80	25-Mar-19	48	169.26
25-Mar-15	31,667	316.80	25-Mar-20	60	181.67
24-Oct-16	1,25,000	333.90	23-Oct-17	12	112.84
24-Oct-16	1,87,500	333.90	23-Oct-18	24	128.32
24-Oct-16	2,50,000	333.90	23-Oct-19	36	144.12
24-Oct-16	3,12,500	333.90	23-Oct-20	48	158.33
24-Oct-16	3,75,000	333.90	23-Oct-21	60	171.52

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behavior.

	ESOP 2007		
Grant Date	**24-Oct-16**	**25-Mar-15**	**10-Jun-08**
Vesting Period/ Expected Life	From grant date - 12 months to 60 months	From grant date - 12 months to 60 months	1 to 8 years
Fair value of option at grant date	112.84 - 171.52	118.69 - 181.67	153.26
Share price at grant date	371.00	353.05	274.07
Exercise price	333.90	316.80	270.00
Historical volatility	31.1% - 29.6%	35%	45%
Time to Maturity (Years)	2.50 years to 6.50 years	2.50 years to 6.50 years	1 years to 8 years
Dividend Yield	0.66%	0.80%	0.63%
Risk-free Rate	6.85%	8.23%	8.07%

Weighted average remaining contractual life of the options as at 31-Mar-18 - 1.87 (31-Mar-17 - 2.34) years

VALUATION METHODOLOGY, APPROACH & ANALYSIS:

Particulars	Description of the inputs used
Market Price of the optioned Stock	For ESOP weighted average market price as available from the website of BSE as on the date of grant. This price holds good for our Black Scholes Fair Valuation analysis for the grants made by the company on 21st October, 2016.
Exercise price	The exercise price as per the Employees Stock Option Scheme 2007 formulated by the Company per equity share is ₹ 333.90/-
Time to Maturity/ Expected Life of the Option	It is the period for which the Company expects the options to be alive. The minimum life of stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the option cannot be exercised. As per the' scheme, options are vested to the employees over a period of five years as under:

Vesting Date	Maximum % of Option that shall vest
12 Months from Grant Date	10%
24 Months from Grant Date	15%
36 Months from Grant Date	20%
48 Months from Grant Date	25%
60 Months from Grant Date	30%

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2018

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.
Option Exercise Period	Option can be Exercise anytime in three year from the Vesting date.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	ESOP 2007			
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
	31 March, 2018	**31 March, 2018**	**31 March, 2017**	**31 March, 2017**
Options outstanding as at the beginning of the year	13,35,001	332.68	1,79,056	302.54
Add: Options granted during the year	-	-	12,40,000	333.90
Less: Options lapsed during the year	1,39,500	333.90	6,000	270.00
Less: Options exercised during the year	74,833	330.28	78,055	276.33
Options outstanding as at the year end	**11,20,668**	**332.69**	**13,35,001**	**332.68**

60. Goodwill Impairment

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount based on a number of factors including business plan, operating results, futurssse cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which Goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment.

Goodwill is allocated to the following CGU for impairment testing purpose.

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Goodwill relating to Property & Related Services	42,025.63	33,968.97
Goodwill relating to Hospitality Services	257.16	1,259.91
Total	**42,282.79**	**35,228.88**

The Group uses discounted cash flow based methods to determine the recoverable amount. These discounted cash flow calculations use five year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into considerations the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).s

61. The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year

For and on behalf of the Board of Directors

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashokkumar R. Ruia
(Chairman & Managing Director)
DIN - 00086762

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Ashish G. Mistry
Partner
M. No. 132639

Atul Ruia
(Jt. Managing Director)
DIN - 00087396

Pradumna Kanodia
(Director Finance)
DIN - 01602690

ANNEXURE - I - FORM AOC - I

The Phoenix Mills Limited
Form AOC - I
(Pursuant to first proviso to sub-section 129 read with rule 5 of Companies (Accounts) Rules,2014)
Statement containing salient features of the financial subsidiaries/ associate company/joint ventures
Part "A":Subsidiaries
(Information in respect of each subsidiary to be presented with amount in Lakhs)

Sr No.	Name of Subsidiary Co	Reporting Currency	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend	% Shareholding
	Subsidiary												
1	Alliance Spaces Private Limited	INR	199.87	16,840.46	23,600.40	6,560.07	-	53.28	-163.72	74.36	-238.08	-	75.02%
2	Blackwood Developers Private Limited	INR	1,873.17	2,432.21	15,783.72	11,579.34	-	3,484.47	203.47	-8.50	211.97	-	100.00%
3	Bellona Hospitality Services Limited	INR	438.71	13,009.67	18,367.12	4,918.74	14,586.49	2,944.34	-1,540.22	-	-1,540.22	-	100.00%
4	Big Apple Real Estate Private Limited	INR	2,558.59	9,431.94	14,802.06	2,811.53	10,780.26	5.70	0.14	0.03	0.11	-	100.00%
5	Butala Farm Lands Private Limited	INR	1.25	496.60	501.27	3.42	500.00	-	-0.17	-	-0.17	-	100.00%
6	Enhance Holdings Private Limited	INR	1.00	-903.23	391.66	1,293.89	391.46	-	-0.15	-	-0.15	-	100.00%
7	Gangetic Developers Private Limited	INR	898.60	2,251.19	3,152.81	3.02	-	0.35	-3.78	-	-3.78	-	97.08%
8	Grace Works Realty & Leisure Private Limited	INR	6.76	3,489.63	26,522.79	23,026.41	-	2,194.41	-961.68	135.26	-1,096.95	-	66.69%
9	Island Star Mall Developers Private Limited	INR	14,933.68	75,394.37	1,39,756.13	49,428.08	35,002.00	22,992.95	8,814.10	2,363.93	6,450.17	-	70.00%
10	Market City Resources Private Limited	INR	1.00	1,140.07	1,655.27	514.20	55.50	2,927.35	-1.13	-4.52	3.39	-	100.00%
11	Market City Management Private Limited	INR	10.00	-0.18	10.14	0.32	0.01	0.33	0.13	0.41	-0.28	-	100.00%
12	Mugwort Land Holding Private Limited	INR	1.00	7.71	101.22	92.52	-	0.01	-0.17	-	-0.17	-	94.86%
13	Offbeat Developers Private Limited	INR	3,157.98	33,554.46	1,27,616.72	90,904.27	1.25	21,437.60	187.95	331.70	-143.75	-	100.00%

Place: Mumbai
Dated : 08th May 2018

Puja Tandon
(Company Secretary)
M.No.A21937

Sr No.	Name of Subsidiary Co	Reporting Currency	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend	% Shareholding
14	Palladium Constructions Private Limited	INR	3,303.17	52,262.06	91,963.25	36,398.02	-	19,956.65	3,467.21	186.59	3,653.80	-	79.45%
15	Pallazzio Hotels & Leisure Limited	INR	1,200.00	23,509.04	1,07,525.55	82,816.50	5.95	27,975.89	-2,413.89	-	-2,413.89	-	72.98%
16	Phoenix Hospitality Company Private Limited	INR	232.14	17,750.72	18,489.57	506.71	18,428.55	21.17	-0.22	-	-0.22	-	56.92%
17	Pinnacle Real Estate Development Private Limited	INR	1.00	-2.76	1.74	3.50	0.01	0.20	-0.51	0.01	-0.52	-	100.00%
18	Plutocrat Assets And Capital Management Private Limited	INR	1.00	-1.57	44.64	45.21	-	-	-0.24	-	-0.24	-	100.00%
19	Sangam Infrabuild Corporation Private Limited	INR	334.60	-15.82	452.42	133.64	0.20	-	-0.06	-	-0.06	-	100.00%
20	Savannah Phoenix Pvt. Ltd.	INR	83.40	-94.55	120.10	131.24	-	0.09	-59.52	-	-59.52	-	100.00%
21	Upal Developers Private Limited	INR	1,960.00	654.57	14,044.16	11,429.59	-	4,560.18	836.48	-	836.48	-	100.00%
22	Vamona Developers Private Limited	INR	2,500.00	17,380.93	95,158.69	75,277.76	9,622.37	22,537.59	4,590.01	1,313.91	3,276.10	-	99.97%
23	Insight Hotels & Leisure Private Limited	INR	10.00	5,981.58	6,108.61	117.03	-	0.14	-2.08	-	-2.08	-	100.00%
24	Alyssum Developers Pvt. Ltd.	INR	1.00	34,965.19	35,077.88	111.68	3,968.50	-	-3.45	31.36	-34.81	-	70.01%
25	Sparkle One Mall Developers Private Limited	INR	1.00	-0.16	65,111.96	65,111.12	-	-	-0.16	-	-0.16	-	70.01%

Notes:

1 Names of subsidiaries which are yet to commence operations:

a) Butala Farm Lands Private Limited
b) Enhance Holdings Private Limited
c) Mugwort Land Holding Private Limited
d) Pinnacle Real Estate Development Private Limited
e) Plutocrat Assets And Capital Management Private Limited
f) Sangam Infrabuild Corporation Private Limited
g) Insight Hotels & Leisure Private Limited
h) Alyssum Developers Pvt. Ltd.
i) Sparkle One Mall Developers Private Limited

Part "B": Associates and Joint Ventures:
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	**1**	**2**	**3**	**4**	**5**
Name of Associates / Joint Ventures	**Classic Housing Projects Private Limited**	**Mirabel Entertainment Private Limited**	**Starboard Hotels Private Limited**	**Columbus Investment Advisory Private Limited**	**Classic Mall Development Company Private Limted**
Latest Audited Balancesheet Date	31.3.2018	31.3.2018	31.3.2018	31.3.2018	31.3.2018
Shares of Associates/Joint Ventures held by the Company/ Subsidiary Companies on the year end					
(i) No.	5,208	5,000	24,99,374	5,000	37,09,416
(ii) Amount of Investment in Associates / Joint Venture (₹ in lakhs)	1,408.28	5.79	125.13	56.90	25,167.02
(iii) Extend of Holding	50.00%	28.47%	28.47%	50.00%	50.00%
Description of how there is significant influence	Refer Note 3	Refer Note 3	Refer Note 3		
Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balancesheet (₹ in lakhs)	4,890.25	43.33	13,359.66	116.90	46,858.79
Profit/Loss for the Year (₹ in lakhs)	386.27	-14.48	-506.95	2.80	8,978.38
(i) Considered in Consolidation (₹ in lakhs)	193.14	-7.24	-253.47	1.40	4,489.18
(i) Not Considered in Consolidation	-	-	-	-	-

Notes:

1. Name of associates or joint venture which are yet to commence operations — Nil
2. Name of associates or joint venture which have been liquidated or sold during the year — Nil
3. There is a significant influence due to percentage (%) of shareholding.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

____

SHISHIR SHRIVASTAVA

MANAGING DIRECTOR

(DIN: 01266095)

Date: August 18, 2020

Place: Mumbai

DECLARATION

We, the Board of Directors of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED OF BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

SHISHIR SHRIVASTAVA

MANAGING DIRECTOR
(DIN: 01266095)

Date: August 18, 2020

Place: Mumbai

I am authorized by the Capital Raising Committee, a committee of the Board of Directors of the Company, *vide* resolution dated August 18, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

SHISHIR SHRIVASTAVA

MANAGING DIRECTOR

(DIN: 01266095)

Date: August 18, 2020

Place: Mumbai

THE PHOENIX MILLS LIMITED

Registered Office
462, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013

Corporate Office
Shree Laxmi Woolen Mills Estate,
2nd Floor, R.R. Hosiery Building, Off. Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011
Tel: +91 22 2496 4307
Email: investorrelations@highstreetphoenix.com
Website: www.thephoenixmills.com
CIN: L17100MH1905PLC000200

Compliance Officer
Gajendra Mewara, Company Secretary and Compliance Officer
Tel: +91 22 2496 4307
E-mail: investorrelations@highstreetphoenix.com
Address: Shree Laxmi Woolen Mills Estate,
2nd Floor, R.R. Hosiery Building, Off. Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011

BOOK RUNNING LEAD MANAGERS

CLSA India Private Limited
8/F, Dalamal House
Nariman Point,
Mumbai 400 021
Maharashtra, India

HSBC Securities and Capital Markets (India) Private Limited
52/60, M. G. Road, Fort,
Mumbai 400 001
Maharashtra, India

Kotak Mahindra Capital Company Limited
27BKC, 1st Floor, Plot No. C-27,
"G" Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

UBS Securities India Private Limited
2/F, 2 North Avenue, Maker Maxity
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

LEGAL COUNSEL TO OUR COMPANY

As to Indian law

J. Sagar Associates
Vakils House
18, Sprott Road, Ballard Estate
Mumbai 400 001
Maharashtra, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian Law

Khaitan & Co.
One World Centre
10th and 13th Floor, Tower 1C
Senapati Bapat Marg
Mumbai 400 013, Maharashtra, India

As to United States Federal Securities Law

Sidley Austin LLP
6 Battery Road
Level 31
Singapore 049909

STATUTORY AUDITORS OF OUR COMPANY

M/s DTS & Associates LLP
1105, Raheja Centre
Free Press Journal Marg, Nariman Point
Mumbai 400 021

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

The Phoenix Mills Limited	**APPLICATION FORM** **Name of the Bidder ______________** **Form. No._______________________**
*The Phoenix Mills Limited (the "**Company**" or the "**Issuer**") was incorporated under the Indian Companies Act, 1882, by the Registrar of Joint Stock Companies, Bombay on January 27, 1905, as The Phoenix Mills Limited, a company with limited liability. For further details, with respect to changes to the name of the Company, please see the section entitled "General Information" on page 251.* **Registered Office**: 462, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India; **Corporate Office**: Shree Laxmi Woolen Mills Estate, 2nd Floor, R.R. Hosiery Building, Off. Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, Maharashtra, India; **CIN**: L17100MH1905PLC000200; **Website**: www.thephoenixmills.com; **Tel**: 91 22 2496 4307; **Fax:** +91 22 2493 8388 **Email**: investorrelations@highstreetphoenix.com	**Date: ______________**

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] MILLION UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER, EACH AS AMENDED BY THE COMPANY AND SUCH ISSUE, (THE "ISSUE").

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which: (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) are not restricted from participating in the Issue under SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) (a "U.S. QIB") pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" in the accompanying preliminary placement document dated August 18, 2020 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE IN TERMS OF SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 ("FEMA RULES"). ELIGIBLE FPIs ARE PERMITTED TO BID FOR EQUITY SHARES IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DOES NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. FVCIs, NON-RESIDENT MULTILATERAL AND BILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS AND ANY OTHER NON-RESIDENT INVESTORS (OTHER THAN ELIGIBLE FPI THROUGH SCHEDULE II OF THE FEMA RULES) ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
The Phoenix Mills Limited
462, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013,
Maharashtra, India

STATUS (Insert 'X' for applicable category)			
FI	Scheduled Commercial Banks and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Fund
SI- NBFC	Systemically Important Non-Banking Financial Companies	**OTH**	Others ______________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended*

Dear Sirs,

On the basis of the serially numbered PPD of the Company provided to us and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Bid for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under SEBI ICDR Regulations and other applicable laws and that we are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of the Company. We confirm that we are either a QIBs which is resident in India, or an Eligible FPIs, participating through Schedule II of the FEMA Rules. We confirm that we are neither a FVCI nor a non-resident multilateral or bilateral development financial institution. We confirm that the application size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon does not exceed the relevant regulatory or approved limits applicable to us and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN and bank account details will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we are Allotted more than 5% of the Equity Shares in the Issue, the Bank will disclose our name and the number of Equity Shares Allotted to us on the websites of the National Stock Exchange of India Limited and BSE Limited (together referred to as the "Stock Exchanges"), and we consent to such disclosure.

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies, and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted separate Application Form, and asset management companies of mutual funds or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the price and amount to be Allotted under each such scheme. We undertake that we will submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Applicant and the Applicant has all the relevant approvals for applying in the issue. We authorise to place our name in the register of members of the Company as holders of the Equity Shares that may be Allotted to us. We note that the Board of Directors of the Company, or any duly authorized committee thereof, is entitled, in consultation with CLSA India Private Limited, HSBC Securities and Capital Markets (India) Private Limited, Kotak Mahindra Capital Company Limited and UBS Securities India Private Limited (the "**BRLMs**"), in their absolute discretion, to accept or reject this Application Form without assigning any reason thereof.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations and warranties as provided in the "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" sections of the PPD and this Application Form and the terms, conditions and agreements therein are true and correct and acknowledge and agree that these representations, warranties and undertakings are given by us for the benefit of the Company and the BRLMs, each of which is entitled to rely on and is relying on these representations, warranties and undertakings in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We hereby accept the Equity Shares that may be Allocated to us pursuant to the CAN and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form within the Issue Closing Date and such Application Amount has been/will be transferred from a bank account maintained in our name and in case we are joint holders, from the bank account of the person whose name appears first in the Application Form. We acknowledge and agree that we have not/shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares, or if the Application Amount per Equity Shares exceeds the Issue Price per Equity Share, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in requirements, as may be applicable to us.

We acknowledge that the Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) qualified institutional buyers (as defined in Rule 144A) purchasing the Equity Shares pursuant to Section 4(a)(2) under the Securities Act, or (ii) located outside the United States and purchasing Equity Shares in an offshore transaction in reliance on Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" of the PPD.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF APPLICANT*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
EMAIL			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR MFs/VCFs***	SEBI MF/VCF REGISTRATION NO.		
FOR SI-NBFCs	RBI REGISTRATION DETAILS		
FOR Insurance Companies	IRDAI REGISTRATION DETAILS		

**Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.*
***In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLMs have relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS			
Depository Name	National Securities Depository Limited		Central Depository Services (India) Limited
Depository Participant Name			
DP – ID	I N		
Beneficiary Account Number			(16-digit beneficiary A/c. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

BANK ACCOUNT DETAILS FOR PAYMENT OF APPLICATION AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
REMITANCE BY WAY OF ELECTRONIC FUND TRANSFER By 3:00 p.m. (IST), AUGUST 21, 2020 (FRIDAY)			
Name of the Account	THE PHOENIX MILLS LIMITED – QIP ESCROW ACCOUNT	**Account Type**	Escrow Account
Name of Bank	AXIS BANK LIMITED	**Address of the Branch of the Bank**	Axis Bank Limited - Sir P M Road, Jeevan Prakash Building, Ground Floor, Fort Mumbai-400001
Account No.	920020056393535	**IFSC**	UTIB0000004
Phone No.	+91 22 40867371	**EMAIL**	Dexter.Samuel@axisbank.com Amit.Retharekar@axisbank.com

Kindly make your payment only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Application Amount should be made along with the Application Form on or before the closure of the Issue Period i.e. within the Issue Closing Date. All payments must be made in favor of "THE PHOENIX MILLS LIMITED – QIP ESCROW ACCOUNT". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form. You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

NO. OF EQUITY BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)

APPLICATION AMOUNT (RUPEES)	
(In Figures)	(In Words)

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Email:			

OTHER DETAILS	
PAN**	
Signature of Authorized Signatory	

ENCLOSURES ATTACHED
Attested / certified true copy of the following: ☐ Copy of the PAN Card or PAN Allotment Letter ☐ FIRC ☐ Copy of FPI registration Certificate / MF registration certificate / SEBI registration certificate as for AIFs / VCFs ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC / a Scheduled Commercial Bank ☐ Copy of notification as a public financial institution ☐ Copy of the IRDA registration certificate ☐ Certified true copy of power of attorney ☐ Others, please specify_________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*Please note that the Applicant should not submit the GIR number or any other identification number instead of the PAN as the application is liable to be rejected on this ground.*
***Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961,as the application is liable to be rejected on this ground*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and the Placement Document.
Note 2: The Application Form is liable to be rejected if any information provided is incomplete or inadequate.

The Application Form, the PPD sent to you and the Placement Document which will be sent to you, either in physical form or in electronic form or both, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

(***Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.***)

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all material approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

SHISHIR SHRIVASTAVA

MANAGING DIRECTOR

(DIN: 01266095)

Date: August 18, 2020

Place: Mumbai

DECLARATION

We, the Board of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED OF BEHALF OF THE BOARD OF DIRECTORS

Signed by:

SHISHIR SHRIVASTAVA

MANAGING DIRECTOR
(DIN: 01266095)

Date: August 18, 2020

Place: Mumbai

I am authorized by the Capital Raising Committee, a committee of the Board of Directors of the Company, *vide* resolution dated August 18, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

SHISHIR SHRIVASTAVA

MANAGING DIRECTOR

(DIN: 01266095)

Date: August 18, 2020

Place: Mumbai