



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

**Date: August 27, 2015**

To,  
The General Manager  
Department of Corporate Services - Listing Department  
BSE Limited, P. J. Towers, Dalal Street, Mumbai – 400 001

The Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

**Ref: The Phoenix Mills Limited (503100/ PHOENIXLTD)**  
**Sub: Submission of Revised Annual Report**

Dear Sir,

This is further to our letter dated August 11, 2015 regarding submission of the Annual Report of the Company for the financial year 2014-15. Kindly note that subsequently, we have observed that on page number 208 of the Annual Report containing salient features of the financial statement of subsidiaries / associate companies / joint ventures pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014, we have inadvertently given the information relating to the associate companies in the format prescribed for subsidiary companies. The same has now been corrected and disclosed in the prescribed format. We are attaching herewith the corrected version of the Annual Report 2014-15. The same is also available on the Company's website [www.thephoenixmills.com](http://www.thephoenixmills.com).

We have also sent a corrigendum to the shareholders of the Company as attached in Annexure A.

The inconvenience caused is regretted.

Kindly take the same on record.

Thanking you,  
Yours faithfully,

**For The Phoenix Mills Limited**

  
Puja Tandon  
Company Secretary





## **The Phoenix Mills Limited**

Regd. Office: 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013  
CIN: L17100MH1905PLC000200 Tel: (022) 2496 4307 Fax: (022) 2493 8388  
E-mail: info@thephoenixmills.com Website: www.thephoenixmills.com

**Dear shareholder(s),**

This is with reference to the Annual Report of the Company for the financial year 2014-15 dispatched to you in the second week of August 2015.

We have observed that on page number 208 of the Annual Report containing salient features of the financial statement of subsidiaries / associate companies / joint ventures pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014, we have inadvertently given the information relating to the associate companies in the format prescribed for subsidiary companies. The same has now been corrected and disclosed in the prescribed format. Accordingly, you are requested to read table (ii) to point number 51 as given in the attached Annexure instead of the table as appearing on page number 208 of the Annual Report.

The corrected version of the Annual Report is available on the Company's website [www.thephoenixmills.com](http://www.thephoenixmills.com) and can be viewed / downloaded by clicking the following link:

<http://www.thephoenixmills.com/ThePhoenixMillsLimitedAnnualReport2014-15.pdf>

The inconvenience caused is regretted.

**For The Phoenix Mills Limited**

Sd/-  
**Puja Tandon**  
**Company Secretary**

**Place: Mumbai**  
**Date: August 25, 2015**

## The Phoenix Mills Limited

### Form AOC-1

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

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees)

Sr No.	Name of Subsidiary Co	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Investment	Turnover/Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend	% Share-holding
1	Alliance Spaces Private Limited	19,986,940	960,639,376	1,476,815,422	496,189,106	-	1,564,344	(60,076,374)	(21,608,774)	(38,467,600)	-	33.00%
2	Blackwood Developers Private Limited	187,316,750	80,186,878	1,588,536,778	1,321,033,151	-	278,650,301	(16,717,997)	-	(16,717,997)	-	76.59%
3	Bellona Hospitality Services Limited	43,871,200	38,506,807	652,713,296	570,335,289	552,510,032	15,624,922	(7,966,973)	6,622	(7,973,595)	-	100.00%
4	Big Apple Real Estate Private Limited	251,267,930	932,987,345	1,738,520,237	554,264,962	845,226,138	74,943,962	(14,316,524)	(910,301)	(13,406,223)	-	76.59%
5	Butala Farm Lands Private Limited	125,000	49,711,348	50,149,566	313,218	50,000,000	-	(8,161)	-	(8,161)	-	100.00%
6	Classic Mall Development Company Private Limited	76,981,160	2,401,229,120	6,539,635,873	4,061,425,593	5,000	2,121,941,051	639,334,077	73,545,251	565,788,826	-	50.01%
7	Enhance Holdings Private Limited	100,000	(70,265,942)	59,169,643	129,335,585	59,145,715	-	(70,023,547)	-	(70,023,547)	-	100.00%
8	Gangetic Developers Private Limited	89,860,100	234,794,701	425,037,417	100,382,616	-	-	(54,724,616)	-	(54,724,616)	-	44.89%
9	Grace Works Realty & Leisure Private Limited	675,680	157,798,472	3,025,516,691	2,867,042,539	-	1,202,507,835	209,169,515	50,258,141	158,911,375	-	44.02%
10	Island Star Mall Developers Private Limited	286,764,730	2,152,571,764	6,516,264,194	4,076,927,700	-	1,413,047,828	312,223,149	29,730,702	282,492,447	-	75.34%
11	Market City Resources Private Limited	100,000	85,548,549	208,171,663	122,523,114	72,500,000	183,682,446	12,802,500	4,417,653	8,384,847	-	100.00%
12	Market City Management Private Limited	1,000,000	10,200	1,676,989	666,789	800	909,893	873,860	174,867	698,993	-	100.00%
13	Mugwort Land Holding Private Limited	100,000	839,673	10,206,333	9,266,660	-	1,905,000	(21,679)	-	(21,679)	-	94.86%
14	Offbeat Developers Private Limited	315,798,410	2,851,254,877	13,714,038,143	10,547,009,856	25,000	2,397,492,229	(503,168,462)	(265,455,280)	(237,713,182)	-	56.26%
15	Palladium Constructions Private Limited	327,785,740	4,183,311,736	5,754,279,200	1,243,181,725	190,000,000	2,354,496,950	809,705,781	(187,542,304)	622,163,478	-	73.24%
16	Pallazzo Hotels & Leisure Limited	120,000,000	659,374,424	11,517,899,548	10,738,525,124	595,000	1,719,776,361	(1,101,495,382)	-	(1,101,495,382)	-	100.00%
17	Phoenix Hospitality Company Private Limited	23,214,000	1,540,658,160	1,619,530,735	55,658,575	1,611,709,656	2,335,324	595,392	119,984	475,408	-	56.92%
18	Pinnacle Real Estate Development Private Limited	100,000	(217,622)	52,049,123	52,166,745	51,829,433	20,000	(3,081)	-	(3,081)	-	100.00%
19	Plutocrat Assets And Capital Management Private Limited	100,000	(94,498)	55,300	49,798	-	-	(19,459)	-	(19,459)	-	100.00%
20	Sangam Infrabuild Corporation Private Limited	33,460,000	(1,475,911)	51,360,030	19,375,941	-	-	(104,724)	-	(104,724)	-	76.58%
21	Upal Developers Private Limited	196,000,000	(77,884,963)	1,348,565,949	1,230,450,912	-	299,538,517	423,922	-	423,922	-	76.58%
22	Vamona Developers Private Limited	250,000,000	1,278,086,044	7,416,785,173	5,888,699,129	-	1,727,660,356	11,370,073	(18,834,759)	96,204,832	-	62.55%

#### Notes:

1. There were no subsidiaries for which the reporting period is different from the holding Company's reporting period.
2. There were no foreign subsidiaries of the Company during the financial year 2014-15.
3. Sangam Infrabuild Corporation Private Limited, subsidiary of the Company, is yet to commence its operations.
4. There are no subsidiaries which have been liquidated or sold during the year.

**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	6	7	8	9	10
Name of Associates / Joint Ventures	Classic Housing Projects Private Limited	Mirabel Entertainment Private Limited	Savannah Phoenix Pvt. Ltd.	Starboard Hotels Private Limited	Galaxy Entertainment Corporation Ltd	Galaxy Entertainment (India) Private Limited	Escort Developers Private Limited	Bartraya Mall Development Company Private Limited	Entertainment World Developers Limited	Gangetic Hotels Private Limited
Latest Audited Balancesheet Date	31.3.2015	31.3.2015	31.3.2014	31.3.2015	31.3.2014	31.3.2014	31.3.2015	31.3.2014	31.3.2014	31.3.2014
Shares of Associates/Joint Ventures held by the Company/ Subsidiary Companies on the year end										
(i) No.	5,000	2,846	25,000	1,423,270	3,686,484	2,500,000	25,000	5,000	25,356,940	1,178,699
(ii) Amount of Investment in Associates / Joint Venture	50,000	30,468	250,000	14,232,697	74,309,402	25,000,000	15,950,000	50,000	450,124,554	59,293,564
(iii) Extend of Holding	48.00%	28.46%	50.00%	28.47%	23.56%	49.02%	50.00%	50.00%	40.21%	23.61%
Description of how there is significant influence	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3	NA	NA	Refer Note 3
Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	Refer Note 4	Refer Note 4	NA
Networth attributable to Shareholding as per latest audited Balancesheet	171,933,278	7,471,570	(15,185,581)	49,120,350	7,218,359	72,189,577	31,867,507	(86,186)	576,768,053	427,536,001
Profit/Loss for the Year										
(i) Considered in Consolidation	34,801,525	308,902	(2,149,096)	(152,832)	10,424,757	(2,754)	1,304	-	-	-
(i) Not Considered in Consolidation	-	-	-	-	-	-	-	-	-	-

**Notes:**

- There were no associates or joint ventures which are yet to commence operations
- There were no associates or joint venture which have been liquidated or sold during the year
- There is a significant influence due to percentage (%) of shareholding.
- The Company does not exercise any control and does not have significant influence over Entertainment World Developers Limited and Bartraya Mall Development Company Private Limited. Hence these entities are not considered as associates of the Company for the purpose of consolidation as per AS- 23 "Accounting for Investments in Associates in Consolidated Financial Statements". The Investments have been accounted for as per AS-13 "Accounting for Investments".

**For A. M. Ghelani & Company**  
Chartered Accountants  
FRN : 103173W

**For Chaturvedi & Shah**  
Chartered Accountants  
FRN : 101720W

For and on behalf of the Board of Directors

**Ashokkumar R. Ruia**  
(Chairman & Managing Director)

**Shishir Shrivastava**  
(Jt. Managing Director)

**Chintan A. Ghelani**  
Partner  
M. No. 104391

**Amit Chaturvedi**  
Partner  
M. No. 103141

**Atul Ruia**  
(Jt. Managing Director)

**Pradumna Kanodia**  
(Director Finance)

Place : Mumbai  
Date: 28th May, 2015

**Puja Tandon**  
(Company Secretary)



THE  
OF **Fine Art**  
Consumption.

## Our Vision

To create shareholder value by generating exceptional yields from the capital growth and sale of architecturally superior, difficult to replicate assets, that are truly world class in quality and infrastructure.

To create a superior business environment for our many local and international retailers and partners, by growing a loyal customer flow to our assets by consistently delighting and engaging the Indian consumer.

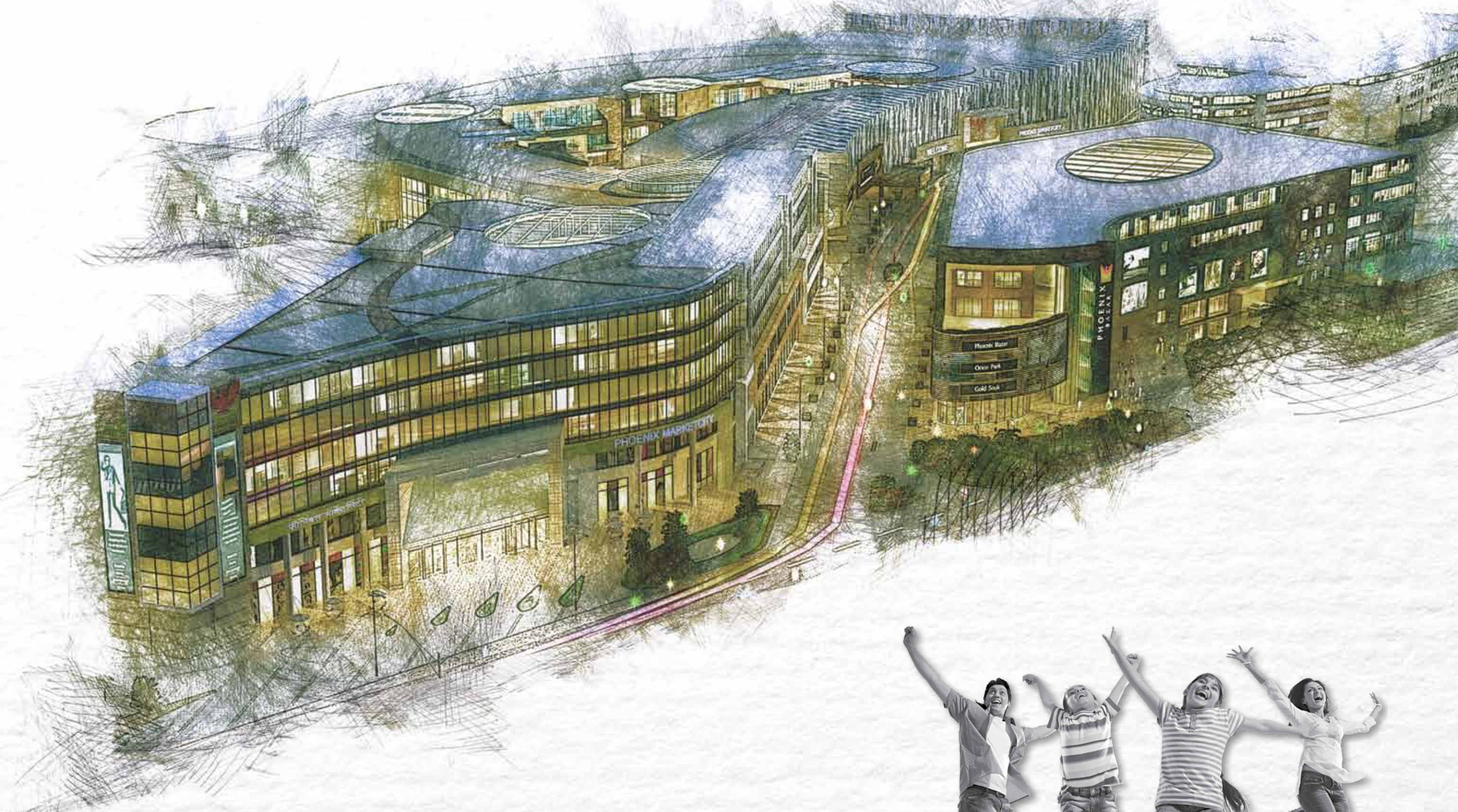
#### Disclaimer:

Certain sections in this Annual Report reflect the management's current views, expectations and knowledge of its business. Certain information provided and statements made herein are based on assumptions and/or may be forward looking in nature, involving risks and uncertainties like regulatory changes, local, political or economic developments, whether present or future. Actual results, performance or events may differ materially from the information/statements herein contained due to changes in economic environment, market conditions, norms, regulations, allowances etc.

The financial projections, expected launch dates of projects, estimated areas etc. contained herein are estimates, based on current market conditions, regulations, norms and business plans of the Company. References to developable or chargeable areas are based on existing real estate regulations, approvals existing,

approvals expected, allowances and current development plans. Changes in real estate regulations and market conditions in future may result in variances from the financial projections and/or the estimated project areas, which are beyond the control of the Company.

Information provided herein, including projected financial information if any is not to be construed as a solicitation to invest in our company but is provided for information purposes only. The Company will not in any way be responsible for any action taken based on the information and/or forward looking statements contained herein and undertakes no obligation to publicly update forward-looking statements if any to reflect subsequent events or circumstances.



Creating Family  
Consumption Hubs



# THE Fine Art OF Consumption

Our malls are essentially “modern day cathedrals” for enjoyment. This is the product of our far-sightedness and deep understanding of the “fine art of consumption”. We had the vision about the need for strong architectural design and vast public spaces. We have been judicious in selecting a diverse, yet healthy, mix of brands to populate our galleries. We had the foresight to build massive parking capacities to allow large amounts of people to easily flow in and out. We were meticulous in creating ambiances that are friendly, relaxing and inviting. It’s this deep understanding of our consumers and brands’ needs that allow us to make an art out of an idea called consumption.



Enjoying life can mean different things to different people – seeing a movie, having a fine-dining experience, having a friendly chat over coffee, watching a comedy show, go bowling or experiencing snow, update the wardrobe or buying sports or camping gear for outdoor lifestyle, buying electronic gizmos or furniture and artifacts for the home or buying high-end luxury goods or jewellery. Many find great enjoyment in tasting unfamiliar cuisines from around the world or merely in taking a stroll in the malls as part of their daily exercise. Our malls today are destinations where all of these things are possible in a friendly, safe and highly accessible way. They are not just about being a place where trade can take place between a brand and a customer, but they are designed around all the things that we as human beings like to do to ‘enjoy’ life. These are conceived out of strong ideas that place our idea of the fine art of consumption at its centre.

**Atul Ruia**



*Jt. Managing Director,  
The Phoenix Mills Limited*

Surrounding this magnet of consumption, we’ve built magnificent commercial, residential and hospitality spaces that create a multiplier effect on convenience, joy and consumption. Through this mixed-use concept, we have pioneered the idea of delivering superior value to our consumers, tenants and guests. Such superior value comes in many shapes – value for time, value for quality, value for experience, value of convenience, value for money and ultimately value for enjoyment. Our “cathedrals” are fine examples of what mixed-use architecture can deliver and what others aspire for.



## Contents

Our consumers have been voting for us with their feet and wallet. In FY2015, more than ₹ 49 billion was spent by 103 million visitors. In this respect, we have won a landslide vindication for our business model.

Atul Ruia, Managing Director **Pg 28**

### About us

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Ashokkumar Ruia, Chairman & Managing Director

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## Financials

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## At a Glance

We specialise in the ownership, management and development of iconic large format retail-led mixed use properties that include shopping, entertainment, commercial, residential and hospitality assets.

Today, we have interests in 9 irreplaceable large scale retail assets – making up close to 6.2 mn sq. ft. across 6 Indian city-centres. With our prime residential and commercial properties in Bengaluru, Mumbai, Chennai and Pune, we are emerging as a leading realty company of India that is both highly integrated and asset-class diversified at the same time.

**BSE (Code: 503100)**

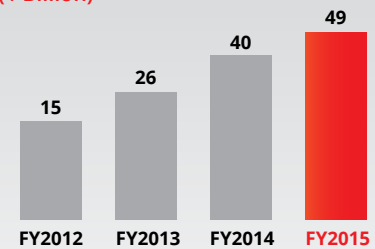
**NSE (Symbol: PHOENIXLTD)**



₹49 Bn

Consumption in FY2015

**Rising Consumption at the Phoenix Group**  
(₹ Billion)



### Consolidated Financial Highlights

	FY2014	FY2015
Sales Income	5,534	4,574
Hospitality Income	817	1,590
License Fee, Service Charges, Others	8,135	10,368
Total Income	14,485	16,533
EBITDA	6,784	7,620
EBITDA Margins	47%	46%
Other Income	391	312
Depreciation	1,055	1,681
Interest	3,451	3,956
Profit Before Tax	2,669	2,295
Profit After Tax & Minority Interest	1,285	354

₹ Mn

103 Million

Aggregate Footfalls in FY2015

600+

Employees across 7 cities  
pan India

### Retail Business

7 Malls in 6 cities

2 Malls under Development & Fit-outs



More on our Retail Business:  
Page 87

### Commercial & Hospitality

5 Commercial centres in 2 cities

2 Completed Hotel Projects



More on our Commercial & Hospitality Business:  
Page 92

### Residential

5 Residential Projects under development

5.5 Mn sq. ft.



More on our Residential Business:  
Page 92

### Assets Overview

17.5 Mn sq. ft.

Over 17.5 Mn sq. ft. in Retail, Hospitality,  
Commercial And Residential Assets Spread  
over 100+ Acres.



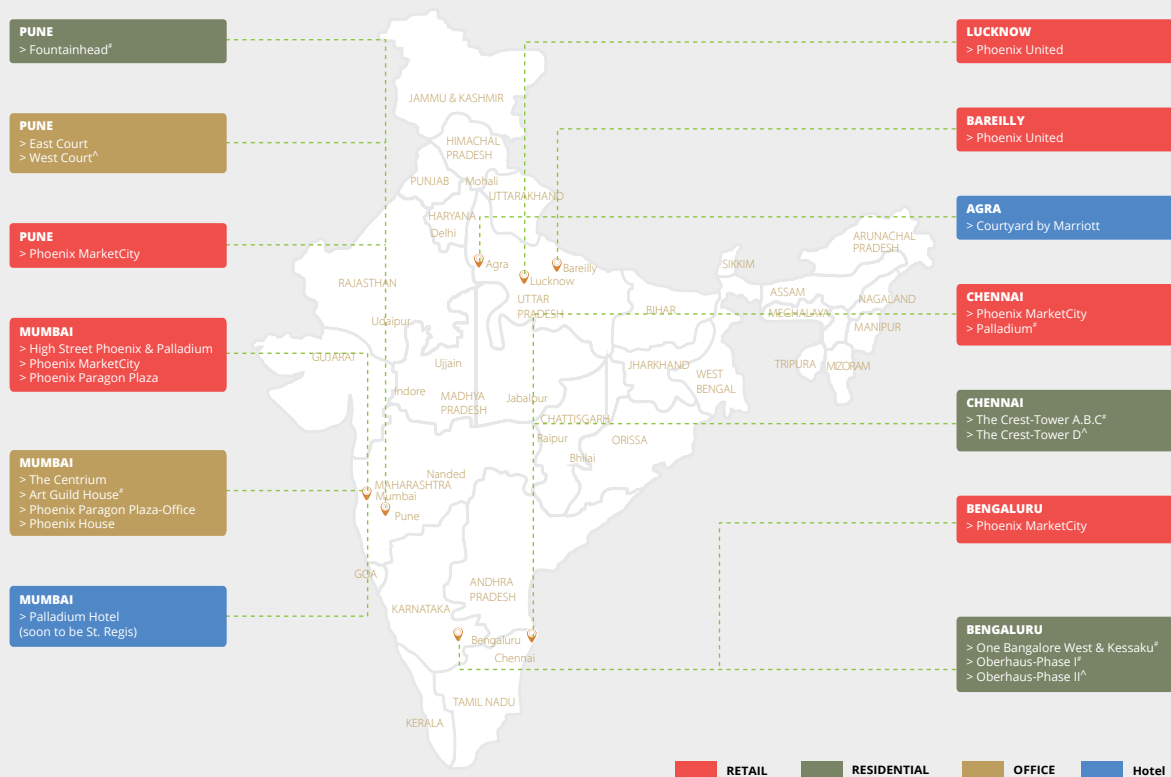
More on our Assets Overview:  
Page 86

# Our Business Model

As part of our strategy, we seek to produce outstanding long term returns for our shareholders through capital appreciation and income growth by developing and managing retail assets, acquisitions and disposal and partnering with marquee investors.

- Developing new properties for long-term investment;
- Maximising risk-adjusted returns through optimal financing and with other strategic partners including land owners and financial institutions;
- Superior creativity in the designs of our assets;
- Sound execution of our projects;
- Producing the highest standards of quality;
- Enhancing property returns through active asset management;
- Creating and acquiring exceptional assets with strong cash flows from suitable tenure profiles and good growth potential;
- Profound understanding of India's urban markets and its consumers;
- Capitalising on existing client relationships;
- Taking on challenges arising in the property market and seizing value opportunities; and
- Excellence in work ethics and corporate governance.

## Our Pan India Presence



<sup>^</sup> Planned project. <sup>#</sup> Ongoing project

## RETAIL

Own, Develop and  
Manage Retail Assets



## RESIDENTIAL

Develop and  
Sell Retail Assets in  
Tier-1 Cities



## COMMERCIAL

Develop and Sell  
Commercial Assets in  
Tier-1 Cities



## HOSPITALITY

Own and Develop  
Hospitality Assets



## INVESTMENT

Invest in High-Potential Assets  
for Inorganic Expansion



## ADVISORY

Manage Development, Advisory  
and Asset Management Vertical  
Across Projects



# Asset Summary

## Projects Delivered So Far

MUMBAI

PUNE

BENGALURU

CHENNAI

AGRA

The existing real estate development portfolio of The Phoenix Mills Limited (PML) primarily comprises retail-led, mixed-use developments in prime locations. The portfolio includes four types of developments: Retail, Commercial, Residential and Hospitality at Mumbai, Pune, Bengaluru, Chennai and Agra.

## Projects Under Construction

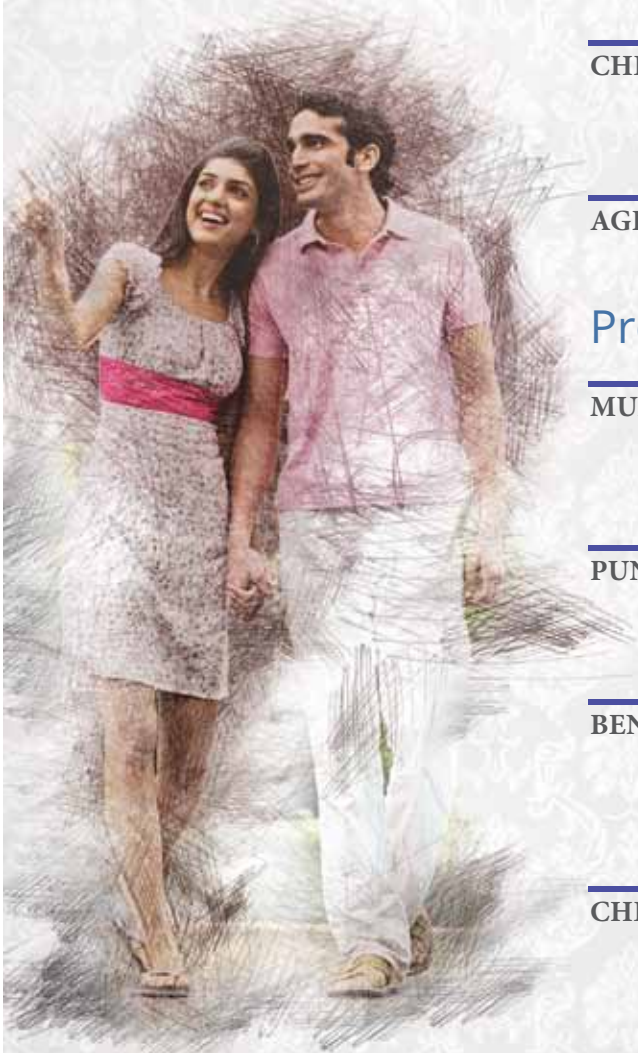
MUMBAI

PUNE

BENGALURU

CHENNAI

We continue with the design, planning and construction of our other projects – Residential and Commercial properties – which form a part of the mixed-use development on the same land parcels where Phoenix MarketCity malls have been built across the four cities, in addition to our standalone developments.



**MALLS**

**HSP & PALLADIUM MALL**  
Leasable Area: 0.74 Mn sq. ft.  
Consumption: ₹ 14,403 Mn  
Avg. License Fees: ₹ 256 psf pm

**PHOENIX MarketCity, KURLA**  
Leasable Area: 1.11 Mn sq. ft.  
Consumption: ₹ 5,480 Mn  
Avg. License Fees: ₹ 85 psf pm

**PHOENIX MarketCity, PUNE**  
Leasable Area: 1.13 Mn sq. ft.  
Consumption: ₹ 7,650 Mn  
Avg. License Fees: ₹ 82 psf pm

**PHOENIX MarketCity, BENGALURU**  
Leasable Area: 0.98 Mn sq. ft.  
Consumption: ₹ 7,753 Mn  
Avg. License Fees: ₹ 84 psf pm

**PHOENIX MarketCity, CHENNAI**  
Leasable Area: 1.00 Mn sq. ft.  
Consumption: ₹ 10,481 Mn  
Avg. License Fees: ₹ 104 psf pm

**RETAIL & COMMERCIAL**

**CENTRIUM (15 LBS)**  
Saleable Area: 0.28 Mn sq. ft.  
(Commercial only)

**PHOENIX PARAGON PLAZA**  
Saleable/Leasable Area:  
0.46 Mn sq. ft. Under Fit-outs  
(Retail & Commercial)

**EAST COURT**  
Saleable/Leasable Area:  
0.25 Mn sq. ft.

**PHOENIX United, LUCKNOW**  
Leasable Area: 0.33 Mn sq. ft.  
Consumption: ₹ 1,840 Mn  
Avg. License Fees: ₹ 54 psf pm

**PHOENIX United, BAREILLY**  
Leasable Area: 0.31 Mn sq. ft.  
Consumption: ₹ 1,398 Mn  
Avg. License Fees: ₹ 44 psf pm

**HOSPITALITY**

**PALLADIUM HOTEL**  
Keys: 389  
Avg. Occupancy: 66%

**HOSPITALITY**

**COURTYARD BY MARRIOTT**  
Keys: 196  
Started Operations: Q1-2015

**COMMERCIAL**

**ART GUILD HOUSE**  
Saleable/Leasable Area: 0.76 Mn sq. ft.

**WEST COURT**  
Saleable/Leasable Area:  
0.28 Mn sq. ft. Planned

**RESIDENTIAL**

**FOUNTAINHEAD**  
Saleable Area: 0.35 Mn sq. ft.  
Launch in: Q1-2014

**ONE BANGALORE WEST**  
Saleable Area: 2.20 Mn sq. ft.  
Phase I - Launched in: Q3-2012  
Phase II - Launched in: Q4-2015

**KESSAKU**  
Saleable Area: 1.0 Mn sq. ft.  
Launched in: Q1-2015

**OBERHAUS**  
Saleable Area: 1.02 Mn sq. ft.  
Phase I Soon to be Launched

**MALLS**

**PALLADIUM CHENNAI**  
Leasable Area: 0.22 Mn sq. ft.

**THE CREST**  
Saleable Area: 0.53 Mn sq. ft.  
Launched in: Q3-FY2012

**THE CREST - TOWER D**  
Saleable Area: 0.41 Mn sq. ft.

# Catalysts for Consumption

Our malls are essentially “modern day cathedrals” for enjoyment. They are not just about being a place where trade takes place between a brand and a customer, but they are designed around all the things that we as human beings like to do to ‘enjoy’ life.

## Consumption Growth

# 38%

Aggregate CAGR  
(FY2013-15)

## Consumption Value in FY2015

# ₹49.0 Billion

Aggregate Amount Spent  
at all our Malls

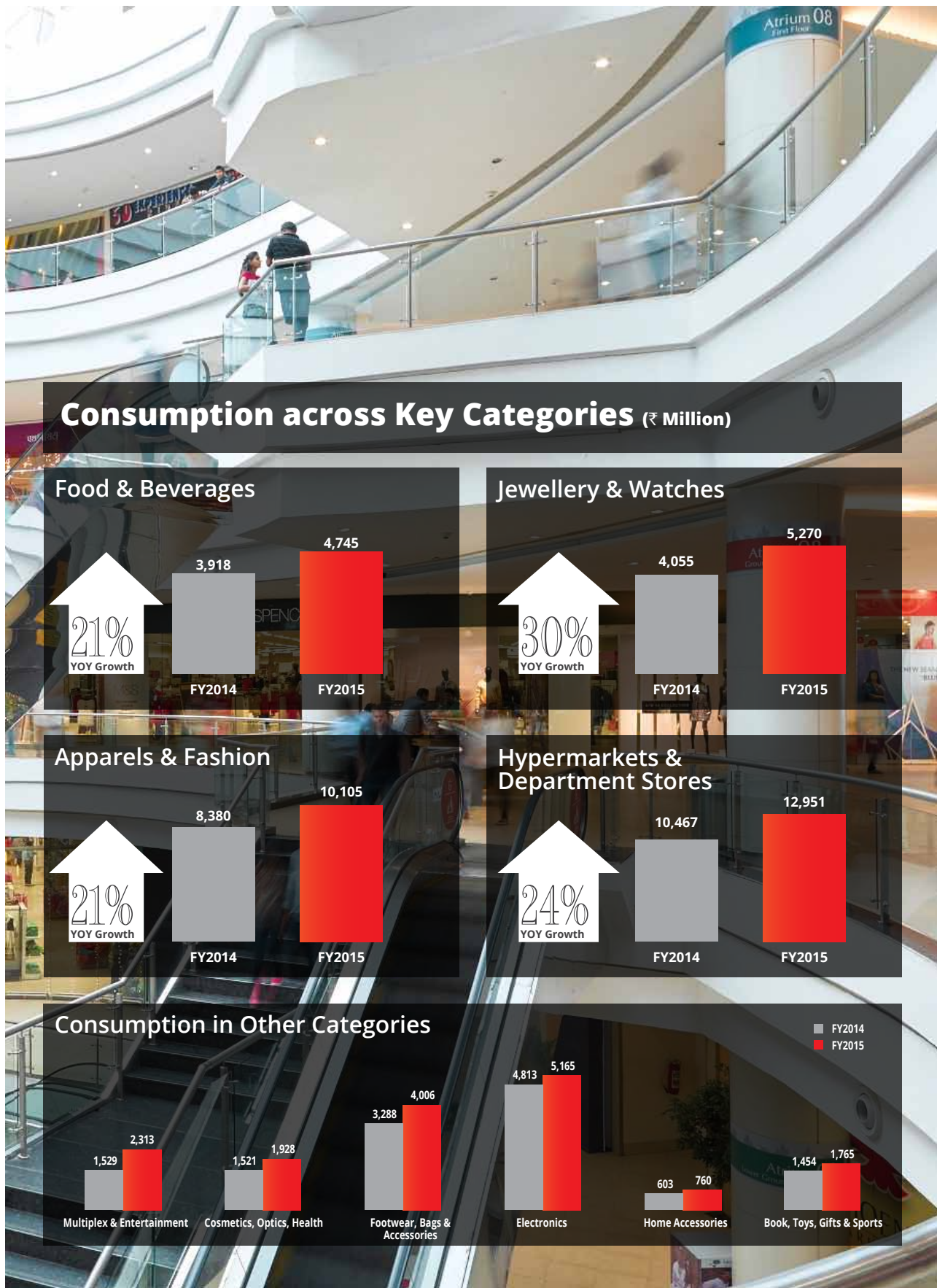
India is the world's 4<sup>th</sup> largest economy in terms of Purchasing Power Parity (PPP) and the 2<sup>nd</sup> fastest growing economy, forging ahead with attractive long-term growth rate prospects. Morgan Stanley Research projects the country to outpace China's growth in the next few years. One of the key pillars of India's economic prowess is demographic-led consumption, which is largely driving the vibrant economy.

The prime fundamentals of India's consumption story are: a young nation, rising income levels, increasing purchasing power, growing urbanisation, changing consumer preferences and higher brand awareness. India's GDP has accelerated to 7.3% in FY2015, compared to 6.9% in the previous year, becoming the fastest growing economy in the world, as per data released by the Central Statistics Office. With India becoming a ₹ 127 trillion economy, its per capita net national income is estimated to have soared by 10.1% year-on-year. As India continues to grow steadily and reaps the potential benefits of its demographic dividend, private consumption is seen improving to 60.4% of GDP, from 59.7% a year ago. An increase in working age population, coupled with a rise in GDP per capita, will further spur demand.

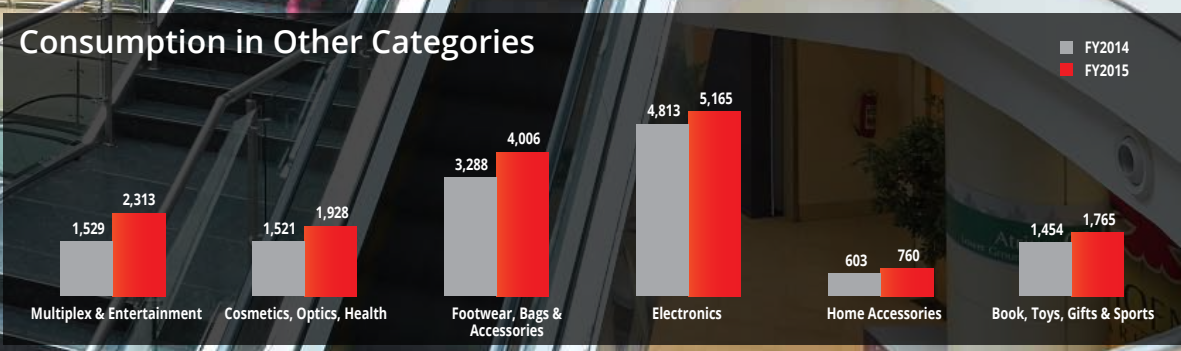
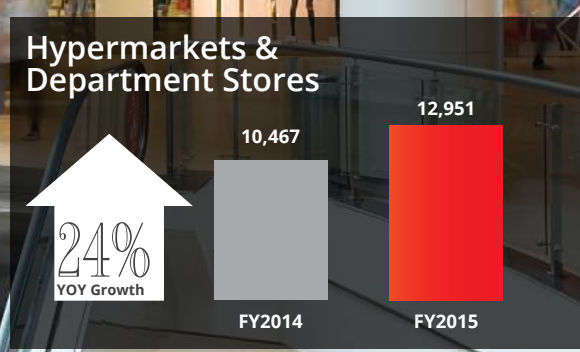
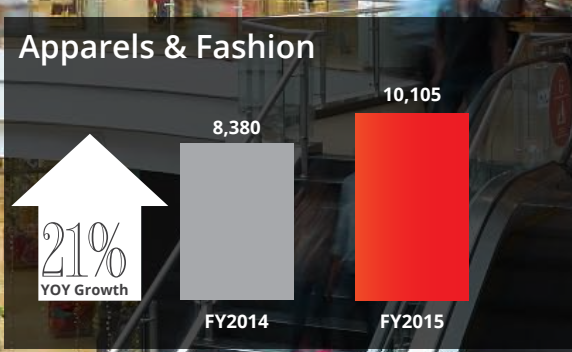
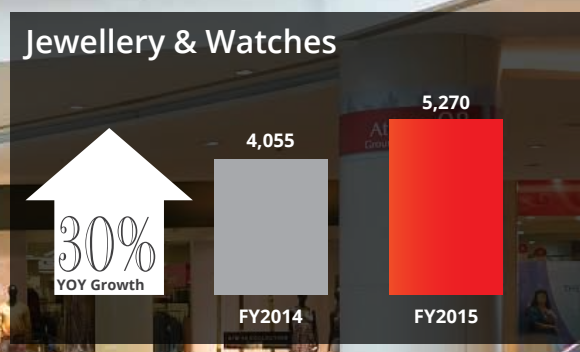
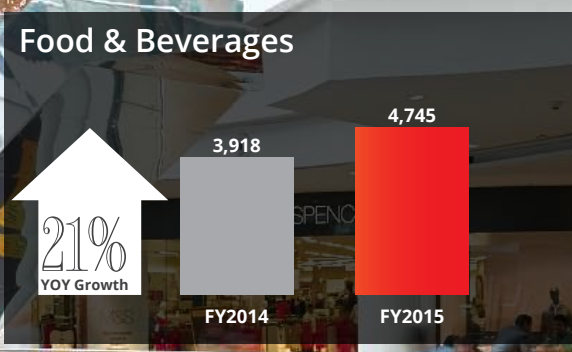
Private final consumption expenditure, a measure of what households and individuals spend on goods & services grew at 5.8% for quarter-ended September 2014. This is in stark contrast to the almost decadal low of 2.8% in September 2013. A KPMG report has projected India's retail sector to witness a CAGR of 12-13% to be worth \$948 billion (₹ 55 trillion) by 2013-19. Revenue generated from organised retail at ₹ 2.4 trillion in 2012, is expected to continue growing at an impressive rate to a projected ₹ 5.5 trillion by



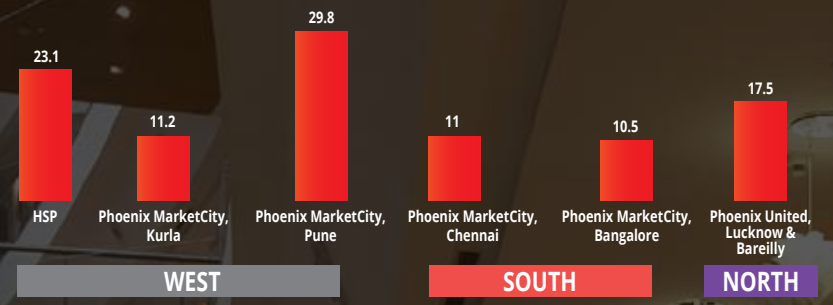




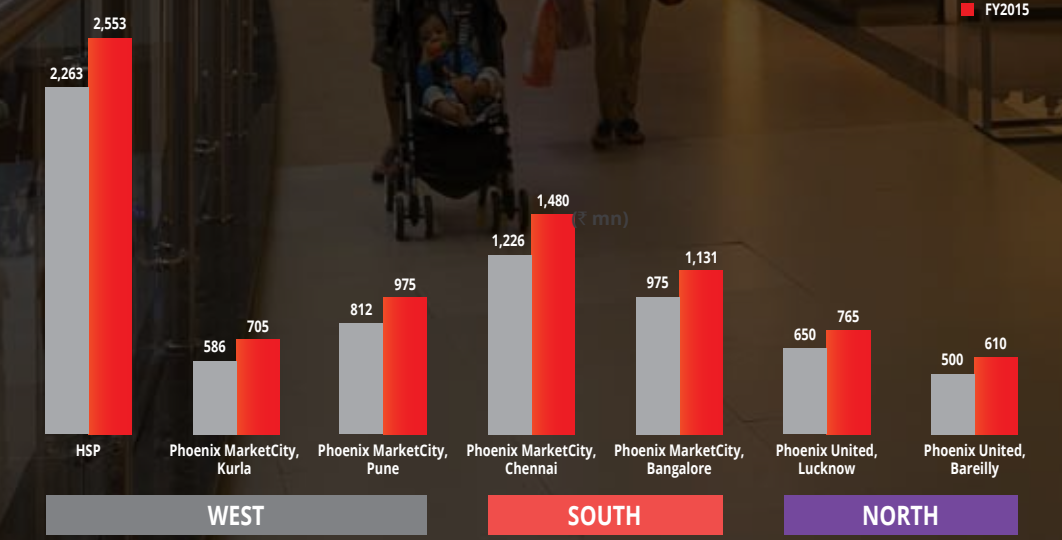
### Consumption across Key Categories (₹ Million)



### Total Footfalls of 103 million



### Trading Density (₹/sq.ft/month)



Valued at \$5.8 billion today, the luxury market is fast spreading beyond the metros too into traditionally conservative cities. The market is projected to rise 2.5 times from its current size in the next five years.

103 Million  
Aggregate Footfalls

6.5 ₹ Billion  
Rental Income in FY2015

25%  
CAGR in Rental  
Income (FY2013-15)

2019. The luxury goods market is taking aspirational spending to its natural conclusion, even as discretionary spending is rising by leaps and bounds. Valued at \$5.8 billion today, the luxury market is fast spreading beyond the metros too into traditionally conservative cities, according to a CII-AT Kearney Report. The market is projected to rise 2.5 times from its current size in the next five years, according to Technopak.

We, at The Phoenix Mills Limited, continued to capitalise on rising consumption and have made big strides during the year. We reported strong consumption growth across all the Malls, a testimony to the leadership position of our malls. Consumption grew to ₹ 49 billion compared with ₹ 40 billion in FY2014, recording 38% CAGR between FY2013-15. Trading density has risen between 15-30% in each mall translating into high rental income.

Categories witnessing the highest consumption growth in FY2015 are – Multiplex & Entertainment (51% YoY); Jewellery (30% YoY); Cosmetics, Optics, Health (27% YoY); Home Accessories (26% YoY); Hypermarkets & Department Stores (24% YoY); Footwear, Bags & Accessories (22% YoY); Books, Toys, Gifts & Sports (21% YoY); F&B (21% YoY); and Apparels & Fashion (21% YoY) among others. With the above, we have demonstrated the right strategy, right culture and right geographical footprint to deliver consistent and sustained value for our shareholders. Riding on the back of increasing consumption in organised retail, we are perfectly positioned to focus on our key strategic imperatives.



# The Phoenix Evolution

**1905**

The Phoenix Mills Limited commences operations as a textile manufacturing company on 17.3 acres land at Lower Parel in Mumbai, with the objective of manufacturing cotton textile goods.

**1959**

The Phoenix Mills Limited, owned by the Ruia family, was listed on the Bombay Stock Exchange.

**1996**

Opened doors to The Bowling Co., India's first bowling company with the largest 20-lane bowling concourse and gaming arcade, sports bar and night-club Fire & Ice, to add the crucial element of entertainment to the burgeoning HSP Complex.

**2003**

Launched Pantaloons and Lifestyle departmental stores within the HSP Complex, each covering approximately 50,000 sq. ft. of retail shopping.

**2004**

The High Street Phoenix Complex announced the launch of a multi-levelled



SkyZone with anchor stores of leading national and international brand retail outlets.

**1986**

Made operational Phoenix House commercial centre.

**1987**

The company entered into the growing real estate market where High Street Phoenix emerged as the most frequented destination in Mumbai.

**2001**

Introduced India's first hyper market concept with the launch of Big Bazaar's first store at the High Street Phoenix, Mumbai, along with Food Bazaar. With this, HSP gradually emerged as a model for India in terms of retail-led development centres.

**2005**

The Phoenix Group celebrated its centenary, 100 years of commencing operations as a textile mill in 1905. With a heritage lasting over 10 decades, the Group is proudly credited with having catalysed a wave of shopping revolution in India.

**2006**

Announced the launch of Palladium Hotel, a five-star luxury hotel, with a first-of-its-kind sky lobby. Set up a 7-screen multiplex atop the Palladium Mall within the HSP Complex at Lower Parel.

## 2007

Announced development of four Phoenix MarketCity Malls in Pune, Bengaluru, Kurla (Mumbai) and Chennai.

## 2009

Launched Palladium Mall, an architecturally designed first-of-its-kind super luxury premium and iconic mall in High Street Phoenix Complex, housing super luxury national and international brands. Launched East Court within the Phoenix MarketCity ecosystem in Pune, housing a blend of retail and commercial spaces.



## 2012

Launched Palladium Hotel, a five-star luxury hotel, nestled above the premium Palladium Mall within the High Street Phoenix Complex. Launched One Bangalore West at Bengaluru, with 30-storey high-rise towers combining luxury and comfort. Launched Art Guild House and Phoenix Paragon Plaza, state-of-the-art commercial complexes within Phoenix MarketCity at Kurla, Mumbai.



## 2015

Launched Courtyard by Marriott at Agra; exclusive luxury residential project at Bengaluru; and operationalised 5 in-house F&B outlets at some of our retail assets.



## 2013

Launched Phoenix MarketCity Mall at Velachery, Chennai, a mixed-use asset with 300-plus stores and four-and-a-half levels of shopping area, marking the convergence of shopping, dining, entertainment, art, architecture and design.

## 2011

Launched Phoenix MarketCity at Pune, located in close proximity to the emerging upper middle-income group residential areas. Launched Phoenix MarketCity at Whitefield, Bangalore's IT hub, and Phoenix MarketCity in Kurla, a mixed-use development asset in the eastern suburb of Mumbai, with over 300 national and international brands.

## 2014

HSP Complex clocked an average ticket size per customer of ₹ 700, as total footfalls jumped to 19.5 million. The monthly average footfall jumped to over 1.6 million vis-à-vis 1.4 million in the previous year.

The story behind the transformation of the erstwhile Phoenix Mills land into a full-grown commercial hub is full of grit and determination. From being a textile manufacturing company in the 1900s, today we have emerged as India's Premium Retail-led Assets Company, focussed on long-term value creation.

# Corporate Information

## Board of Directors

Mr. Ashokkumar Radhakrishna Ruia  
Chairman & Managing Director

Mr. Atul Ashokkumar Ruia  
Joint Managing Director

Mr. Shishir Shrivastava  
Joint Managing Director

Mr. Kiran Gandhi\*  
Whole-Time Director

Mr. Pradumna Kanodia  
Director - Finance

Mr. Amitkumar Dabriwala  
Independent & Non-Executive  
Director

Mr. Amit Dalal  
Independent & Non-Executive  
Director

Mr. Sivaramakrishnan Iyer  
Independent & Non-Executive  
Director

Mr. Suhail Nathani  
Independent & Non-Executive  
Director

Ms. Shweta Vyas  
Independent & Non-Executive  
Director

## Registrar And Share Transfer Agent

Link Intime India Private Limited,  
C-13, Pannalal Silk Mills  
Compound, L.B.S. Marg,  
Bhandup (West),  
Mumbai - 400 078.  
Tel. No.: 022-2596 3838  
Fax No.: 022-2594 6969

## Auditors

M/s A. M. Ghelani & Company  
Chartered Accountants  
M/s Chaturvedi & Shah  
Chartered Accountants

## Bankers

Bank of Baroda  
Bank of India  
Barclays Bank  
Canara Bank  
Central Bank of India  
Corporation Bank  
HDFC Bank  
Indusland Bank  
Saraswat Bank  
Standard Chartered Bank  
State Bank of India  
YES Bank

## Company Secretary

Ms. Puja Tandon

## Registered Office

462, Senapati Bapat Marg,  
Lower Parel,  
Mumbai - 400 013.  
Tel: 022 - 2496 4307  
Fax: 022 - 2493 8388  
Website: [www.thephoenixmills.com](http://www.thephoenixmills.com)  
Email: [info@thephoenixmills.com](mailto:info@thephoenixmills.com)

## Corporate Office

Shree Laxmi Woollen Mills Estate,  
R. R. Hosiery Bldg,  
Off. Dr. E. Moses Rd.,  
Mahalaxmi,  
Mumbai - 400 011.



*\*Mr. Kiran Gandhi passed away on  
May 31, 2015.*

# Awards & Recognition

## HIGH STREET PHOENIX COMPLEX

- CMO Asia 2015 Retail Excellence Award
  - Retailer of the Year (Mall)
  - Shopping Centre of the Year (Palladium)
- Images Shopping Centre Awards 2015 - Most Admired Shopping Centre (Metros West)
- Asia's Shopping Centre & Mall Awards 2014 - Most Admired Shopping Centre of the Year Socially Responsible
- India's Best Existing Neighbourhood Shopping Mall, 2013-14 by Estate Avenues
- Mr. Rajendra Kalkar, Sr. Centre Director (West), has been acclaimed as one of the 'Top 50 Most Talented Retail Professionals of India'
- 'Most Admired Shopping Centre of the Year, Socially Responsible' By Asia's Shopping Centre & Mall Awards – 2013
- Images Shopping Centre Awards 2013 - Most Admired Shopping Centre of the Year - Metro West
- Retail Development for India, 2013-14 by Asia - Pacific Property Awards
- Realty Plus Excellence Awards, 2012 (West), Developer of the Year awarded to High Street Phoenix
- Property Awards 2011 - Mall Developer of the Year awarded to The Phoenix Mills Ltd.
- Images Shopping Centre Awards 2010 - Most Admired Shopping Centre Launch of the Year (West) – Palladium
- Awards for Retail Excellence - Best Use of Social Media in Marketing 2015
- Reid & Taylor - Most Special Emerging Retailer of the Year

## PALLADIUM HOTEL

- Times Food Awards 2015 – Best Oriental and Japanese Restaurant
- Times Food Awards 2015 – Best Indian Restaurant (Noteworthy Newcomer)
- Times Food & Nightlife Awards Yuuka: Winner of Best Japanese (Noteworthy Newcomer South Mumbai, Fine Dining)
- Booking.com Award of Excellence 2014, Preferred Hotel
- ClearTrip Award of Excellence 2014
- Tripadvisor Certificate of Excellence 2014 Condé Nast Readers' Travel Awards 2014 Favorite New Leisure Hotel in India
- 2014 Times Food & Nightlife Awards
  - Seven Kitchens: Winner of Best All Day Restaurant (South Mumbai, Fine Dining)
  - Mekong: Winner of Best Oriental Restaurant (Newcomer, South Mumbai, Fine Dining)
  - Mekong: Winner of Best Thai Restaurant (Newcomer, South Mumbai, Fine Dining)
  - Li Bai: Winner of Best Bar (South Mumbai)
  - EXO: Winner of Best Nightclub (South Mumbai)

## PUNE

- Images Shopping Centre Award (ISCA) for the most admired Shopping Centre 2014
- Retailer of the year CMO Asia - Awards for Retail Excellence 2014
- Images Most Admired Shopping Centre of the Year" at Images Shopping Centre Awards 2013
- "IMAGES Most Admired Shopping Centre Marketing & Promotions Of The Year" at Images Shopping Centre Awards 2013

- Best Retail Project in Pune at the CNBC AWAAZ Real Estate Awards 2012
- AIFM 2011- 2012" Award for the Best Maintained Facility

## BENGALURU

- Best Retail Project of the Bengaluru City By CNBC Awaaz Real Estate Award 2013
- Most Admired Shopping Centre Marketing Campaign of the Year By CMO Asia Shopping Centre and Mall Awards 2013
- Most Admired Shopping Centre Launch of the Year (South) – ISCA Images 2011-2012

## KURLA

- "Most Admired Shopping Centre of the Year" by CMO Asia Shopping Centre and Mall in February 2015
- "India's best existing neighbourhood shopping mall 2013-14" held by SS Media House organized by Estate Avenues @ New Delhi
- "Best Thematic decoration "held by Asia Shopping Centre & Mall Awards organized by CMO Asia Council at Taj Land's End Mumbai
- The best brands in the city under the title "Mumbai HOT 50 Brands" by Hindustan Times Mumbai Brand Summit and Awards in September 2014

## CHENNAI

- "Best Malls & Shopping Centre of the Year 2015 – Operational Mixed Used Development" by Estate Avenues
- "Most Admired Shopping Centre of the Year" by CMO Asia's Shopping Centre & Mall Awards Feb 2014
- "Best Retail Project" of the city by CNBC Awaaz Real Estate Award 2013

# Board of Directors



**Mr. Ashokkumar Ruia**  
*Chairman & Managing Director*

Mr. Ashokkumar Ruia is a graduate from Cambridge and has pursued an active career in both business and sports. He has the unique distinction of representing the country in two sports, Bridge and Golf, demonstrating an inimitable desire to excel in whatever he undertakes. He has been on the Board of The Phoenix Mills Limited (PML) since 1963. He has vast experience in managing the Company's affairs and over the years has contributed significantly to its growth. He is actively involved in mentoring the leadership team and in various aspects of the Company's expansion plans. He has also played an ardent and active role in the textile industry, serving as a committee member of the Mill Owners' Association, Mumbai for several years.



**Mr. Atul Ruia**  
*Jt. Managing Director*

Mr. Atul Ruia is a graduate in Chemical Engineering from the University of Pennsylvania and holds a degree in Business Management from the Wharton School of Finance. He joined the Board of PML in 1996 and is the key visionary, pioneer and force behind the development of High Street Phoenix, Mumbai's first retail-led mixed use destination. It was under his aegis that the Company embarked upon a pan-India asset creation strategy with the flagship brand of 'Phoenix MarketCity'.



**Mr. Shishir Shrivastava**  
*Jt. Managing Director*

Mr. Shishir Shrivastava graduated from IHM, Bengaluru and has been associated with the Phoenix Group since 2000 in various capacities. While he was instrumental in shaping up High Street Phoenix to its current reputation, he also laid the foundation for the service and advisory verticals and seen through the successful culmination of the Palladium Hotel and Phoenix Marketcity projects, launched in phases. As Joint Managing Director, he continues to drive strategy and oversee several critical functions of the Company.



**Mr. Amit Kumar Dabriwala**  
*Independent and Non-Executive Director*

Mr. Amit Kumar Dabriwala graduated from the Calcutta University. As a Promoter Director of United Credit Securities Limited (UCSL), a member of the National Stock Exchange, Mr. Dabriwala has been associated with the capital markets since 1996. He was also responsible for setting up the Mumbai branch of UCSL. In 2004, he promoted JNR Securities Broking Pvt. Ltd. which is a member of the Bombay Stock Exchange. Through the United Credit group companies, he is also involved in real estate development, leasing and hire purchase.



**Mr. Amit Dalal**  
*Independent and Non-Executive Director*

Mr. Amit N. Dalal has been the Managing Director of Amit Nalin Securities Pvt. Ltd. since October 1997 and also serves as its Director of Research. Mr. Dalal has been the Executive Director of Investments at Tata Investment Corporation Ltd since January 1, 2010. Mr. Dalal earned experience as an Investment Analyst in USA for 2 years. He obtained a Bachelor's Degree in Commerce from the University of Mumbai. He also completed a Post-graduate Diploma in Business Management from the University of Massachusetts and obtained a Master's Degree in Business Administration from the University of Massachusetts, USA.



**Mr. Sivaramakrishnan Iyer**  
*Independent and Non-Executive Director*

Mr. Sivaramakrishnan Iyer is a qualified Chartered Accountant based in Mumbai. He is a partner of Patel Rajeev Siva & Associates which specializes in corporate finance and advises companies on debt and equity fund raising, mergers and amalgamations and capital structuring for new expansion projects. The firm also carries out due diligence work for various other companies.





### **Mr. Kiran Gandhi\***

*Whole-Time Director*

Mr. Kiran Gandhi joined PML in 1970. He held a B. Com degree and was a qualified Chartered Accountant. He had over 30 years of experience with the Phoenix Group and acted as a guide for the finance, accounts and tax teams of the Company. He played an important role in maintaining banking and investors' relations. He also played an advisory role in the areas of internal audit and income tax. He was also involved in various philanthropic activities and was an active member of the Lions Club International.



### **Mr. Suhail Nathani**

*Independent and Non-Executive Director*

Mr. Suhail Nathani graduated from the Mumbai University with a degree in Commerce. He holds a Master's degree in law from Cambridge University and an L.L.M. from Duke University in the United States. Mr. Nathani is also admitted to the New York State Bar and the U.S. Court of International Trade. He is a founding partner of Economic Laws Practice, a law firm in Mumbai. He practices in the areas of Private Equity, Competition, International Trade and General Corporate matters.

\*Mr. Kiran Gandhi passed away on May 31, 2015.



### **Mr. Pradumna Kanodia**

*Director - Finance*

Mr. Pradumna Kanodia is a qualified Chartered Accountant and Company Secretary. He has over 20 years of experience in corporate management, finance and commercial matters, fiscal and strategic planning, budgeting and cash flow management. He heads the finance and accounts teams and plays a key role in fund raising and liaising with banks for debt funding. Mr. Kanodia joined the Phoenix Group as Group-CFO in March 2010 and within a short span of time he was elevated to the position of Director - Finance in April 2011.



### **Ms. Shweta Vyas**

*Independent and Non-Executive Director*

Ms. Shweta Vyas has graduated with a bachelor's degree in commerce from the University of Mumbai and also holds a post graduate diploma in business management from the K.J. Somaiya Institute of Management Studies and Research. She is the Assistant Vice President of the W&IM division of Barclays in India. She joined Barclays W&IM in year 2008. She earlier worked with Standard Chartered Wholesale Banking where she moved within the organisation and worked in numerous functions. She is actively involved with the corporate training arm called APEX and MSME of the Art of Living foundation

# Management Team

## Mr. Amit Kumar

Amit Kumar has over 17 years of experience in strategic planning, new set-ups, operations management, business development & relationship management. At Phoenix, he holds the position of Centre Director for Kurla MarketCity. He is responsible for managing the operations of the property and for achieving the bottomline profitability of the Centre.

## Mr. Mayank Ruia

Mayank heads the residential business at Phoenix. Prior to PML, he was associated as Vice President with Everstone Capital Advisors. He was involved in international assignments with UBS Investment Bank, Sagent Advisors and American Capital Strategies, New York.

## Mr. Dipesh Gandhi

Dipesh has over 15 years of experience in business development, market research, planning and organisation set-up. At Phoenix, he holds the position of Development Director and is responsible for the liaisoning function of the Group.

## Mr. Haresh Morajkar

Haresh has over 20 years of experience with strong business management skills and profound experience in the field of human resource management and general management. He currently heads the HR, Admin and IT functions of the Group, playing a key role in strategic HR planning, organisational development, training and performance management.

## Mr. Rajiv Malla

Rajiv has over 30 years of experience with international hotels & resorts. He has extensive experience in operations, sales & business development. He is also a member of various travel & tourism associations as an active committee member. He has an excellent track record of managing large assets and streamlining workflow.

## Mr. Rajendra Kalkar

Rajendra has over 20 years of experience across various fields with expertise in property management. He is the senior Centre Director for High Street Phoenix and is responsible for operations, leasing, retailer mix, legal, customer relationship, commercial & marketing functions and bottomline profitability of the Centre. He also oversees the operations of the Pune and Kurla MarketCity.

## Mr. Rajesh Kulkarni

Rajesh has over 20 years of experience in driving development, planning and implementation of the project from an architectural perspective. He is the Director of the project delivery vertical and receives a steadfast support from a team of experienced architects, engineers and other technical personnel in the design, project co-ordination and delivery for all the prestigious projects of the Phoenix Group.

## Mr. Noel Vessaoker

Noel is a retail management professional with extensive experience in sales, business development and leasing. At Phoenix, he holds the position of Centre Director – Chennai and is responsible for managing the operations of the property and for achieving the bottomline profitability of the Centre.

## Mr. P. Vidya Sagar

Vidya has over 20 years of experience across various industries in the areas of Corporate Law, M&A, Legal, Compliance and Corporate Governance. He heads Corporate Affairs and legal functions of the Group and his responsibilities include managing the secretarial, corporate and legal affairs.

### Ms. Rashmi Sen

Rashmi has over 15 years of experience in sales and leasing. At Phoenix, she holds the position of Group Head – Leasing. She is responsible for developing and implementing the right retailer mix and retail leasing plans for all Phoenix MarketCity malls and other malls of the Phoenix Group.

### Mr. Shashie Kumar

Shashie has over 18 years of experience in the field of retail, real estate/ infrastructure management, market research and marketing services. He is currently the Senior Centre Director, South. He is responsible for operations, leasing, retailer mix, legal, customer relationship, commercial & marketing functions and bottomline profitability of Phoenix MarketCity Bangalore and Chennai Centres.

### Mr. Romil Ratra

As Group Director of Hospitality, Romil's role encompasses all of PML's hospitality interests. He has close to 2 decades of experience in hospitality operations, strategy and building and running a business as an entrepreneur. Prior to Phoenix, Romil was the Chief Executive for Graviss Group, a diverse corporation with holdings in Food & Hospitality in India and Middle East, and has successfully launched over 18 hospitality concepts.

### Mr. Raghuram Pillarisetty

Raghuram has over 20 years of rich and varied experience in various functions such as marketing, operations and sales. He is the Centre Director for Phoenix MarketCity, Bengaluru and is responsible for managing operations of the property and for achieving bottomline profitability of the Centre. He is a Mechanical Engineer and in various stints he has worked with companies such as the GVK Group and Hindustan Petroleum. He was last associated with Lotus Shopping Centres Pvt. Ltd. at Bengaluru.

### Mr. Prabhu G

Prabhu has over 22 years of rich experience in project planning & management, commercial operations, construction & project management, resource planning & control. He is currently handling the role of Vice President – Projects for Chennai Projects. He has worked with companies such as Jones Lang LaSalle Property Consultants (India) Pvt. Ltd., Tata Teleservices Ltd., Mahindra Constructions Company Ltd., and Sterling Holiday Resorts (I) Ltd, among others. In his last assignment he worked with LAVASA Corporation Ltd.

### Mr. Sanjay Narang

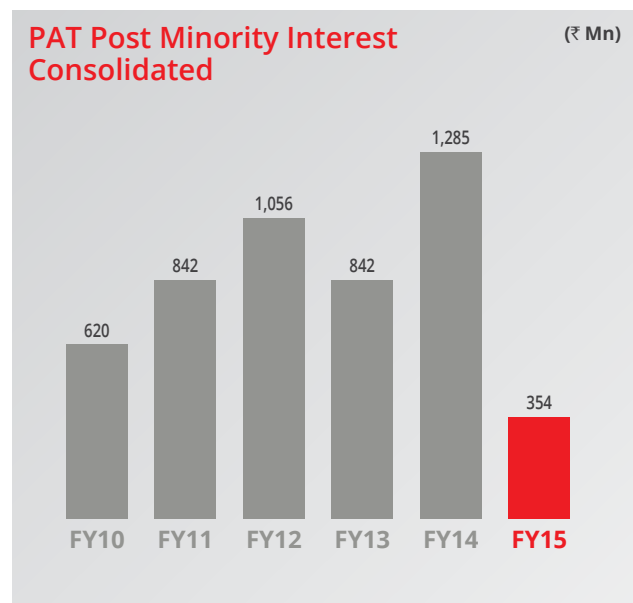
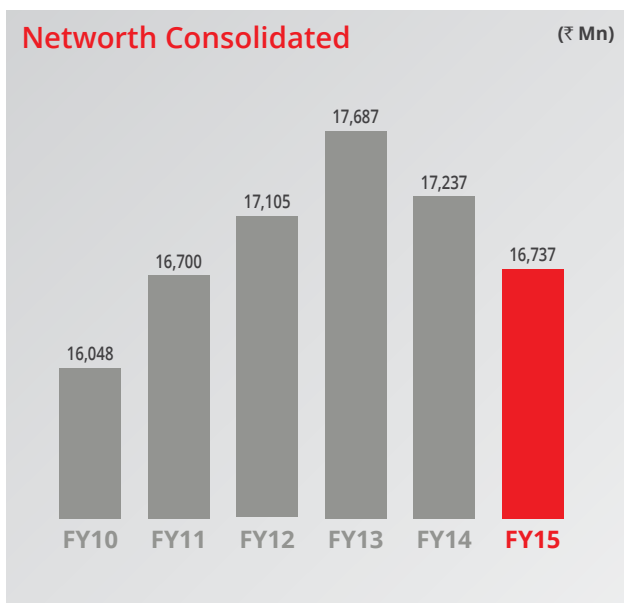
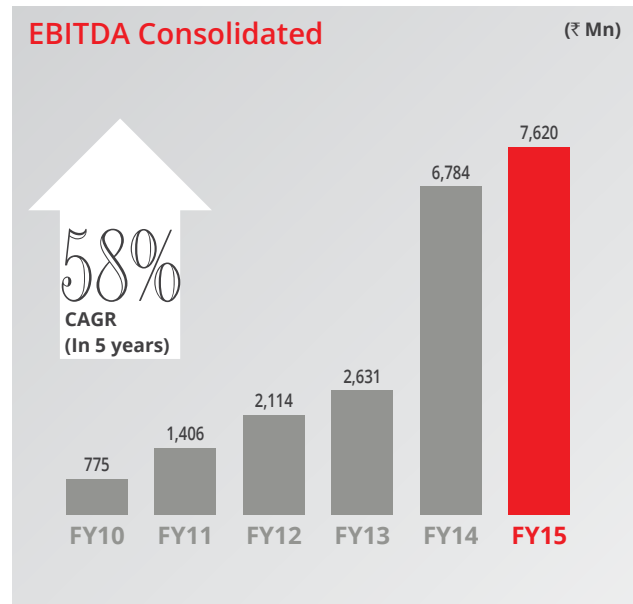
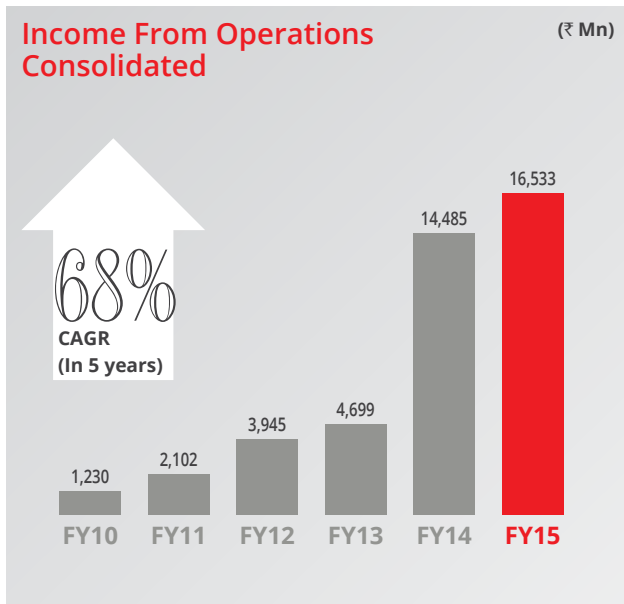
Sanjay is responsible for overall construction & completion of Bangalore project in time, cost and quality. He holds the position of is VP – Projects. Mr. Narang has done his BE - Civil from Bangalore University and has more than 25 years of experience in various organizations like K Raheja Development Corporation, Asie Etudes Engineering Consultancy LLC, Mantri Developers Pvt. Ltd.etc. He was last associated with RMZ Corp as General Manager.

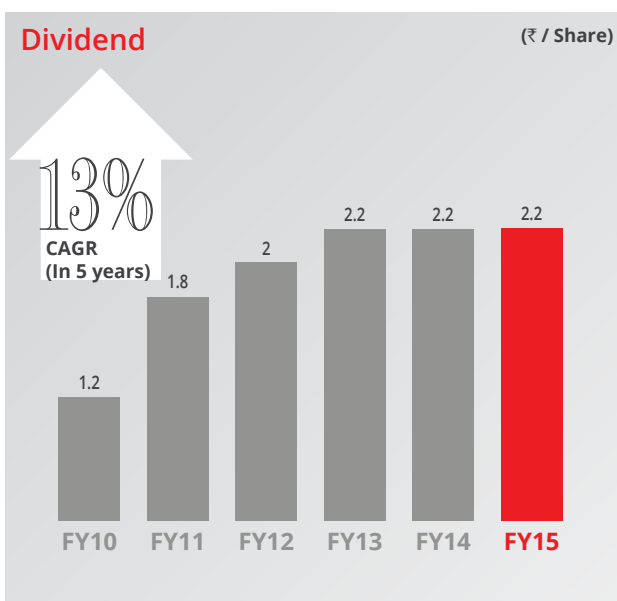
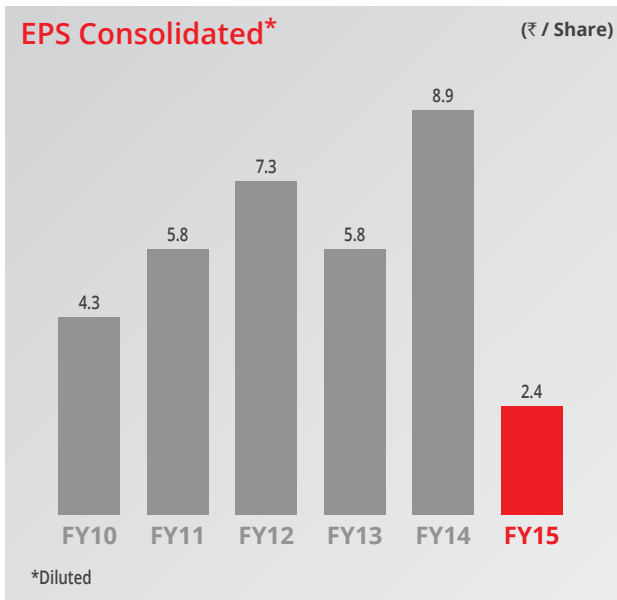
### Mr. Prakash Barhanpure

Prakash is responsible for overall construction & completion of Bangalore project in time, cost and quality. He holds the position of is VP – Projects. Mr. Barhanpure has done his BE - Civil from Karnataka University and has more than 23 years of experience in various organizations like Hotel Leela Ventures Ltd, Chalet Hotels Ltd., Mantri Developers Pvt. Ltd.etc. He was last associated with Prestige Estates Projects Ltd. as Asst Vice President – Projects & Planning.

# Key Financial Indicators

The Phoenix Mills Limited continued to display a consistent operating performance over the last five years, with its Income from Operations and EBITDA having grown at a CAGR 68.1% and 58%, respectively.





The Company's financial and operational performance showed a remarkable growth during FY2015. This was primarily driven by strong growth in the recurring rental income from our operational malls, sales recognition in various residential and commercial projects and the acquisition of majority stakes in all the ongoing key projects. This resulted in a YoY growth of 14% in Income from Operations and 12% in EBITDA.

## Chairman's Message

Our projects seek to optimise the mix between retail, entertainment, offices or residential development, to attract a wide spectrum of consumers. We are building on this momentum further to conquer frontiers of market leadership and corporate excellence.



**Ashokkumar Ruia**  
Chairman & Managing Director

Dear Shareholders,

I take pleasure in reaching you through this annual report. FY2015 ended on a great note for The Phoenix Mills Limited. I am delighted that we successfully delivered on our far-reaching strategy, besides also displaying strong performance in our top line year-on-year.

The last couple of years have been amongst the most challenging for the Indian economy with the prime causes of concern being the weakening of Indian rupee, widening current account deficit and fiscal deficit and consumer inflation. Consumer sentiments, too, remained fragile as people were less inclined to make big-ticket purchases. However, the general elections in May 2014 brought in a change of government and with that a change in sentiments as well. A year after the formation of the new government, positive impact of its policies reflects at the ground level. The government is moving in the right direction – balancing the act of reforms, capital spending to boost economic recovery and fiscal prudence, aiming at improved macro-economic performance.

Notwithstanding the macro-economic turbulence, consumption at our malls has risen handsomely. We attribute this performance to the fact that our malls provide our

consumers a destination to 'enjoy' life, albeit briefly, in a relaxed and inviting ambience, providing them value for their time and money. All our malls continued to enjoy high occupancy levels and post steady growth in footfalls, consumption, trading density and sales. As our economy moves towards better times gradually, one can only wonder about the growth in consumption we can expect going forward.

### Financial Performance

Your Company has been a strong performer and an outlier in the realty space. Our Income from Operations and EBITDA recorded CAGR of 68% and 58%, respectively, over the last five years. For FY2015, our Total Income grew by 13% to ₹ 16,845.58 million, from ₹ 14,875.76 million in FY2014. EBITDA rose from ₹ 6,784.25 million to ₹ 7,619.61 million during the year. Our debt levels stood at ₹ 33.08 billion, as against ₹ 33.79 billion earlier. We generated free cash flows of ₹ 920 million during the year under review, higher than ₹ 851 million in the previous year.

As always, we continued to reward our shareholders with a healthy dividend of ₹ 2.20 per share. Our commendable performance has been primarily driven by strong organic growth in the recurring rental income from our operational

malls. Other key factors contributing to this growth have been increase in our stake in some of our SPVs and sales recognition from our various on-going residential and commercial projects.

### Our Portfolio

Let's talk about our four key verticals. Constant evolution represents the key fuel that has powered our organisation since inception. The juncture at which we stand today has been the result of years of meticulous planning and concerted efforts as we have successfully demonstrated our capabilities in developing retail-led mixed-use destination assets. We demonstrated our stellar project execution capabilities to the marketplace by parallelly delivering four large-scale projects in a short span of 15 months. Our MarketCity malls in Pune, Bengaluru and Mumbai were delivered in FY2012, while MarketCity Chennai was made operational in the first quarter of FY2013. Concurrent delivery of these large-scale projects helped us establish our leadership position in the malls business.

Today, our real estate development portfolio comprises retail-led, mixed-use developments in prime locations, together with a number of other standalone residential and commercial office developments. We look to deliver a number of projects

across Retail, Residential and Commercial projects, thereby further showcasing our inherent strengths in project execution. Our projects seek to optimise the mix between retail, entertainment, offices or residential development, to attract a wide spectrum of consumers. We are building on this momentum further to conquer frontiers of market leadership and corporate excellence.

### Retail Assets

We have a retail assets portfolio of nearly 6.2 million sq. ft. across nine properties mainly in Tier-1 cities of Mumbai, Pune, Bengaluru and Chennai, along with Lucknow and Bareilly. Consumption at our malls shot up approximately 23% on YoY basis, reflecting the strong affinity of consumers to our assets. Our malls not only offer exclusivity and allure to the top-end of the market, they have become highly "sought after" destinations by national and international brands. We have attracted superior quality retailers, maximised spend on captive footfalls and produced a wholesome social environment to become highly enjoyable places to spend a day.

We take pride in announcing that Phoenix MarketCity, Chennai, has been our star performer amongst the recently operationalised retail assets. The mall recorded total



We take pride in announcing that Phoenix MarketCity, Chennai, has been our star performer amongst the recently operationalised retail assets. The mall recorded total consumption of ₹ 10.48 billion across categories, contributing almost 22% to our total consumption in FY2015.

consumption of ₹ 10.48 billion across categories, contributing almost 22% to our total consumption in FY2015. This is in comparison with ₹ 6.94 billion consumption the mall registered in the previous year. The trading density of the mall stood at ₹ 1,480 per sq. ft. per month, a rise of 21% over ₹ 1,226 per sq. ft. per month in the year before. We are hoping to gradually replicate the same success across our other MarketCity projects, where rental incomes have been rising year on year. Palladium, our unique luxury and lifestyle retail mall dedicated to uber-luxury brands adjoining Phoenix MarketCity in Chennai, is currently under construction. The mall, with a gross leasable area of 0.22 million sq. ft., is fast nearing completion.

Our world-class assets give us the ability to attract high-quality retailers and earn strong rental yields, with handsome upsides and cash flows. We have, thus, achieved the vision of our rewarding business model of the mixed-use property development, which marks the convergence of shopping, dining, global mix of leading retail brands, unique entertainment concepts, art and architecture. The model cross-fertilises across different asset types to create more transactions than what would have normally been possible within a single-use asset.

### **Residential and Commercial Developments**

Our residential developments of 5.5 million sq. ft. of saleable area are under different stages of construction. We have attained a leadership position in certain micro-markets from our super-luxury and premium residential projects. Key reasons for this have been our stellar project execution and above par product quality. One Bangalore West in Bengaluru as well as The Crest and Fountainhead in Chennai and Pune, respectively, have witnessed good sales velocity. During the year, we launched Kessaku alongside our One Bangalore West project at Bengaluru, amidst an over-whelming response. Through the luxury towers at Kessaku, we are excited about offering home owners the fine art of living with a concept of “bungalow living”.

We have a “for sale and lease” commercial portfolio of 1.8 million sq. ft., out of which about 1.0 million sq. ft. is under construction and planning. Pre-sales of our commercial and residential projects has continued to display good progress. Our under construction projects witnessed good appreciation on the price front and





a keen interest from buyers. Phoenix Paragon Plaza, which is a mix of retail and commercial, is completed and currently under fit-outs. This project along with the other commercial offices at Kurla – Art Guild House and The Centrium – complements the development of Phoenix MarketCity, Kurla in many ways, as a perfect example of a mixed-use business model.

### Hospitality Assets

Our iconic Palladium Hotel will soon be rebranded as The St Regis, Mumbai, and will continue to set new standards in luxury hospitality experience. Operational since December 2012, the Hotel has solidified its presence with a steady ramp-up in average occupancy of 66% during the year, successfully establishing itself as a peer amongst Mumbai's few luxury hotels. Another key achievement in this portfolio was the successful completion and on-time launch of the Courtyard by Marriott in Agra, our second asset in the hospitality vertical. This premier leisure and business hotel in the tourist city of Agra is fast emerging as one of Courtyard's best properties in India. Further, our foray into the F&B space this year with in-house specialty and fine dining F&B outlets perfectly complements our upscale, high-end retail stores at our malls.

### Moving Forward

With all our business verticals recording secular and consistent growth, and backed by a strong business model managed by an inspired team, our outlook for the future is quite positive. Our objective is to continue to maintain market leadership as an active owner, developer and manager of prime retail-led assets in the city centres of India. With our existing malls maturing in stature and leadership, we are poised for continued growth through further investments in new retail-led mixed-use assets, standalone retail and pure-play residential assets and we will continue to strengthen the 'Phoenix Brand' and maintain our leadership position.

As we progress into FY2016, we have embarked on an exciting journey with a singular commitment to delight the customer with best-in-class products and to set new industry benchmarks. We hope to develop new and cutting-edge assets at a responsible pace and expand our pan-India footprint.

I have the sad duty of informing you that Mr. Kiran Gandhi, who served our company for more than 4 decades, passed away on Sunday morning 31<sup>st</sup> May 2015. Mr. Gandhi

had joined the 'Radhakrishna Ruia' Group 45 years ago as a young Chartered Accountant. Throughout his life-long tenure, he mentored many individuals, including three generations of the Ruia family. He embodied the motto "Simple Living and High thinking" through his down to earth attitude and had the utmost sincerity towards the company and his work. He was a complete family man— a wonderful father, good husband and a generous and supportive brother. Being devoutly spiritual, his habits and actions were driven by high morals and good deeds. He will continue to remain a source of great inspiration to the Phoenix Family for many years to come. We shall indeed miss him.

We take this opportunity to express our special thanks and deep appreciation to our employees for their dedication. We also would like to appreciate the constant backing of our shareholders and lenders, without which we couldn't have succeeded. Your encouragement and support are very precious. We treasure it.

Best Regards

**Ashokkumar Ruia**  
Chairman & Managing Director

## **A conversation with Atul Ruia, Joint Managing Director, The Phoenix Mills Limited**

Our malls are conceived out of very strong ideas that places “the fine art of consumption” at its centre. They provide a wholesome experience today because we were very clear about the benefits of building mixed-use centres as a strategy right at the outset.



### **What do you consider is “The Fine Art of Consumption”?**

We live in a world where both technology and communication has compressed time and the way we work, live and play. As a result, we are not only working smarter, but also harder. The time we have available for leisure is continuously challenged, and all of us wish to make the most of what little quality leisure time we end up with. Each of us needs a strong purpose for the sacrifices we make, and ‘enjoyment’ in our leisure time is one of the key things we look forward to that makes our work-life worthwhile. And when we enjoy life, we are essentially finding good ways in which both our time and money can be spent.

To be a catalyst for consumption, one must understand the fine art of ‘enjoyment’. Our malls are essentially modern day cathedrals for enjoyment. They are not just about being a place where trade can take place between a brand and a customer, but they are designed around all the things that we as human beings like to do to ‘enjoy’ life. Well, this can mean many things to many people at any given point in time. Seeing a movie or having a fine-dining experience are some of the most popular activities that come to our minds. Many find joy

“Our consumers have been voting for us with their feet and wallet. In FY2015, more than ₹ 49 Billion was spent by 103 Million visitors. In this respect, I would say we have won a landslide vindication for our business model.”

in just having a friendly chat over coffee or even watching a comedy show. Children might wish to go bowling or experience snow for the first time. Some might wish to update their wardrobe or buy sports or camping gear for their outdoor lifestyle. Others might wish to buy electronic gizmos or furniture and artefacts for their home. Few may spend their time buying high-end luxury goods or jewelry. Many just find great enjoyment doing grocery shopping, tasting unfamiliar cuisines from around the world or merely in taking a stroll in our malls as part of their daily exercise. Most importantly, all of us wish to do all of these things at some point in time or the other. In essence, we've built our malls as destinations where all of these things are possible in a friendly, safe and highly accessible way. In short, we offer a bouquet of value propositions – value for time, value for quality, value for experience, value for money and ultimately value for enjoyment.

A key point I want to add here is that our malls are not just a destination for local visiting shoppers, but they also serve the annexed or surrounding business districts for people to conduct meetings, entertain their guests over a meal and offer both business and tourist visitors in adjacent and nearby

hotels a place for them to shop, eat and entertain themselves. In fact, the ecosystem of our malls has had an enormous positive rub-off effect on nearby business centres and hotels as exciting places to work and stay. Our malls are conceived out of very strong ideas that place our idea of “the fine art of consumption” at its centre. Our malls provide a wholesome experience today because we were very clear about the benefits of building mixed-use centres as a strategy right at the outset. We were judicious in selecting a diverse, yet healthy, mix of brands to populate our galleries. We had the foresight to build massive parking capacities to allow large amounts of people to easily flow in and out. And we were meticulous in creating ambiances that are friendly, relaxing and inviting. This includes some of the most simplest things often looked over – such as basic courtesy and smiles on the faces of all our staff. Most importantly, we continuously engaged with our brands and occupiers as our partners. To make our malls successful, we have been very sensitive to their needs and work with them to ensure optimal consumption flow into their stores. It's this deep understanding of our consumers and brands that allows us to make art out of an idea called Consumption.

### How do you see the malls business shaping up in the coming years?

Well, it's important to understand where we are and where we plan to go. Within a span of less than 10 years, we have created a portfolio of 9 large-scale retail assets under the HSP, Palladium, Phoenix MarketCity, Phoenix Paragon Plaza and Phoenix United brands. They have entrenched themselves in the skyline of their respective cities – not just in terms of being irreplaceable, iconic assets, but also as the first malls of choice for consumers with resilient spending power, and for leading domestic and global brands. Our retail assets have more than 2,000 stores in 6 cities and are, without any doubt, the centre-piece of our business. Our consumers have been voting for us with their feet and wallet. In FY2015, more than ₹ 49 billion was spent by 103 million visitors. In this respect, I would say we have won a landslide vindication for our business model which I explained earlier. Our efforts for driving footfalls and consumption at our existing malls will continue unabated.



Our high standards are applied towards ensuring well-planned products, quality of construction and timely delivery of our city-centric, prime, upmarket luxury projects. The acceptance of the Phoenix brand in the Residential segment is testament of our legacy of excellence.

Going forward, we aim to constantly redefine shopping and spending leisure time for our consumers. Our malls have exhibited consistent growth in consumption in the HSP Complex – High Street Phoenix and Palladium Mall and the 4 MarketCity malls in Mumbai, Pune, Bengaluru and Chennai. We have also witnessed steady rental growth over the years. Around 51% of our aggregate mall area is coming up for renewal during FY2016-18, and we expect healthy rental revisions to aid our top and bottom lines. With more than 17.5 million sq. ft. of built-up area in retail, hospitality, commercial and residential properties under management and sale across India, we have transcended from just being a stand-alone mall-centric realty asset company into a multi-faceted realty play. Nevertheless, while we gradually grow our differentiated residential and commercial development business, we will still essentially be a mall-centric realty company. Till now, we were focussing on increasing our stakes within each of our malls. To grow further, we are actively evaluating inorganic expansion opportunities in the mall business through Greenfield projects and brownfield mall acquisitions.

### **Tell us about the progress of your other Portfolios.**

Well, that's an interesting question. With a portfolio of "world class retail assets", we have been able to extend, migrate and transform our brand equity to our residential, commercial and hospitality business. We have expanded our horizon by developing top-notch Commercial and Residential spaces, both alongside our malls as part of the mixed-use development and independently. We have 5.5 million sq. ft. area of projects under the Residential portfolio, of which 1.6 million sq. ft. has been sold. Our high standards are applied towards ensuring well-planned products, quality of construction and timely delivery of our city-centric, prime, upmarket luxury projects. The acceptance of the Phoenix brand in the Residential segment is testament of our legacy of excellence. We forayed into the Bengaluru market with our flagship and mature residential assets – One Bangalore West and Kessaku. Our Residential Assets uphold the core philosophy of high design, attention to detail and ensuring a world-class experience for our customers. It is our well-researched design and engineering; focus and



speed of execution; detail-oriented approach to planning; focus on integrity, transparency and customer satisfaction; and collaboration with strategic partners that gives us the confidence in this portfolio.

Our Commercial asset portfolio is over 1.8 million sq. ft. consisting of completed, on-going and planned projects in Mumbai and Pune. Art Guild House, which comprises 0.76 million sq. ft. of premium office spaces as part of the mixed-use development in Kurla, will be completed shortly. It is a LEED Gold certified green building and a zero water discharge site, with energy efficient lighting fixtures and uses building materials with a high recycled content. In addition to this, with Phoenix Paragon Plaza in Kurla and the planned West Court office development in Pune, we will have a sizeable commercial asset portfolio.

In our Hotels & Restaurants portfolio, we have established ourselves well through our flagship Palladium Hotel (soon to be St. Regis) at the Palladium Mall. Our 11 award-winning dining, entertainment and banquet & conference options and nightlife avenues

are city-centre destinations for weddings, exhibitions and large conventions. During the year, we made operational Courtyard by Marriott Hotel at Agra. In a significant achievement, we also forayed into the F&B business by rolling 9 in-house F&B concepts (5 operational) across Mumbai and Pune. Through our F&B concepts, we are targeting to spruce up our leisure & entertainment bouquet. Our objective is to elevate the shopping experience of our patrons through our upscale, bespoke and high-profile cuisines and entertainment at these F&B outlets.

### Where do you see the Phoenix Group by 2020?

We continue to live by our vision statement. That of creating a superior business environment for local and international retailers and partners, by growing a loyal customer flow to our assets by consistently delighting and engaging the Indian consumer. Our early successes in our “for sale” assets under development give us the confidence to establish ourselves as a leading realty firm in contention of becoming a member in the league of

long-standing industry peers. Today, we have more than 17.5 million sq. ft. of completed and on-going projects. Amidst India’s changing demographics and a fast-growing economy, we wish to capitalise on the great Indian market scene, the ever-growing customer base and spending potential, and customers’ pursuit of all good things in life. Customers’ preference for exclusivity, heightened awareness of social and environmental responsibility, and greater scrutiny of product quality and craftsmanship is making them gravitate towards fewer, but better, things that represent genuine value. We are emboldened by our own self-belief in our capabilities and with the profound trust placed in us by the growing base of institutional and retail investors.

# Indulging in Luxury

Kessaku means a 'masterpiece' in Japanese. As colors, layers and thoughts culminate to bring out the ultimate masterpiece, the premium residential project presents state-of-the-art technology and top-of-the-line service to provide the finest residential experience.

The Kessaku precinct in Bengaluru offers five exclusive towers: Sora, Niwa, Mizu, Faia and Zefa, inspired by the five natural elements and the bespoke privilege of two club houses: Midori - The Garden Club and Kaze - The Sky Club. Each tower has an independent art-inspired lobby and offers expansive living spaces ranging between 6,200 sq. ft. and 12,000 sq. ft.

Kessaku is all about looking at clichéd 'luxury interiors' through a fresh lens and combining the artful Indian taste with cutting-edge contemporary designs. Kessaku is about creating

great solutions with a design-based approach and a strong belief that interactive design and user experience are pertinent to each stage. Kessaku is about creating a contemporary paradigm of seamless inside-outside living. Kessaku is about the coming together of diverse perspectives in a beautiful balance.

This residential project in Bengaluru comes in the wake of the unparalleled success of our fast upcoming residential development – One Bangalore West. Launched in February 2015, Kessaku is the modern architectural vision of

Callison. Like every art is a product of certain experience, Kessaku is engineered to bring out some of the finest life experiences to the consumer, thereby balancing beauty and purpose. Designed to facilitate and improve interaction with technology, Kessaku truly integrates luxurious large spaces flowing seamlessly into each other. It is an artful setting of diverse elements. The grandness of Kessaku is revealed by its details – the architecture, choice of exquisite materials, technology, service and experience.

## OUR EXCLUSIVE TOWERS

Sora

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Niwa

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Mizu

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Faia

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Zefa

Kessaku truly integrates luxurious large spaces flowing seamlessly into each other. It is an artful setting of diverse elements. The grandness of Kessaku is revealed by its details – the architecture, choice of exquisite materials, technology, service and experience.

Expansive and individualised spaces at Kessaku are artfully detailed to embody the idea of a masterpiece in the truest sense and remain culturally pertinent.



About us

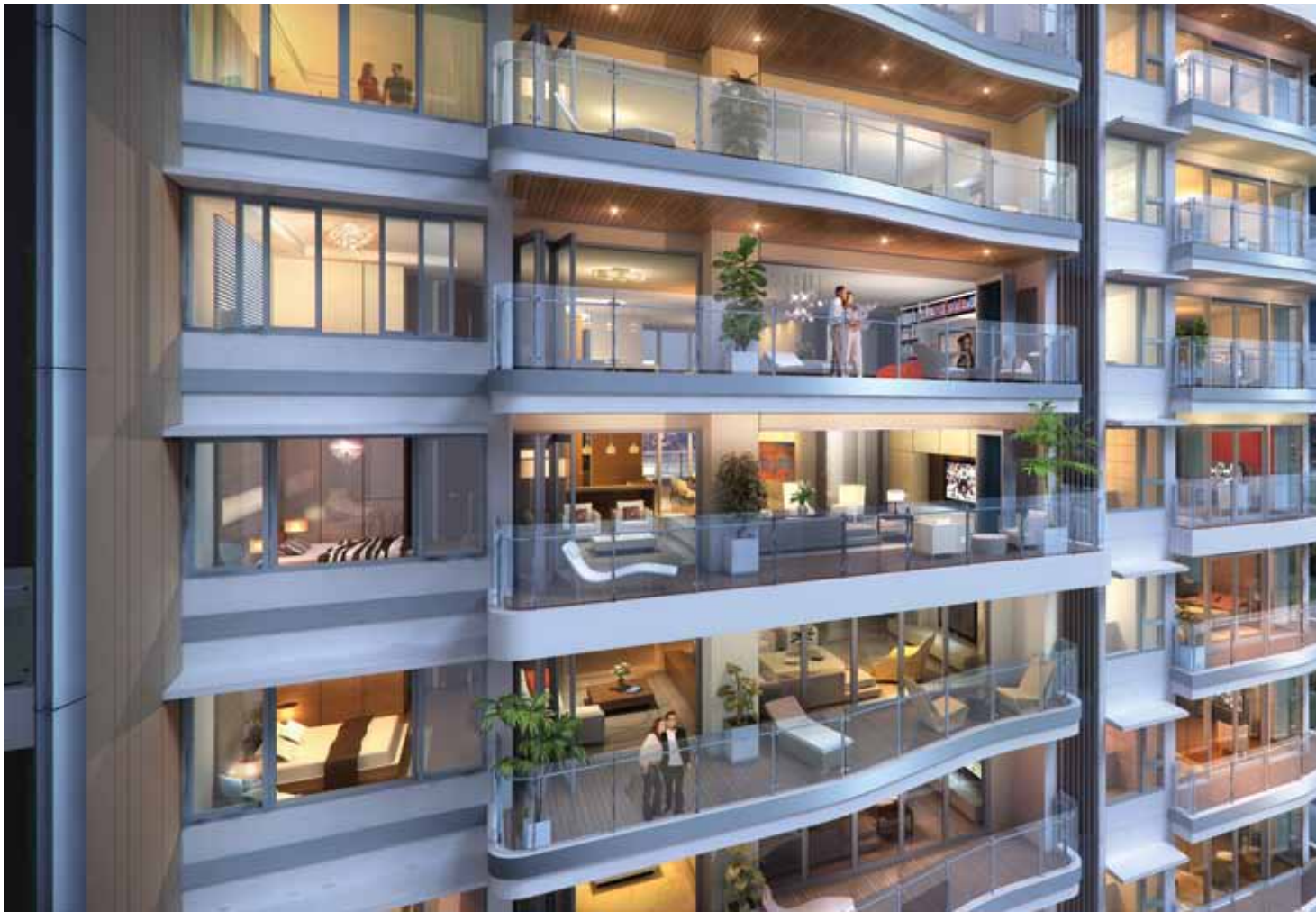
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## Midori The Garden Club

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## Kaze The Sky Club

### **Living with Grandeur**

The U-shaped building exudes a sense of sleek modernism ensuring breathtaking and uninterrupted views from every internal space. The lush greenery gives the project a seamless inside-outside living. The infinity edge indoor pool, 360-degree rooftop jogging track, bespoke home automation, international concierge service and immaculately-designed and produced kitchen systems add to the residential project's attractiveness.

### **A Life Less Ordinary**

At Kessaku, we believe in bringing wholesome living, laced with grandeur, presented through the privilege of two clubhouses. Midori is the ground-level Garden Club that

exemplifies the 'verandah' concept by creating a lovely space that speaks of restrained, laid-back elegance extending into a tranquil landscape. Kaze is the rooftop club in the sky with an unparalleled all-round view of the city, named after the whispering wind that is restless and free. Kaze has a temperature-controlled indoor infinity pool, 360-degree jogging track, gym, yoga room, sauna, jacuzzi, spa and the best sunset over the city's skyline.

### **The Sublime**

The level of magnificence and its aesthetic value emanates from the fact that there will be exclusive access-controlled elevators to whisk the home-owner straight to his sky bungalow. Personal lobbies, four-



## Key Features of Kessaku

- Exclusive access-controlled elevators
- Personal lobby
- Cross ventilated living spaces
- Double height ceilings
- Dry kitchen and spacious dining area
- Multiple expansive decks
- Four zone kitchen suite
- Master suites 1 and 2
- His and Her vanity suites
- Powder room
- Master bath suites 1 and 2
- Guest bath suite
- Library bath suite
- Children's bedroom
- Family entertainment room
- Library and study
- Guest bedroom
- Expansive decks with splash pools
- Separate service entrance and elevator for staff
- Staff quarters

zoned kitchen suites, two master suites with 'his' and 'her' vanity areas and large bathing suites truly make Kessaku a new benchmark in luxury living. In addition, an internal boulevard and individual drop-off areas to each tower are some key features offering a quality-living experience. The detailed landscaping by Design Cell subtly complements the overall spatiality in a contextual and unobtrusive manner. The interior narrative with a modern eclectic discourse creates a luxury attuned to the taste of the global family. The experience is further enhanced by a personalised home intelligence system that's virtually invisible and intuitive to ensure comfort and the highest degree of security.

## High on Sustainability

For a great experience to come together, it's always the little details that matter the most. Kessaku is designed for IGBC gold certification to facilitate sustainable and responsible living. It offers a comprehensive waste management plan following best practices that will effectively render it a Zero Waste Zone. To ensure the Kessaku homes deliver the perfected lifestyle, the concierge services are hosted by the best in business. With bespoke home automation and immaculately designed and produced kitchen systems, Kessaku truly elevates the ordinary to the exemplary, the simple to the sublime, the dull to the divine, the everyday to a work of art!

## The Fine Art of being Connected

The project is strategically located close to a metro station, the World Trade Centre, the five-star Hotel Sheraton, premium shopping destinations, and reputed educational institutions and hospitals. It is in close vicinity of three infrastructure projects – the IISC Underpass, Metroline and the Airport Expressway, offering fantastic connectivity and a good mix of cosmopolitan infrastructure.

## Life at Kessaku

### EFFORTLESS

A home system skill-fully aligned with your whereabouts and mood of the home owner, thereby adjusting its parameters accordingly.

### SECURE

One can conveniently monitor, manages and controls safety of home from a faraway location. The internet-based home security cameras and strategically placed, light triggering motion sensors integrate seamlessly to offer the best of home surveillance services.

### ACCESSIBLE

One can control blinds, check air quality, unlock your home for a visitor from the other end of the hemisphere.

### INTELLIGENT

One can turn on the heater using a state-of-the-art GPS system on your way home.

### CONVENIENT

RFID, NFC, SIRI, gesture technologies enable physical objects and mobile devices to be connected, thereby facilitating an easy access to information through a touch of a smartphone.

### CONNECTED

SIP Intercom for internet telephony and apartment to apartment calling.

### MAINTAINED

A dedicated on-site system integrator for customising solutions.

### INTEGRATED

A whole gamut of services perfectly complements the world-class amenities.

There is a clear metamorphoses that Chennai has undergone over the past few years to become a modern metropolis. Contemporary malls represent not only convenience and comfort, but also affluence and luxury.

Over

90%

Occupancy

at Phoenix MarketCity, Chennai



# Upping the Stylish Quotient in the South

The retail skyline in Chennai is fast changing and branded retail chains have changed the way people shopped. As a fashion-conscious Chennaiite seeks indulgence in a myriad of retail brands, the city is fast upping its style quotient. Phoenix MarketCity and Palladium (set to open in FY2016) are emerging as luxury fashion houses for uber-luxury and top-end domestic and international brands.

Recreation is not what it used to be in Chennai. The city is experiencing a significant shift in its demographics and there is a huge market for luxury retail. Chennaiites are slowly waking up to more uber-luxury retail. Undoubtedly, retailing in the city has changed with a prominent presence of luxury retail brands. The Forbes list places Chennai as one of top ten fastest growing cities in the world. Home to over 4.68 million people, Chennai is welcoming the change with open arms. The rapid growth of the city is triggered mainly by factors such as people migrating from other parts of India, which has added a whole cosmopolitan feel to the city.

The culture of Chennai has changed. Touched by the wand of globalisation, everything in Chennai is becoming peppy, fun and trendy. As a fashion-conscious Chennaiite seeks indulgence in a myriad of retail brand, retail marketers are recognising the importance of having a tangible presence in a city, fast emerging as a hub for top-end luxury brands. There is a clear metamorphoses that the city has undergone over the past few years to become a modern metropolis. Contemporary malls represent not only convenience and comfort, but also affluence and luxury. From valet parking attendants finding a safe slot for four-wheelers to leaving toddlers at the crèche inside while you do

all your shopping to getting the car pampered from the basement spa, Chennaiites are enjoying it all.

## Flush with Plush

Spread across 3.7 million sq. ft. of built-up area, Phoenix MarketCity in Chennai is fast becoming a leisure destination and a consumption centre. With occupancy of over 90% and footfalls of 11 million over the year, Phoenix MarketCity at Chennai registered ₹ 10,481 million of consumption. The mall offers a lavish spread of shopping, entertainment, hospitality and commercial space, emerging as the centre of ultimate retail indulgence with an average average trading density of ₹ 1,480 per sq. ft. per month in the second full year of its operations.

11 Mn

### Footfalls

at Phoenix MarketCity, Chennai  
in FY2015

Phoenix MarketCity in Chennai is fast becoming a leisure destination and a consumption centre. With occupancy of over 90% and footfalls of 11 million in FY2015, the mall registered total consumption of ₹ 10,481 million.

# ₹10,481 Mn

## Consumption

at Phoenix MarketCity, Chennai

### Haute Couture

Hard Rock Café, international coffee chain Starbucks, Mainland China, Spaghetti Kitchen, California Pizza Kitchen, Noodle Bar, Kobe Sizzlers, Nando's and other premium fine-dining options helped the mall in creating a distinct identity of its own and be a key growth driver. Chennaites are finding bliss in Zara's first Chennai outlet opening at the mall, besides other sought-after brands such as Brooks Brothers, Superdry, FCUK, Charles Keith, Lacoste, Diesel, Tommy Hilfiger, Vera Moda, Only, Jack & Jones, Reliance Trends, Aldo, among others. Starmark, a popular book store chain, and toy-store Hamley's, are also key crowd pullers. Cultural engagements and music festivals such as The Blues Festival, Jazz Festival, Parikrama, and other bands performing at the mall, with stand-up comedy and a series of other activities attracted and retained customers.

### Palladium - Pure Luxury

Housed in the same complex as Phoenix MarketCity, Palladium at Chennai will be exclusively dedicated to pure luxury. With the city upping its style quotient, Palladium offers high-end retail space matching the grandeur of top-end brands. The mall offers a fresh and exciting experience with bright modern and well-designed shopfronts and houses the world's choicest brands and

marquee luxury labels for men and women. Designed by Benoy, a Hong Kong-based architectural firm, this sprawling mixed-use development asset, nestled adjoining Phoenix MarketCity at Chennai offers a large-scale consumption centre for high-end luxury brands. It is an upmarket shopping destination converging art, architecture and design.

The mall forms a part of the second phase of the mixed-use development model of Phoenix MarketCity at Velachery, with an average of 76 stores. This is the city's first mall to be dedicated only to luxury brands. Palladium offers a high-fashion atmosphere to locals through a well-balanced, incredible and comprehensive shopping and leisure experience. It presents the right environment for an array of bonafide luxury brands. A relaxed atmosphere, multiple brands operating in the same segment, easy accessibility, proximity to posh residential catchments and ample car parking coupled with good security facilities are some other key features.

Currently in the construction stage, the retail mall is spread across 0.22 million sq. ft. of leasable area adjoining Phoenix MarketCity. Having completed the RCC work, the mall is projected to get operational by March 2016.



### Commercial Hubs

Phoenix MarketCity and Palladium are seen as commercial hubs for Chennai's growing population of young and affluent citizens, enamoured with luxury. A relaxed atmosphere, good adjacency of brands operating in the same segment, easy accessibility, proximity to posh residential catchments and ample car parking coupled with good security facilities are the key highlights of the two destination centres. These are increasingly being projected as destinations for shopping, entertainment and fine dining and perceived as upbeat market destinations with quality retail offerings and a mix of aspirational brands.



### Strategic Location

The location at Velanchery works to its advantage. Being in the vicinity of 5-6 five-star properties, airport, colleges, premium residential projects, and by virtue of providing access to Old Mahabalipuram Road, the mall attracts a huge catchment area – Old Mahabalipuram Road, Guindy, Race Course, Adambakkam, Mount Road, Adyar, Nungambakkam. Velanchery is fast emerging as a commercial and retail destination owing to the proximity to the airport and established IT parks, like Tidal IT Park, Elnet Software Park.



## Where Premium Matters

With our in-house F&B outlets, we are embarking on an enchanted culinary journey and discovering experiences that every fine dining connoisseur seeks.

Through exclusive and customised signature experiences at our fine-dining restaurants, we satiate your appetite for bespoke dining options, allowing you to savour world-class cuisine and a picture-perfect evening.

Exploring special gourmet is a lifestyle choice for consumers. It is all about Food & Beverage premiumisation at the malls and offering global tastes in contemporary ballparks. High affluence and aspiration levels, improvement in demand for private consumption, increase in disposable incomes and transformation of global cuisine are the key drivers for PML to tap into the growing demand for fine-dining restaurants. The idea is to have upscale, bespoke and high-profile cuisine and exotic dishes with anchor entertainment centres and elevate the entire shopping experience of our patrons.

PML's confidence in this space is based on the strong performance of existing F&B outlets at Palladium Hotel. Currently, 55% of the total revenues from its Palladium Hotel are contributed by the F&B segment. Hence, to leverage prime real estate space at our malls, we are creating our own brands of specialty restaurants in India to tap consumers' hunger for the exquisite. Our aim is to make fine-dining a symphony of harmonious scents with textures that simultaneously challenge and soothe, leaving the patrons both satisfied and longing for more.

Our premium and top-end F&B outlets perfectly complement the upscale and high-end retail stores at the Malls. The premium fine-dining restaurants offer the most tempting and premium culinary getaway with handcrafted menus and exquisite dining options.



# 5

## Operational

In-house F&B Outlets



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### **Indulgence and Luxury**

Our premium and top-end F&B outlets perfectly complement the upscale and high-end retail stores at the Malls. The premium fine-dining restaurants offer the most tempting and premium culinary getaway with a handcrafted menus and exquisite dining options. Amidst amazing specialty counters and captivating settings, the premium outlets will provide an unmatched dining

experience to patrons enabling them to unwind after a day of shopping. Our upscale F&B outlets, with premium and ethnic menus, shall attract increased footfalls and take customers' dwell times higher. These add to the leisure and entertainment bouquet at our malls, largely aimed towards turning them into leisure destinations and huge consumption centres.



### **Under Fit-outs**

In-house F&B Outlets

### **Jewels in the Crown**

Nine F&B and niche concepts and brands have been unveiled across 11 store locations in two of our malls during the year. Five of these have been made operational in Mumbai and Pune (4 at Kurla MarketCity, Mumbai; 1 at Pune MarketCity). The Big Kahuna, 212 All Day Café and Bar, Sichuan House, Amaya and Asia Bar are currently operational. Craft, Urban Chic Bar, Nook and Asian Bistro are undergoing fit-outs. Targeted towards the upwardly mobile and aspirational consumer set, these are all carefully selected concepts with Art Deco interiors and novelty on the experience. With this, our aim is to cater to cultural demand for fresh, premium, global and ethnic F&B.

Our engagement with these outlets starts right from concept development to researching the design, creating architecture, implementing of culinary concepts created in-house, to rolling out our regional F&B strategy and partnering with our Malls to drive the strategy forward.



## Our Stable of In-house F&B Outlets

Restaurant Name	Area in Sq. Ft.	Concept	Capacity	Location	Current Status
Amaya Indian Grill & Kitchen	956	Indian restaurant that serves cuisine from the North West Frontier Province of India	40	Mumbai	Operational
Sichuan House	1,911	Chinese restaurant that combines spices, flavours and techniques from the Sichuan Province of China	60	Mumbai	Operational
Asia Bar	1,622	Neighbourhood bar that offers great daily deals to its patrons	45	Mumbai	Operational
212 All-day Café & Bar	2,601&1,317	Casual dining space with a chic alfresco that serves European Cuisine	100	Mumbai & Pune	Mumbai - Operational Pune - Under Fit-outs
The Big Kahuna	2,611	Tiki cultural Inspired resto-bar that serves world cuisine	100	Mumbai	Operational
Craft Deli.Bistro.Bar	3,189	Premium Deli, Up-market Bistro, Wine & Cocktail Bar	110	Mumbai	Under Fit-outs
Urban Chic Bar	2,567	Chic concept Bar. Focused on "Economies of Scale"	95	Mumbai & Pune	Under Fit-outs
Nook Night Life	3,453	Trendy Nightclub	150	Mumbai	Under Fit-outs
Asian Bistro	1,492	Fun Asian Bistro-Casual Dine	100	Pune	Under Fit-outs



# Changing the Face of Kurla

Kurla is fast becoming the next major commercial hub owing to its central location, ease of connectivity, and proximity to commercial and residential hubs. The hitherto low-profile eastern suburb of Mumbai is laced with office complexes and new-age retail destinations. Our large, mixed-used development project is capable of unlocking the true value of real estate and bringing in unique customer experience.

Kurla is becoming a mixed-use development area where people eat, work and play, just in the nearby vicinity. The increasing connectivity to this location is witnessing increased investment in the commercial spaces. More people are also buying residential properties and moving in closer to their workplace at Bandra-Kurla Complex. Some of the world's largest companies, banks, television networks and other important businesses already call either Kurla or Bandra Kurla Complex as their headquarters. With large-scale infrastructural changes, this suburban location is witnessing integrated development and becoming the city's epicentre. Gated community projects have also played a significant role in uplifting the suburban location and have elevated the overall sketch of Kurla.

0.34  
Mn sq. ft.

**Retail Portion**

at Phoenix Paragon Plaza



Kurla enjoys the strategic advantage of being centrally located. Being at the epicentre of Mumbai city, the east-west connectivity issue has also been resolved. There are 5 mega-infrastructure projects converging at Kurla.



1.13 Mn

Gross Leasable Area

Phoenix MarketCity, Kurla, Mumbai

About us

Messages

Features

MD&A

DR & CGR

Financials



0.12  
Mn sq. ft.

**Office Portion**

at Phoenix Paragon Plaza

**Infrastructure Readiness**

Kurla enjoys the strategic advantage of being centrally located. Being at the epicentre of Mumbai city, the east-west connectivity issue has also been resolved. There are 5 mega-infrastructure projects converging at Kurla – the Santacruz-Chembur Link Road (SCLR); the Eastern Freeway (connecting South Mumbai to Ghatkopar); Phase I of Metro Rail; Phase II of Mono Rail; and the widening of LBS Marg, which will ensure Kurla features amongst the best connected destinations in Mumbai. It is located at a short distance from four Metro Stations – Ghatkopar, Saki Naka, Asalpha and Jagruti Nagar, making it convenient for customers from western suburbs to travel. The central location also ensures catchment from Andheri East, Santacruz, Chembur, Powai and Colaba. Similarly, the Bandra-Worli Sea Link is also making the Complex accessible to south Mumbai customers.

**A Mixed Use Development**

Our property in Kurla is being developed as one of India's single largest mixed-use development project. The Complex is located on LBS Marg, a prime arterial road in suburban Mumbai, which makes Kurla a hotspot for recreation and offices. The typical catchment area for the Phoenix MarketCity Complex at Kurla include Bandra, Santacruz, Vile Parle, Chembur, Sion, Matunga, Kalina, BKC, Vidyavihar, Wadala, Ghatkopar and the other traditional known central hubs. The mixed-use development has the capability to unlock the true value of real estate at this location and bring a unique customer experience. Rapidly developing townships in the vicinity and being equi-distant from western suburbs and Navi Mumbai make the Complex a stellar retail and commercial hub.

The Complex offers fully integrated facilities to all segments of the population – be it an avid shopper, an international luxury brand, a domestic brand, a local retailer, an office goer, or an entrepreneur. With respect to our Kurla property, we are becoming more visible in our promotions within the greater Mumbai area. We have constituted a strong operating team to deliver the one-of-a-kind Phoenix experience at this Complex. Our workforce is continuously on their toes to make the asset work to its fullest. With significant experience in mall operations, we are setting up robust operating processes in the Complex. Our key focus is to offer a refreshing destination spelling style and good taste, with comprehensive lifestyle solutions for every individual.

### Phoenix MarketCity, Kurla

Phoenix MarketCity, Kurla, which became operational in November 2011, is one of the biggest malls operating in India with a gross leasable area of 1.11 million sq. ft. It has successfully transformed into a key destination for a fair mix of domestic and international premium brands. With a total of 310 stores, the mall is currently over 90% occupied. Key stores at the mall are Marks & Spencer, PVR, Hamley's, Zara, Croma, Diesel, Superdry, among others, in addition to at least 55-60 international and local F&B brands such as Dunkin Donuts, Starbucks, Krispy Crème and Aromas Cafe. Going forward, Kurla MarketCity is steadily improving its healthy footfalls into consumption and trading densities. It endeavours to emulate the high standards of High Street Phoenix Complex and create new trends in entertainment and lifestyle, catering to every need and comfort of customers.

### Phoenix Paragon Plaza

Phoenix Paragon Plaza is envisaged as a local high-street market offering customers a mix of local and high street brands as well as commercial space for small offices or start-ups. The retail portion comprises 0.34 million sq. ft. of the total saleable area, with shop sizes ranging between 80 sq. ft. and 2,000 sq. ft. The office portion of 0.12 million sq. ft. and the leasing and sale activity at Phoenix Paragon Plaza is currently on in full swing.

### Centrium, Mumbai

Centrium is our completed project located in the forming part of a mixed-use development at Phoenix MarketCity, Kurla, Mumbai. Centrium has approximately 0.28 million sq. ft. of Saleable/Leasable Area.

### Art Guild House

Art Guild House is a state-of-the-art commercial complex with approximately 0.76 million sq. ft. of saleable area. It is a unique proposition in the commercial retail sector, situated in the largest mixed-use development in the complex of 3.04 million sq. ft. area. It is surrounded by umpteen choices for entertainment and shopping options. Providing a unique blend of work and leisure, the premise features a fully-equipped gymnasium, a business centre and open air cafes. Art Guild House is a LEED Gold rated building with flexible offices sizes starting from 900 square feet onwards. Art Guild House also has attracted significant interest from several multinational corporations and reputed Indian business houses. It has emerged as a benchmark for modern corporate standards.



# Management's Discussion & Analysis

The Indian economy is one of the largest economies in the world with a GDP at current prices of ₹ 127 trillion for financial year 2014. India is one of the fastest-growing major economies in the world, with an estimated GDP growth rate at constant prices of 7.5% for the fourth quarter of financial year 2014-15.

## INDUSTRY OVERVIEW

### Global Economic Scenario

The global economy grew at a slightly faster pace in 2014, as a modest revival in the euro zone and a pick-up in India helped offset slowdowns in China and Japan. Growth picked up, albeit marginally, from 2.5% to 2.6%, mainly driven by momentum in United States and U.K. It is seen shifting upwards to an average of 3.3% between 2015 and 2017, brought about by an upward shift of growth in Gross Domestic Product (GDP) of the developed economies from 1.8% to 2.2% and with developing economies accelerating from 4.8% to 5.4%. The combined gross domestic output of the Group of 20 largest economies, which accounts for 90% of the global economic output, expanded 3.4% in 2014, up slightly from 3.2% in 2013, aided by a return to growth in the Eurozone. Global growth is forecast to rise moderately to 3.5% in 2015 and 3.7% in 2016, the net positive being a sharp decline in oil prices. The International Monetary Fund (IMF) projects growth in emerging markets and developing economies to remain broadly stable at 4.3% in 2015 and increase to 4.7% in 2016. Moving ahead, across nations, the mandate to Governments is to control inflation, improve fiscal prudence and sustainable growth, with concerted efforts being on job creation through public and private investments.

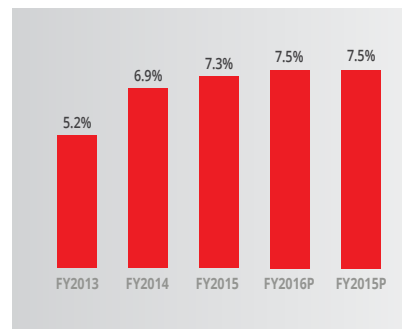
### India's Macro-Economic Environment

The Indian economy is one of the largest economies in the world with a GDP at current prices of ₹ 127 trillion for financial year 2014. India continues to be one of the most promising economies to sustain a strong growth in its GDP. The current growth in GDP, as per the new series, places it at 7.4% for FY2015 as against a revised past trend of 5.1% and 6.9% in FY2013 and FY2014, respectively. We foresee an upward trend in economic growth in FY2016. Brighter prospects in India owe mainly to the fact that the economy stands largely relieved of the vulnerabilities associated with an economic slowdown, persistent inflation, elevated fiscal deficit, slackening domestic demand, external account imbalances, and the oscillating value of the rupee in financial year 2012 and financial year 2013. During FY2015, the Indian

economy stood up to the challenges of consumer inflation, weakening of Indian rupee, widening current account and fiscal deficits and an unstable global environment. It is now on a firm path of a revival with a wave of optimism. The strong uptick in GDP growth was accompanied by a receding inflation – at 5.1% in January 2015, considerably lower than double-digit figures in 2013. Current account deficit and fiscal deficit, the prime causes of concern in 2013, are now within manageable levels.

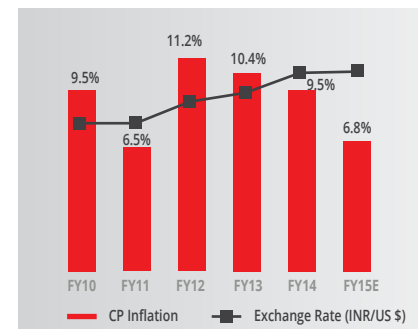
The Reserve Bank of India (RBI) projects an improvement in investment climate with better governance, transparent, effective and efficient regulatory and legal regimes, improvement in technical efficiency, institutional improvements, improved labour mobility, and other such reforms. A boost is also expected from lower

### India's rising GDP growth in India



Source: Indiabudget.nic.in, IMF

### Receding inflation and strengthening Indian Rupee



Source: RBI



policy rates and stable commodity prices, with India becoming an attractive destination among peers. Irrespective of differences in the estimation method, the consensus is that GDP will maintain an upward movement by a minimum of 100 basis points year-on-year, if Government spending and policy initiatives remain on track. With a high growth potential, India is seen as a bright spot in the global economic landscape. (Source: RBI's Annual Report 2013-2014)

**REAL ESTATE SECTOR**

The significance of India's real estate sector in propelling growth of the Indian economy is undeniable. In FY2014, the sector contributed 5.9% to India's GDP and 5% to the total foreign direct investment (FDI) inflow. Real estate and construction sector is credited as India's second-largest employment generator, second only to agriculture. India's real estate sector has come a long way, becoming one of the fastest growing markets in the world and the most globally recognised sector. The growth of India's real estate industry can be attributed to a growing population in India, rising disposable incomes and rapid urbanisation. The market size of India's real estate industry is projected to touch \$180 billion by 2020, according to Cushman & Wakefield, a global private commercial real estate services company.

The real estate market in India can broadly be divided into retail, residential, commercial and hospitality segments. FY2014 was a mixed year from a real estate point of view, with a stable government in place which announced a series of reforms and policy initiatives to stimulate growth. In CY2014, the residential segment witnessed subdued demand, primarily due to high prices and rising financing costs leading to many interested home buyers sitting on the fence. Commercial real estate market fared well and a new government at the Centre led to an improvement in the overall economic sentiment and better absorptions. The retail real estate segment witnessed subdued performance with a total of approximately 1.7 million sq. ft. added during 2014 in the top 8 cities in India. Mall rentals remained stable across existing and new malls. (Source: Cushman & Wakefield)

**Key Drivers of the Real Estate Sector**

**Economic growth**

GDP growth has a direct bearing on real estate demand by putting more money in the hands of people. This also leads to expansion of business, leading to increased commercial and retail real estate demands. As discussed above, India is on course to be amongst ~the fastest growing major economy in the world over the next two years.

Interest rates and credit off-take rate cut cycle has already been kickstarted with the RBI reducing the benchmark repo rates by 50 basis points since January 2015. This has resulted in the lowering of base rates by banks and is expected to increase housing loan demand. On June 2, 2015, the RBI has announced a reduction in the policy repo rate under the liquidity adjustment facility ("LAF") from 7.5% to 7.25% with immediate effect.

**Increase in per capita income**

GDP per capita (at current prices) in India has grown from around US\$318.01 for the year 1991 at the time of liberalisation to US\$1,808.41 (IMF staff estimate) for the year 2015 (Source: International Monetary Fund, World Economic Outlook Database). This increase in GDP per capita has created increasing wealth and positively affected disposable incomes, thereby increasing the demand for real estate. This has had a significant investment multiplier effect on the economy, leading to increasing consumerism and wealth creation, and positively impacting savings. A similar growth trajectory is observed in purchasing power parity adjusted income.

Household savings, as a percentage of GDP, are projected to increase from 23.2% in 2011 to 2012 to 25.2% in 2016 to 2017. Increasing income and rates of savings



increase affordability for the general population, positively impacting the real estate market.

### ***Increase in Foreign Direct Investment***

Overall, India attracted FDI of approximately US\$ 36,860 million in financial year 2013, US\$ 36,396 million in financial year 2014 and US\$ 44, 877 million in financial year 2015, as compared to an average of US\$ 24,563 million per year from financial year 2001 through financial year 2015.

### ***Enhanced role of mortgage financing***

Over the last five years, a significant portion of new land acquisitions, particularly in the larger cities in India, has been financed through banks and financial institutions. This has been aided by a decline in interest rates and broader availability of financing products, due to aggressive marketing and product development by financial institutions. According to the RBI, the gross personal loan credit outstanding to the housing sector (including priority sector housing) from scheduled commercial banks has grown from ₹ 4,567.00 billion at the end of March 2013 to ₹ 6,309.00 billion in March 2015. (Source: RBI – Sectoral Deployment of Bank Credit – March 2015) However, institutional credit for housing investment is

well below that of countries such as China, Thailand, and Malaysia despite growing at a CAGR of about 19.0% per annum, as per the Union Budget for 2014-2015.

### **RETAIL SECTOR**

The Indian retail sector has come a long way in the last decade on the back of robust economic growth, rising disposable incomes, urbanisation and increasing consumerism and discretionary spending. Since 2005, the retail industry expanded in a major way, with large Indian corporates and brands undertaking significant investments to increase their presence across major cities and with major international brands making a beeline for India, attracted by a large customer base and tremendous potential. With metros and Tier 1 cities maturing as markets, the next phase of expansion is now expected to be driven by large-scale penetration in Tier 2 & 3 cities.

The Indian retail market is expected to witness rapid growth from being a \$600 billion industry in 2015 to \$1 trillion by 2020. Although the Indian market currently is predominantly unorganised which commands 90% of the total share, the modern retail pie is growing at a robust pace with a rapid shift in consumer tastes. Organised retail is expected to grow at 25% CAGR from \$60 billion

in 2015 to \$180 billion in 2020, constituting nearly 18% of the retail market size in 2020. This impressive growth in modern retail is mainly driven by increasing per capita income and urbanisation, rapid consumer evolution in the form of greater brand consciousness, improving lifestyles and a need for modern shopping environment. (Source: BCG Report)

Being one of the largest and fastest growing markets, the Indian retail industry is on the radar of large-scale international retailers for its immense potential. The Indian retail industry in the single brand segment has received foreign direct investment (FDI) inflows to the tune of \$275.38 million during April 2000 to January 2015, according to the Department of Industrial Policies and Promotion (DIPP).

In 2014, the retail market witnessed new infusion of 1.7 million sq. ft. across top 8 cities. While leasing activities remained stable, vacancy levels witnessed a marginal drop of 0.2% with average vacancy levels standing at 14.3%. (Source: Cushman & Wakefield) The demand for quality mall space continues to be strong, with various international brands and high-end retailers scouting for retail spaces in prime locations and high streets to attract target customers. However, many poor



The retail market in Chennai is expected to gain traction during 2015 owing to strong demand for retail space across high street locations. Close to 0.7 million square feet of mall space is expected to become operational in 2015.

quality malls in non-prime locations have either closed down or are on the verge of closure owing to an oversupply of ordinary mall space. With globally recognised retailers such as GAP, Wacoal, and such others, looking to foray into India in 2015, while the existing international and Indian brands looking to expand their footprint, quality mall space is expected to witness sharp demand. In addition to metros, mall culture has now fully been adopted by Tier 1 cities and with growing brand consciousness, improving lifestyles and a rise in aspiration levels, Tier 2 & 3 cities should also witness considerable traction in development of quality mall spaces with increased penetration of organised retail.

#### **Mumbai Retail**

Mumbai has a total mall space of more than 15 million square feet. Expected new mall space for the city of Mumbai is the lowest among Delhi-NCR, Bengaluru, Chennai, Pune, Kolkata, Hyderabad and Ahmedabad. In 2014, rental values remained largely stable across prominent malls and established high street locations. 2015 demand for retail space is expected to gradually improve and domestic brands especially from the F&B segment are likely to continue as the prime occupiers for the space in the city. (Source: CBRE)

#### **Pune Retail**

Pune has a total mall space of close to 7 million square feet. The modern retail space in Pune is almost equally divided between malls and shopping streets, however, the modern retail landscape of Pune is highly skewed towards the Central and Eastern part of the city. In 2014, the retail leasing activity in the city remained stable as enquiries for retail space increased with large number of brands zeroing in on the city for their 2015 investment plans. In 2015, the city should see an addition of 1 million square feet of mall space and leasing activity should remain buoyant. (Source: CBRE)

#### **Bengaluru Retail**

Bengaluru has a total mall space of close to 7.5 million square feet. The Bengaluru retail market is characterised by a fair distribution of modern retail, primarily as a result of rising income levels of consumers. Approximately 0.70 million square feet of new mall space was added in the city during 2014. Close to 2.5 million square of new mall space is expected to be added during 2015. Addition of this space is expected to spur demand and increase retail space transactions during the year. (Source: CBRE)

#### **Chennai Retail**

Chennai has a total mall space of close to 5 million square feet. Chennai has among the lowest

expected new mall space addition over the next few years when compared to Delhi-NCR, Mumbai, Bengaluru, Pune, Kolkata, Hyderabad and Ahmedabad. The retail market in Chennai is expected to gain traction during 2015 owing to strong demand for retail space across high street locations. Close to 0.7 million square feet of mall space is expected to become operational in 2015. (Source: CBRE)

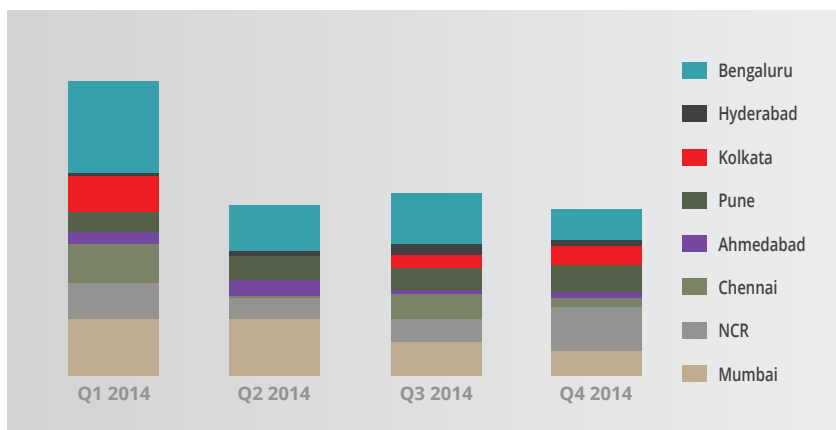
#### **RESIDENTIAL SECTOR**

The residential sector experienced slow growth, primarily due to an uncertain political environment prevailing in first half of 2014, high prices and elevated financing costs, leading to subdued demand. An atmosphere of cautious optimism prevailed among home buyers. Developers also failed to soften their rates significantly due to escalating input costs. Across the top 8 cities, the number of new residential launches were ~1, 53,070 units.

However, the medium and long-term growth outlook of India's housing sector remains strongly backed by positive demographics, rising disposable incomes, expected softening of interest rates and moderation in inflation. The demand for housing continues to outnumber supply. The current housing shortage in India is estimated to be ~60 million units, with ~110 million houses needed to be developed by

Going forward, new launches are expected to gain momentum and rental values across all submarkets are expected to remain steady at Bengaluru. Capital values are expected to appreciate in Northern, Eastern and Southern submarkets owing to continued demand from IT & ITeS working population.

### NEW RESIDENTIAL LAUNCHES IN 8 MAJOR CITIES IN 2014



Source: Cushman & Wakefield Research

2022 to ensure universal housing. Investments to the tune of \$2 trillion or about \$250 billion are needed until 2022, with urban housing accounting for 80-85% of this investment. (Source: KPMG)

#### **Pune Residential**

Pune witnessed new launches of 16,150 units in 2014 majorly in the mid-end segment, which accounted for 78% of the total launched units during the year. The demand was largely driven by people employed in IT and ITeS sectors. The developers also preferred the mid-segment, as it caters to a wider clientele base. Significant construction activity was noted in areas along the NH4 bypass such as Wakad, Baner, Balewadi, and such others, due to their proximity to the commercial hubs. Peripheral locations such as Sus and Pashan also witnessed significant

quantum of construction activity. There was an improvement in the overall sentiment with a pick-up in demand in the second half. Going forward, residential launch activity is projected to improve marginally, with a significant quantum of “under construction” projects leading to a lower pipeline comparatively. Capital values in peripheral locations are seen witnessing a rise due to existing low base and improvement in demand.

#### **Bengaluru Residential**

The city of Bengaluru witnessed new launches of 40,760 units in 2014. Mid-end segment offerings continued to dominate with strong demand from mid-level executives of IT & ITeS companies acting as catalyst for robust launches. Southern submarket and eastern submarket witnessed highest

concentration of projects due to consistent end-user demand from IT & ITeS employees. Availability of adequate social infrastructure and proximity to workplaces has been instrumental in sustaining buoyant demand for these locations. Northern submarket also witnessed significant construction activity in the second half. Capital values increased in the Southern & Eastern markets with strong preference for locations contributing to the uptrend. Going forward, new launches are expected to gain momentum and rental values across all submarkets are expected to remain steady. Capital values are expected to appreciate in Northern, Eastern and Southern submarkets owing to continued demand from IT & ITeS working population.

#### **Chennai Residential**

Chennai witnessed robust increase in new launches, although delays in obtaining project approvals led to deferment of some project launches. Total number of new launches stood at 17,500 units, with the mid-end segment offering accounting for a lion's share at 87%. Rajiv Gandhi Salai, Grand & Southern Trunk (GST) Road & Suburban (South) were prominent locations that witnessed maximum concentration of launches primarily due to it being a continually preferred location with IT & ITeS executives owing to proximity to IT & manufacturing hubs. Some of the popular locations for mid



segment such as Guindy, Perungudi, Ashok Nagar and Poonamallee High Road witnessed project launches catering to the high-end segment as enhanced connectivity and infrastructure upgrades have rendered these locations attractive for senior executives. Going ahead, the city is expected to see traction, accompanied by better absorption rates. This is on account of consistent demand from the IT working population, new launches in Q1 of 2015 which stood at 3,200, twice of that in Q4 of 2014.

### COMMERCIAL SECTOR

2014 can be termed as an eventful year for the commercial real estate segment in India. The first half was primarily characterised by political uncertainties, economic slowdown, high inflation and interest rates, subdued demand and a weak overall market sentiment. The positive policies, initiatives and reforms introduced by the new government led to an improvement in the overall sentiment. A pick-up in GDP growth, manageable current account deficit and fiscal deficit as well as moderation in inflation, led to companies revisiting their office space requirements and reviving their expansion plans, resulting in a significant ramp-up in demand and absorptions.

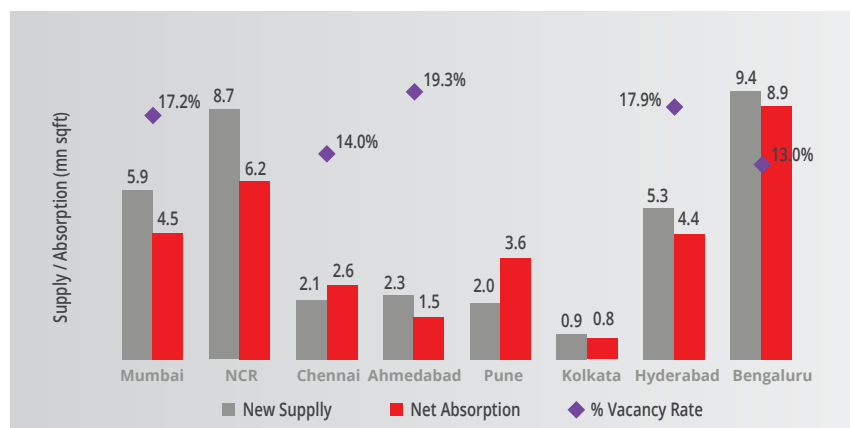
Around 32.5 million sq. ft. of office space was absorbed in 2014 across top 8 cities, exceeding 2013 absorption levels by 18%. Among the top 8 cities, Bengaluru witnessed the maximum demand, followed by NCR and Pune. Technology companies were key demand drivers for Grade A properties. Key announcements such as pass through status for REITs, rationalisation in FDI norms, creation of smart cities, among others, are encouraging signs and have further boosted sentiments.

Going forward, as economic revival picks up pace, demand for office real estate is expected to gain traction. Capital and rental values may also see a moderate increase and rentals for Grade A properties are expected to see an upward pressure, with vacancy levels most likely to move downwards.

### Mumbai Commercial

The total net absorption in Mumbai in 2014 remained stable at 4.46 million sq. ft. Office space leasing and absorption was mainly driven by the BFSI segment, followed by Engineering & IT & ITeS. Mumbai's commercial market saw a fresh supply of 5.9 million sq. ft. and overall vacancy levels fell to 17.2% in 2014 from 19.7% in 2013. The city received a major infrastructural boost with completion of the first Metro Rail connecting Versova, Andheri and Ghatkopar on 11.4-km stretch, greatly enhancing connectivity and providing swift commute. Going forward, demand and absorption in commercial space is set to improve. Rentals in popular commercial hubs such as Lower Parel, Andheri and Goregaon will see an uptrend in the upcoming months.

### SUPPLY AND DEMAND OF COMMERCIAL SPACE (INDIA)



Source: Cushman & Wakefield Research



Quality office developments are in strong demand and rentals are likely to increase, with occupiers willing to pay a premium for quality spaces.

### **Pune Commercial**

The Pune market remained robust in 2014, with net absorption of 3.57 million sq. ft., a rise of 20% over 2013 levels. This impressive rise in office space off-take was predominantly led by IT & ITeS organisations, followed by BFSI and engineering segments. Approximately 2 million sq. ft. of fresh supply was infused during the year with overall vacancy rates standing at 22.1%. Average rentals also witnessed an increase during the year. Looking ahead, significant quantum of fresh supply is expected to hit the market in 2015 in tandem with improving absorptions. Vacancies may witness a slight rise due to robust fresh supply, despite improvement in absorptions, with IT & ITeS sector continuing to lead market activity in near future. Rentals are expected to be slightly higher in certain submarkets due to quality developments being delivered at higher price points.

### **Foreign Direct Investment (FDI)**

The construction development sector received total FDI inflows of Rs 61.8 billion in 2014. The new Government has taken adequate measures towards reviving the real estate sector. It has created a more transparent and business-friendly

environment to attract foreign capital and meet demand for housing and quality commercial spaces.

### **Real Estate Reforms**

The Government initiated certain regulations in 2013. The new government made certain amendments to these regulations in order to safeguard the interests of buyers, ensure transparency and encourage investments to create a healthy real estate ecosystem, one that is beneficial to all concerned stakeholders.

### **Key Amendments to Real Estate Bill, 2013**

The Government plans to bring the amended Real Estate Bill, which seeks to protect the interests of buyers and ensure transparency. The Union Cabinet approved amendments to the bill, paving the way for regulation of realty business. The applicability of the Bill would be extended to the commercial real estate sector as well. The government is now looking to pass the Bill in the parliament.

- The amendments seek to make it mandatory for all developers, including those of housing projects, to keep minimum 50% of funds collected from buyers in an escrow account to meet construction costs.
- The Cabinet has extended applicability of the Bill to commercial real estate as well

- On-going projects that have not received completion certificates have also been brought under the purview of the Bill and such projects will need to be registered with a proposed regulator within three months.
- Promoters will not be allowed to change plans and structural designs without the consent of 2/3rd of the consumers in a project
- Real estate agents will be punishable for non-compliance of orders of the regulatory authority. Appellate Tribunals will also be set up under the proposed law.

### **The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Ordinance, 2015**

The Government promulgated the new land bill in 2015 to promote development of rural areas and boost infrastructure, manufacturing and employment, while safeguarding interests of farmers. The government is currently awaiting clearance from both the houses of the parliament.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Ordinance, 2015 was promulgated on April 3, 2015. The Ordinance amends the Right to Fair

The new Government has taken adequate measures towards reviving the real estate sector. It has created a more transparent and business-friendly environment to attract foreign capital and meet demand for housing and quality commercial spaces.

Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, which regulates the acquisition of land for public purposes in the country.

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

The Government, in the Union Budget 2014-15, announced the following with respect to REITs and InvITs:

- Rationalisation of capital gains regime for sponsors exiting at the time of listing of units of REITs and InvITs
- Rental income of REITs from their own assets to have “pass through facility”.

This has eased the path for listing of Real Estate Investment Trusts. This move is likely to boost REITs listing in the country, allowing faster and smoother exits to investors. These two trusts, which can be listed on stock exchanges, will help channelise both domestic and overseas investments into real estate and infrastructure projects in the country and speed up construction activity, leading to timely project delivery. Implementation of REITs will be the game changer for investors and real estate developers.

### **Smart Cities, Affordable Housing and Make in India**

The Union Cabinet of India chaired by Prime Minister Narendra Modi approved a mission of building 100 smart cities, wherein each selected city would get central assistance of ₹ 100 crore per annum for a period of five years. This mission intends to promote adoption of smart solutions for efficient use of available assets, resources and infrastructure with the objective of enhancing the quality of urban life and providing a clean and sustainable environment. Further, the Central Government has proposed to set up a mission on low cost affordable housing to be anchored in the National Housing Bank. The intention of the government through this mission is to endeavour to have housing for all by 2022 by extending additional tax incentive on home loans to encourage people, especially the young, to own houses. Such initiatives are likely to have significant positive impact on the real estate sector.

### **HOSPITALITY SECTOR**

India is known for its luxurious hotels and famed hospitality, with many of the country's hotels being included amongst the world's best hotels. It also plays a significant role in the Indian economy, contributing nearly 6.2% to India's GDP and generating 4.9% of total employment in 2013

(Source: WTTC). Hospitality sector is the third largest foreign exchange earner in India. The estimated size of the Indian hospitality industry stood at \$38 billion in 2014.

Source: Indian Brand Equity Foundation (IBEF)

India is also growing in popularity among foreign travellers, with 30 world heritage sites, 25 bio-geographical zones and world-class hotels. The number of foreign tourist arrivals in India has been growing steadily for the last 3 years. It touched 7.46 million in 2014, a 7.1% increase over that in 2013. (Source: IBEF) India's foreign exchange earnings (in rupee terms) from tourism stood at Rs 1,201 billion, up from Rs 1,058.4 billion registering 11.5% growth. (Source: IBEF) Domestic travel spending, which constitutes ~81% of the total travel spending, is expected to grow almost 10-fold from \$1,098 billion in 2013 to \$9,657 billion in 2024. (Source: WTTC) Hotel demand in 2014-15 improved, resulting in increased occupancy levels of 59.6%, as compared to 57.1% in 2013-14. Average day rate remained flat at Rs 5,676 in 2014-15, while RevPAR (Revenue per available room) increased to Rs 3,405 in 2014-15, up from Rs 3,246 in 2012-13 on the back of improved occupancy levels.

The \$38 billion Hospitality sector in India plays a significant role in the economy, contributing nearly 6.2% to its GDP and generating 4.9% of total employment. The sector is the third largest foreign exchange earner in India.

### **Mumbai Hospitality**

Mumbai is India's financial capital and home to top stock exchanges – the Bombay Stock Exchange, the National Stock Exchange and India's apex bank, the Reserve Bank of India. Most top Indian corporate houses, Indian and multi-national fund houses, investment banks and brokers have their corporate headquarters here, attracting a large influx of business travellers. A major portion of hotel demand in the city is contributed by the business and transient segment at almost 70%. Mumbai is also famous for Bollywood, its beaches, Gateway

of India and Marine Drive, which attract a good quantum of leisure travellers as well. In 2014, the city witnessed the start of the operations of Mumbai Metro Line 1 (Versova-Andheri-Ghatkopar Corridor) and the Eastern Freeway, connecting the Central Business District (to Chembur previously) to Ghatkopar, enhancing the city's connectivity. During H1 of 2014, Mumbai witnessed an occupancy rate of 64% and an ADR of US\$ 111. The outlook for Mumbai's hotel industry in H2 of 2015 is expected to be positive on the back of improving occupancy and a modest increase in ADR, with

a stable government at the helm and growth revival. Demand for MICE in the city is expected to be strong and the proposed Reliance Convention Centre in Bandra-Kurla Complex spanning 18.5 acres will definitely further augment demand for MICE in the city. The city is likely to witness an addition of over 10,500 keys in the next five years. (Source: C&W)

### **Agra Hospitality**

Agra is the city of the magnificent 'Taj Mahal'. The Taj is the tourism icon of India and therefore a "must see" destination for any domestic or international tourist.





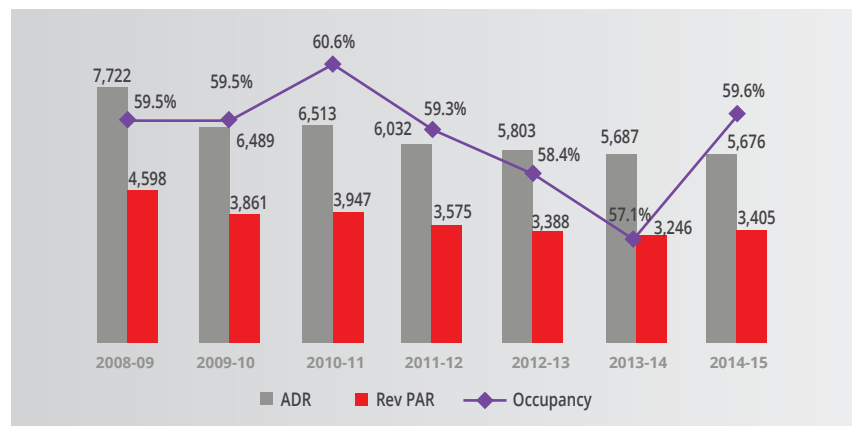
Apart from Taj, the city is home to many other splendid Mughal-era buildings, most notably of which are the two UNESCO world heritage sites - Agra Fort and Fatehpur Sikri. This makes Agra a sought-after leisure destination in India for its unparalleled heritage and monuments from a seasonal tourist destination,

In the last couple of years, there has been significant improvement in the connectivity between Delhi and Agra, with the advent of six-lane and 165 Kms. long Yamuna Expressway which has cut down the travel time between Delhi and Agra to just 2.5 hours. This has majorly transformed the business environment for Agra's hotel industry, as the city has now become a preferred destination for MICE business (meetings, incentives, conferences and Exhibitions), weekend getaways and also destination weddings. The occupancies have shown an improvement of 2.9% in 2013-14 to over 60%. The Average Room Rate (ARR) also registered a moderate growth of 2.1% in 2013-14 over 2012-13. As per industry discussions, the city is seeing increased quality business over the weekends with more spending power and the average stay has gone up to two nights. The improvement in

connectivity infrastructure has virtually expanded the domestic market base for the city. People from Punjab, Chandigarh and Haryana now consider Agra as a weekend destination, which has drastically increased the number of overnight travellers. Going ahead, the outlook for India's hotel industry stands strong with robust demand expected from leisure, MICE and weekend segments. Tourist inflow is also expected to gain enough strength, with Agra being now included in 'Golden Triangle tourist circuit.' (Source: Hospitality Biz India)

Agra is the city of the magnificent 'Taj Mahal'. The Taj is the tourism icon of India and therefore a "must see" destination for any domestic or international tourist.

**Rise in RevPar and Occupancy**



Source: ICRA Report



## COMPANY OVERVIEW

We are one of India's leading retail asset developers, owners and operators, with one of the largest retail portfolios among listed companies in India, consisting of nine retail properties comprising approximately 2,000 stores in some of India's largest cities.

For the financial years 2015, 2014 and 2013, our total income was ₹ 16,845.58 million, ₹ 14,875.76 million and ₹ 5,219.75 million, respectively, our total net profit for the same periods was ₹ 354.29 million, ₹ 1,284.62 million and ₹ 841.53 million, respectively, and EBITDA was ₹ 7,619.61 million, ₹ 6,784.25 million and ₹ 2,630.76 million, respectively.

Our existing real estate development portfolio primarily comprises retail-led, mixed-use developments in prime locations, together with a number of other standalone residential and commercial office developments. Our developments include retail and entertainment, commercial, hotel and residential properties in Mumbai, Chennai, Bengaluru, Pune, Lucknow, Bareilly and Agra. 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 management, maintenance and sales 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 – High Street Phoenix and Palladium in Lower Parel, Mumbai. This development is comprised of a mall of approximately 0.74 million sq. ft. of Leasable Area consisting of retail, entertainment and commercial office space of approximately 0.13 million sq. ft of Leasable Area (net of areas let out on long leases), the Palladium Hotel, a 389 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 amongst the first large format, retail led, mixed use centre developments in India. Our Company's wholly owned subsidiary, Pallazio Hotels & Leisure Limited, has entered into agreements with Starwood Hotels & Resorts India Private Limited and its affiliates for the management and re-branding of the hotel from the Palladium Hotel to The St. Regis, Mumbai, and subject to compliance with the terms of the agreement, we expect re-branding to occur in September 2015.

Our Phoenix MarketCity projects are conceptualised 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, through our Subsidiaries and Associates, under the brand "Phoenix MarketCity" in Mumbai, Chennai, Bengaluru and Pune (one mall in each city). Our Phoenix MarketCity developments encompass retail and entertainment space, including food and beverage and multiplex facilities, outdoor space and, subject to market demand, include one or more of commercial offices, hotel or residential apartments for sale. These projects seek to optimise a combination of retail, entertainment and commercial and retail clients in order to attract a wide spectrum of consumers. We also operate malls under the brand name of "Phoenix United", with two operational projects in Lucknow and Bareilly, respectively. We believe that we have achieved reasonable success in each of our operational developments.

Our real estate development portfolio comprises of four types of real estate developments: Retail, Commercial, Residential and Hospitality.

We currently have a portfolio of approximately 17.88 million square



Several of our Planned projects will be expansions of our existing developments.

feet of constructed areas in our Completed and Ongoing projects, consisting of:

- eight Completed and one Ongoing retail developments,
- four Completed, one Ongoing and one Planned commercial office projects,
- one Completed, five Ongoing and Planned residential projects, and
- two Completed hotel projects.

Several of our Planned projects will be expansions of our existing developments.

Our retail development portfolio consists of approximately 6.16 million sq. ft of Leasable Area in Completed and Ongoing projects. Our commercial office development

portfolio consists of approximately 1.82 million sq. ft of Saleable and Leasable Area in Completed, Ongoing and Planned projects (including areas already sold). Our residential development portfolio consists of approximately 5.51 million sq. ft of Saleable Area in Ongoing and Planned projects, of which we have sold approximately 1.65 million sq. ft.

We have received several awards for our retail developments including "Retailer of the Year (Mall) – 2015", "Shopping Center of the Year (Palladium Mall) – 2015" from CMO Asia, and "Among India's Best Existing Neighbourhood Shopping Malls, 2013-2014" from Estate Avenues for our High Street Phoenix and Palladium development, "Most

Admired Shopping Centre of the Year, 2015" from CMO Asia and "India's Best Existing Neighbourhood Shopping Mall, 2013-2014" from Estate Avenues for our Phoenix MarketCity Mumbai development, "Most Admired Shopping Centre of the Year Non Metro West, 2013" from Estate Avenues for our Phoenix MarketCity Pune development and "Best Malls & Shopping Centre of the Year 2015 – Operational Mixed Use" from Estate Avenues for our Phoenix MarketCity Chennai development. We have also won several awards for our One Bangalore West, Kessaku and Fountainhead residential developments.

### Our Retail Developments

Name of Project	Location	Total Leasable Area (In million square feet)	Status of the Project	Year of Completion
High Street Phoenix and Palladium Mall	Lower Parel, Mumbai	0.74	Completed	1999 (High Street Phoenix) 2008 (Palladium)
Phoenix MarketCity Chennai	Velachery, Chennai	1.00	Completed	2013
Phoenix MarketCity Bengaluru	Bengaluru (E)	0.98	Completed	2011
Phoenix MarketCity Pune	Viman Nagar, Pune	1.13	Completed	2011
Phoenix MarketCity Mumbai	Kurla, Mumbai	1.11	Completed	2011
Phoenix United Lucknow	Lucknow	0.33	Completed	2010
Phoenix United Bareilly	Bareilly	0.31	Completed	2012
Palladium Mall, Chennai	Velachery, Chennai	0.22	Ongoing	2016 (estimated)
Phoenix Paragon Plaza	Kurla, Mumbai	0.34	Under fit-out	2015

During the year, several of our assets have been the recipients of various prestigious awards on coveted platforms. We aim to leverage these recognitions of our design and operational excellence to expand our horizons further and acquire sterling growth.

### Commercial Office Projects

Name of Project	Location	Total Saleable/ Leasable Area (in million square feet)	Status of the project	Year of Completion
Phoenix House	Lower Parel, Mumbai	0.13	Completed	1996
Centrium	Kurla, Mumbai	0.28	Completed	2012
East Court	Viman Nagar, Pune	0.25	Completed	2012
Phoenix Paragon Plaza	Kurla, Mumbai	0.12	Completed	2015
Art Guild House	Kurla, Mumbai	0.76	Ongoing	2015 (estimated)
West Court	Pune	0.28	Planned	n/a

### Residential Projects

Name of Project	Location	Total Saleable Area (in million square feet)	Status of the project	Estimated Year of Completion
Phoenix Towers	Lower Parel, Mumbai	-	Completed	Completed
Fountainhead Pune (Towers A and B)	Pune	0.35	Ongoing	2018
Crest, Chennai (Towers A and B)	Chennai	0.24	Ongoing	2015
Crest, Chennai (Tower C)	Chennai	0.29	Ongoing	2015
Kessaku	Bengaluru	0.99	Ongoing	2018
One Bangalore West (Towers 1-5)	Bengaluru	1.21	Ongoing	2016
One Bangalore West (Towers 6-9)	Bengaluru	1.04	Ongoing	2018
Oberhaus (Phase I)	Bengaluru	0.38	Ongoing	2018
Oberhaus (Phase II)	Bengaluru	0.64	Planned	2020
Crest, Chennai (Tower D)	Chennai	0.41	Planned	2018

### Hospitality

Name of Project	Location	Number of Keys	Year of Completion
Palladium Hotel <sup>1</sup>	Lower Parel, Mumbai	389	2012
Courtyard by Marriott, Agra	Agra	193	2015

#### Notes:

- Our wholly owned Subsidiary, Pallazzio Hotels & Leisure Limited, has entered into agreements with Starwood Hotels & Resorts India Private Limited and its affiliates to operate, manage and re-brand the hotel from the Palladium Hotel to The St. Regis, Mumbai, and subject to compliance with the terms of the agreement, we expect re-branding to occur in September 2015.



### **Food and Beverage**

We are seeking to build a food and beverage portfolio of our own outlets through our hospitality services focused Subsidiaries, Bellona Hospitality Services Private Limited and Savannah Phoenix Private Limited (which became a Subsidiary with effect from April 7, 2015). Collectively, the Subsidiaries currently have five operational and six under fit-out food and beverage outlets across our Phoenix MarketCity malls in Mumbai and Pune, covering a total area of over 21,600 square feet with an estimated total seating capacity of approximately 800. We plan to launch more food and beverage outlets in order to add to the leisure and entertainment options at our malls.

### **OUR STRENGTHS**

#### ***Diversified portfolio and revenue streams***

We are one of India's leading retail asset developers, owners and operators, with one of the largest retail portfolios in India, consisting of nine retail properties comprising approximately 2,000 stores, in various India's largest cities. Our existing real estate development portfolio primarily comprises retail-led, mixed-use developments in prime locations, together with a number of other standalone residential and commercial office developments. Our developments include retail and entertainment,

commercial, hotel and residential properties in Mumbai, Chennai, Bengaluru, Pune, Lucknow, Bareilly and Agra. Our operations typically encompass most aspects of real estate development, including land acquisition, planning, execution and marketing of projects, through to the management, maintenance and sales of the completed developments.

Our retail development portfolio consists of approximately 6.16 million square feet of Leasable Area in eight Completed and one Ongoing project. Our commercial office development portfolio consists of approximately 1.82 million square feet of Saleable/Leasable Area in four Completed, one Ongoing and on Planned projects, (including areas already sold). Our residential development portfolio consists of approximately 5.51 million square feet of Saleable Area in five Ongoing and Planned projects, of which we have sold approximately 1.65 million square feet of Saleable Area. Our hospitality portfolio consists of two Completed hotels with a total of 582 keys.

Our Ongoing and Planned residential and commercial office projects aggregating approximately 7.33 million square feet of Saleable and Leasable Area (inclusive of areas already sold or leased (as applicable)), are at various stages of planning, approvals and completion.

### ***Established market leadership and brand name***

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 – High Street Phoenix at Lower Parel, Mumbai. In addition, High Street Phoenix was among the first developments in India to combine retail and entertainment, commercial, hotel and residential properties into an integrated lifestyle destination. We believe that innovation and strategic vision has been key to our success and we have been able to establish a strong market position and a recognised brand name in the mixed-use real estate development business. Further, we believe that we were amongst the first real estate developers in India to introduce large retail-led mixed-use developments, which resulted in the creation of a large format, retail led, mixed use centre at High Street Phoenix, in turn creating location equity for Lower Parel, Mumbai. Further, having implemented this concept in Lower Parel, Mumbai, we have used our market expertise and brand name to seek to replicate the success of High Street Phoenix elsewhere in Mumbai and in a number of other cities throughout India through our Phoenix MarketCity, Phoenix United, residential, commercial and hospitality projects.



We believe we have a competitive advantage over our new and potential competitors in cities where we are already present due to several factors, including the significant time outlay required for potential competitors to build and establish a profitable retail mall (which, in our experience, typically takes approximately five to seven years), 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 track record and the quality of our retail developments has enabled us to maximise our lease revenues through our established relationships with domestic and global retail clients.

For our residential projects, we believe that the Phoenix brand is well established and recognised, and is associated with good quality, design, innovation, marketing and project management that generally helps to achieve timely delivery of

completed projects to buyers of residential apartments. Amongst other factors, we believe our strong market position and recognisable brand is a differentiating factor for our customers, which helps establish customer confidence, influences buying decisions and has enabled us to generally achieve high realisable prices for our projects. Some of our Ongoing residential projects have won several awards. Our premium and luxury residential projects, One Bangalore West and Kessaku, in Bengaluru, comprise, in aggregate, approximately 3.24 million square feet of Saleable Area. We launched Phase I of One Bangalore West, comprising approximately 1.21 million square feet of Saleable Area, in the third quarter of 2012, in respect of which, as of March 31, 2015, we have sold approximately 0.99 million square feet of Saleable Area. We launched our Kessaku project, comprising approximately 0.99 million square feet of Saleable Area, in the first quarter of 2015.

***Presence in several of India's largest cities with growth in revenues***

We currently own and operate retail, residential and commercial office developments in Mumbai, Chennai, Bengaluru, and Pune. With respect

to the residential real estate market, Mumbai, Chennai, Bengaluru and Pune, all showed positive growth in absorption rates during the period July to December 2014 compared to the period January to June 2014.

We believe that having projects located across several of India's largest cities allows us to attract high-end retail clients, receive high lease revenues per retail client and cater to large populations of consumers with high discretionary incomes. We believe that these factors allow us to increase our profitability and enhance the value of our brand. We expect that we will own and operate our future projects (other than residential properties), which will continue to provide us with recurring revenues. For the financial year 2015, our revenue was ₹ 16,533 million, of which ₹ 11,964 million was from our rental (including common area maintenance revenue and other recoveries) and hotel portfolio, and the balance of ₹ 4,570 million was from our commercial office and residential portfolio. In addition to our operational projects, we have an Ongoing and Planned Projects portfolio of approximately 6.87 million square feet of Leasable and Saleable Area in the retail, residential and commercial office space.

Our Operations & Management teams focus on increasing total consumer spend by engaging with retail clients and consumers through several marketing and promotional initiatives. Such initiatives result in increasing footfalls in our targeted categories and higher per capita spend.

**Strategic relationships with large retail clients and a consumption-driven revenue model**

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 properties are the preferred choice among retail clients in the cities in which we operate and provide a platform for large retail clients to expand their businesses with a common partner. To successfully lease out a retail property, we believe that the retail client's confidence in the developer is an important factor, especially in fast-growing and emerging cities where there may be few organised national developers. We continuously engage with our retail clients 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 clients have confidence in us, demonstrated by our longstanding relationships with several domestic and global retail brands such as Zara, Diesel, Lifestyle and PVR Cinemas, across our retail developments. Each of Zara, Diesel, Lifestyle and PVR Cinemas, have outlets/cinemas across our locations. We further believe that several of our global retail clients have opened amongst their first few stores for their brands in India at our retail malls. We believe

that such relationships may help us to secure retail clients for our new developments and mitigate the risks that may arise from an inability to secure retail clients for large spaces at suitable rates.

Our mall operations and management teams focus on increasing total consumer spend by engaging with retail clients as well as consumers through several marketing and promotional initiatives. We believe such initiatives result in increasing footfalls of consumers in our targeted categories and higher per capita spend.

We further believe that the business of developing and operating successful retail properties 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 client mix and quality of management. We seek to leverage our long-standing presence in this market segment and believe we are able to maximise the potential of a particular catchment area by bringing together appropriate retail clients. We also regularly evaluate the retail client mix at our retail

properties to ensure that it caters to the consumption and spending patterns of customers. To capitalise on these trends, as of March 31, 2015, a majority of the leases across our retail properties are structured so that we receive the higher of a fixed guaranteed license fee / rental income, as applicable, or a percentage of revenue generated by the retail client, with such fixed guaranteed license fee / rental rate generally increasing on a percentage basis annually with a further higher percentage increase after, for example, three to five years. This assures us of minimum guaranteed license fees / rental income, as applicable, across our retail properties, while aligning our interest with those of our retail clients through revenue share arrangements. With this model, our license fees and rental income collected, as applicable, can increase as Consumption increases in a particular location.

**Quality project execution and management capabilities**

We believe that our position as a successful property developer in some of India's largest cities is largely due to our project execution capabilities, our quality of operation and our management team. We select whom we believe to be reputed and highly qualified

Geographical diversification of our developments will help reduce our reliance on specific cities and allow us to capitalise on different growth trends in other cities. Our strategy in expanding into new locations with growth potential will enable us to effectively capture growth opportunities in different parts of India and broaden our revenue base.

contractors and international architects, and we use quality construction materials and modern technology in our developments. We have established dedicated teams to oversee the design, engineering and construction phases of development to allow us to complete our projects in a cost-effective and quality-controlled manner.

In addition, critical to our success at our retail and hospitality projects is the successful ongoing operation and management of our developments. All projects are designed to address both various consumer concerns, such as adequate parking, aesthetics, comfort, safety and cleanliness, as well as the concerns of our retail clients, 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 in terms of quality and facilities offered in order to enhance visual impact and increase footfalls. We also track the revenues of our retail clients and provide suggestions to underperforming retail clients on how to improve revenues based on our operational experience.

We also focus on developing a range of in-house food and beverage outlets as anchors to drive footfalls to our retail clients. We believe that our focused initiatives that seek to enhance the quality and revenues of our retail clients 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 a diverse range of fields, including real estate development, operations and maintenance. 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.

## **OPERATIONAL REVIEW**

Our property portfolio includes Completed, Ongoing and Planned retail, residential and commercial office developments that include large mixed-use retail projects, commercial office projects, hospitality/hotel projects and residential projects.

Completed projects are those projects where construction has been completed and occupation certificates have been granted by the relevant authorities with respect to such projects.

Ongoing projects are those projects which have been launched and the construction of which has commenced, after receipt of the commencement certificate with respect to such construction.

Planned projects are those projects which are in the design development stage and the land required for the development has been acquired with approvals necessary for use of such land.



### Large Mixed-Use Retail Developments

The following is a description of our Completed and Ongoing large mixed-use retail projects:

#### 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. The retail development on this land parcel consists of a combined 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). For the financial years 2015, 2014 and 2013, ₹ 3,154.53 million, ₹ 2,948.02 million and ₹ 2,706.01 million of our total consolidated revenue, respectively, was attributable to the revenues (including common area maintenance revenues and other recoveries) of High Street Phoenix and Palladium.

As of March 31, 2015 there were over 270 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, with the final retail space, Palladium, commencing operations in 2008.

We are also at the planning stage for further additional development potential that may be available under the existing policies and/or the new development plan (DP 2014 – 2034) which may be approved and become effective in the future.

During the financial year 2015, approximately 90% - 95% of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 256 per square foot. From the financial year 2010 to financial year 2015, our rental income grew from ₹ 757 million to ₹ 2,293 million, at a CAGR of 17%. During the same period the monthly average rental grew from ₹ 115 per square foot to ₹ 256 per square foot.

In financial year 2015, we re-leased and/or renewed approximately 0.24 million square feet of Leasable Area at High Street Phoenix and Palladium at an average estimated minimum guaranteed fixed monthly license fee of approximately ₹ 335 per square

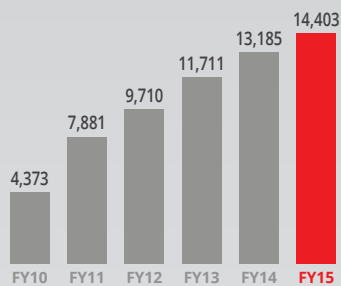
foot with 108 of our retail clients. There has also been a significant increase in minimum guaranteed license fees from a number of our retail clients between the financial years 2014 and 2015. During this period, in leases renewed or released by 19 of our retail clients, estimated minimum guaranteed license fees increased by between 50% and 100%, in leases renewed or released by 30 of our retail clients, estimated minimum guaranteed license fees increased by between 100% and 200%, and in leases renewed or released by three of our retail clients, estimated minimum guaranteed license fees increased by over 200%.

Our consumption, average Trading Density and rental income grew at a CAGR of 27%, 19% and 25%, respectively, from financial year 2010 to financial year 2015. The table below sets out our consumption, average Trading Density and license fees or rental income, as applicable, data for the financial years 2010 to 2015:

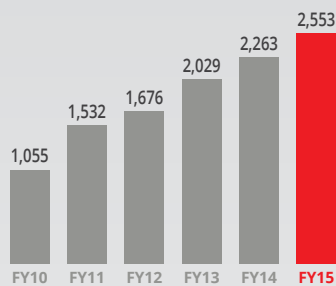
\* Rental income is comprised of the rent derived from the retail space in our High Street Phoenix and Palladium Mall.



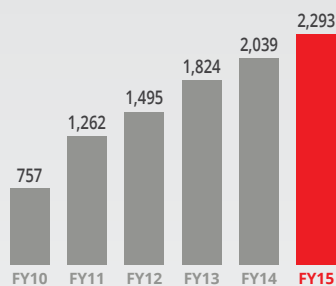
### Key Operating Metrics of HSP Complex



■ Consumption (₹ in Million)



■ Average Trading Density (₹ per square foot per month)



■ Rental Income (₹ in Million)

### Phoenix MarketCity Projects

“Phoenix MarketCity” projects, as have been built by us at Pune, Chennai, Bengaluru and Mumbai, are conceptualised as large-scale, retail-led real estate developments of over two to three million square feet of Built-Up Area and approximately one million square feet in Leasable 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 the Company’s 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. 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 optimise a mix of retail, entertainment and commercial office retail clients 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, Chennai

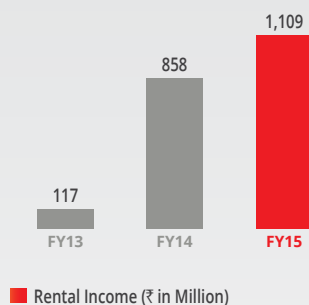
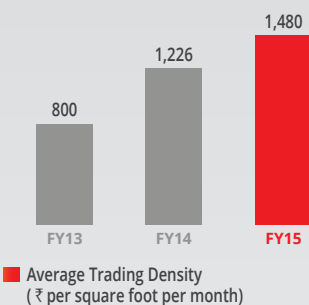
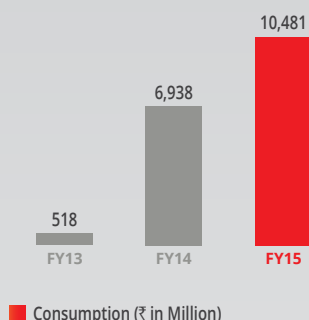
Phoenix MarketCity Chennai is a development located on Velachery Road at Velachery in central Chennai on approximately 14.5 acres of land with approximately 1.00 million square feet of Leasable Area. Phoenix MarketCity Chennai has more than 250 stores and during financial year 2015, approximately 90% - 95% of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 104 per square foot.

The leases for approximately 0.5 million square feet or 52% of mall area are up for renewal between the financial years 2016 to 2018. Our consumption, average Trading Density and rental income grew at a growth rate of 51%, 21% and 29%, respectively, from financial year 2014 to financial year 2015. The table below sets out our consumption, average Trading Density and rental income for the financial years 2013 to 2015:



Phoenix MarketCity Bengaluru is a development located on Whitefield Road in the commercial area of Whitefield in Bengaluru on approximately 15 acres of land with approximately 0.98 million square feet of Leasable Area.

### Key Operating Metrics of Phoenix MarketCity Chennai

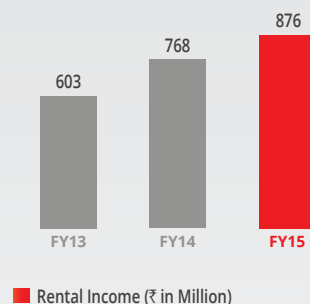
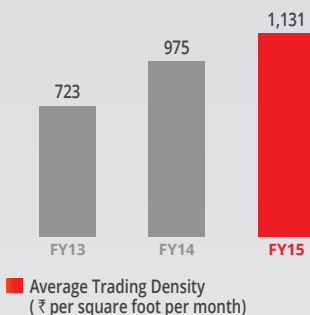
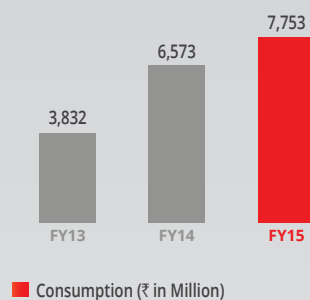


### Phoenix MarketCity, Bengaluru

Phoenix MarketCity Bengaluru is a development located on Whitefield Road in the commercial area of Whitefield in Bengaluru on approximately 15 acres of land with approximately 0.98 million square feet of Leasable Area. Phoenix MarketCity Bengaluru has more than 290 stores and during financial year 2015, 90% - 95% out of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 84 per square foot.

The leases for approximately 0.50 million square feet or 51% of mall area are coming up for renewal between the financial years 2016 to 2018. Consumption, average Trading Density and rental income grew at a CAGR of 42%, 25% and 21%, respectively, from financial year 2013 to financial year 2015.

### Key Operating Metrics of Phoenix MarketCity Bengaluru

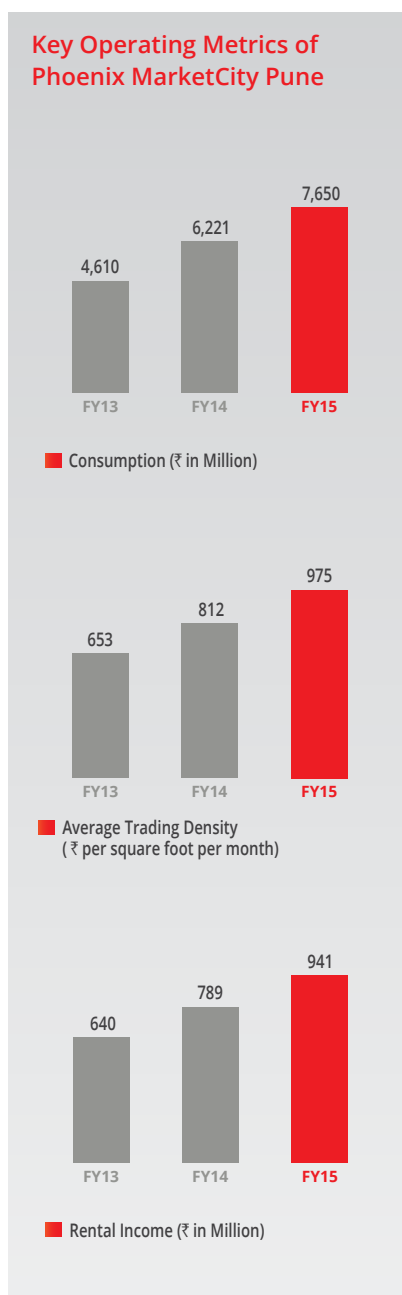


Phoenix MarketCity Pune has more than 310 stores and during the financial year 2015, approximately 90-95% out of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 82 per square feet.

### Phoenix MarketCity, Pune

Phoenix MarketCity Pune is a development located on Nagar Road in Pune on approximately 17.6 acres of land with approximately 1.13 million square feet of Leasable Area. Phoenix MarketCity Pune has more than 310 stores and during the financial year 2015, approximately 90-95% out of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 82 per square feet.

The leases for approximately 0.37 million square feet or 33% of mall area are coming up for renewal in financial year 2016, with approximately 0.61 million square feet coming up for renewal over the next three financial years. Consumption, average Trading Density and rental income grew at a CAGR of 29%, 22% and 21%, respectively, from financial year 2013 to financial year 2015. The table below sets out consumption, average Trading Density and rental income for the financial years 2013 to 2015:



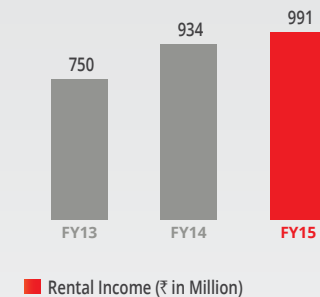
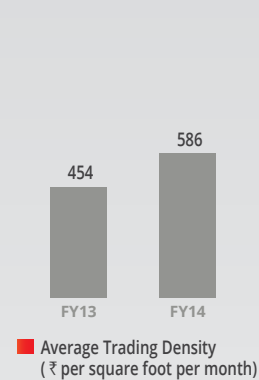
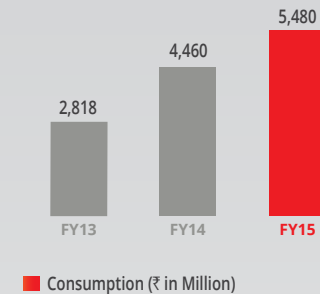
### Phoenix MarketCity, Mumbai

Phoenix MarketCity Mumbai is a development located in the eastern Mumbai suburb of Kurla, approximately five kilometres from the business district of Bandra-Kurla complex. The metro, the east-west link of Chembur Santacruz link road and the eastern express freeway also make this development accessible from the tertiary catchment areas of Juhu, Andheri and Dadar, among others. Phoenix MarketCity Mumbai is developed on approximately 22 acres of land with approximately 1.11 million square feet of Leasable Area. Phoenix MarketCity Mumbai has more than 300 stores and during financial year 2015, approximately 85% - 90% of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 85 per square foot.

The leases for approximately 0.70 million square feet, or 63.3%, of mall area are coming up for renewal between the financial years 2016 and 2018. Consumption, average Trading Density and rental income grew at a CAGR of 39%, 25% and 15%, respectively, from financial year 2013 to financial year 2015. The table below sets out consumption, average Trading Density and rental income for the financial years 2013 to 2015:



### Key Operating Metrics of Phoenix MarketCity Mumbai



#### Phoenix United, Lucknow

Phoenix United, Lucknow is located along National Highway NH25, leading to Kanpur, with approximately 0.33 million square feet of Leasable Area. Phoenix United, Lucknow has more than 100 stores and during financial year 2015, approximately 90% - 95% of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 52 per square foot.

#### Phoenix United, Bareilly

Phoenix United, Bareilly is located along the Pilibhit Bypass Road, on approximately 3.5 acres of freehold land, with approximately 0.31 million square feet of Leasable Area. Phoenix United, Bareilly has more than 130 stores with and during financial year 2015, approximately 90% - 95% of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 44 per square foot.

Between the financial years 2013 and 2015, Consumption from our High Street Phoenix and Palladium, Phoenix MarketCity and Phoenix United retail projects, on a consolidated basis, grew at a CAGR of 38%. The combined Consumption

for the financial years 2015, 2014 and 2013 were approximately ₹ 49.0 billion, ₹ 40.3 billion and ₹ 25.7 billion, respectively. Between the financial years 2013 and 2015, the combined rental income grew at a CAGR of 25% during which period the total rental incomes for the financial years 2015, 2014 and 2013 were approximately ₹ 6.5 billion, ₹ 5.7 billion and ₹ 4.2 billion, respectively.

#### Palladium Mall, Chennai

Palladium Mall, Chennai is our Ongoing retail development located at Velachery, on approximately 5 acres of freehold land, with approximately 0.22 million square feet of proposed Leasable Area. Palladium, Chennai is expected to have a total of 76 stores. The project is expected to be operational in the second quarter of 2016.

#### Phoenix Paragon Plaza, Mumbai

Phoenix Paragon Plaza, Mumbai, is our Completed retail development project, located at L.B.S. Marg, Kurla, situated on approximately 22 acres of freehold land Phoenix Paragon Plaza, Mumbai, is expected to have more than 300 stores and is partly operational since April 30, 2015.



### **Commercial Office Projects**

The following is a description of our Completed, Ongoing and Planned commercial office projects:

#### ***Phoenix House, Mumbai***

Phoenix House, Mumbai, with approximately 0.13 million square feet of Leasable Area (net of area let out on a long lease basis) is our Completed project located at Lower Parel, Mumbai, and is located on the land parcel on which our High Street Phoenix and Palladium, Palladium Hotel and Phoenix Towers residential projects are located.

#### ***Centrium, Mumbai***

Centrium, Mumbai is our Completed project located in the eastern Mumbai suburb of Kurla forming part of a mixed-retail development, Phoenix MarketCity Mumbai, on approximately 22 acres of freehold land. Centrium has approximately 0.28 million square feet of Saleable/Leasable Area of which 248,617 square feet of Saleable/Leasable Area has been sold.

#### ***East Court, Pune***

East Court, Pune is our Completed project located at Viman Nagar, Pune, forming part of the mixed-use development, Phoenix MarketCity Pune, on approximately 18 acres of freehold land, with approximately 0.25 million square feet of Saleable/

Leasable Area. As of March 31, 2015, approximately 0.24 million square feet of Saleable/Leasable Area of East Court, Pune had been sold.

#### ***Phoenix Paragon Plaza, Mumbai***

Phoenix Paragon Plaza, Mumbai is our Completed project, within our Phoenix MarketCity Mumbai retail project in the Mumbai suburb of Kurla and situated on approximately 22 acres of freehold land. This development comprises approximately 0.12 million square feet of Saleable/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 0.12 million square feet of Saleable/Leasable Area. As of March 31, 2015, approximately 0.045 million square feet of Saleable/Leasable Area has been sold and approximately 0.04 million square feet of Saleable/Leasable Area has been leased/licensed.

#### ***Art Guild House, Mumbai***

Art Guild House, Mumbai is our Ongoing Project which, when completed, will form a part of our Phoenix MarketCity Mumbai development located in the eastern Mumbai suburb of Kurla situated on a part of the parcel of freehold land admeasuring approximately 22 acres. Art Guild House comprises

approximately 0.76 million square feet of proposed Saleable/Leasable Area. Approximately 0.38 million square feet of Saleable/Leasable Area has been sold. The project is expected to be operational in the fourth quarter of 2015.

#### ***West Court, Pune***

West Court, Pune, is our Planned Project and part of our Phoenix MarketCity Pune development, located at Nagar Road on approximately 18 acres of freehold land, with approximately 0.28 million square feet of proposed Saleable/Leasable Area, subject to panning and approval consents.

### **Residential Projects**

The following is a description of our Ongoing residential projects:

#### ***Fountainhead, Pune***

Fountainhead is our premium residential apartment project located on Nagar Road in Pune and forms part of our Phoenix MarketCity Pune development spread across approximately 18 acres of freehold land. Once completed, this project will comprise two towers of 13 floors each. The project was launched in the first quarter of 2014 and construction of tower 1 is currently ongoing while tower 2 is currently under planning and awaiting approvals. It is estimated that tower

Phoenix MarketCity projects include either commercial office and/or residential projects depending on the need of the specific micro-market. These projects optimise a mix of retail, entertainment and commercial office retail clients and residential buyers in order to attract a wide spectrum of consumers.

1 and tower 2 together will have a total Saleable Area of approximately 0.35 million square feet. The project is scheduled to be completed in 2018. As of March 31, 2015, approximately 0.03 million square feet of Saleable Area has been sold.

#### **Crest, Chennai**

Crest is our residential project located on Velachery Main Road in Chennai that forms part of the Phoenix MarketCity Chennai development, spread across approximately 14.5 acres of freehold land. Crest Towers A & B comprise a total Saleable Area of approximately 0.24 million square feet. Crest Tower C comprises a total Saleable Area of approximately 0.29 million square feet and Crest Tower D comprises a total Saleable Area of approximately 0.41 million square feet and is currently under planning and is awaiting approvals.

Once completed, these projects will comprise an aggregate Saleable Area of approximately 0.94 million square feet. Planning of the projects commenced in 2009, with Towers A, B and C being launched in the third quarter of 2011. All the three towers – A, B and C – are expected to be completed in FY2016. Tower D is currently in the planning stage, is expected to be launched this year and is scheduled to be completed in 2018. As of March 31, 2015,

approximately 0.36 million square feet of Saleable Area has been sold in Towers A, B and C.

#### **One Bangalore West, Bengaluru**

One Bangalore West is our premium residential apartment project located at Rajkumar Road, Rajajinagar in West Bengaluru and is being constructed on part of the parcel of freehold land admeasuring approximately 16.7 acres with a total Saleable Area of approximately 2.25 million square feet. Once completed, this project will comprise nine towers of 30 floors each. Planning of the project commenced in the second quarter of 2011. The project is being developed in two phases with Phase I comprising five towers with a Saleable area of approximately 1.21 million square feet and Phase II comprising four towers with a Saleable Area of approximately 1.04 million square feet. Phase I of the project was launched in the third quarter of 2012 and is scheduled to be completed in the fourth quarter of financial year 2016. Phase II of the project was launched in the fourth quarter of 2014 and is scheduled to be completed in the second quarter of financial year 2019. The structural work for Phase I has been completed. The interior work is ongoing and the club house structure is near completion. As of March 31, 2015, approximately 1.07 million square feet out of the total Saleable Area has been sold.

#### **Kessaku, Bengaluru**

Kessaku is our luxury residential apartment project located at Rajkumar Road, Rajajinagar in West Bengaluru, with a total Saleable Area of approximately 0.99 million square feet. Once completed, this project will comprise one tower with 5 wings of 30 floors each. Planning of the project commenced in the third quarter of 2013 with launch occurring in the third quarter of financial year 2015. Completion is scheduled for the first quarter of financial year 2019.

#### **Oberhaus, Bengaluru**

Oberhaus is our part Ongoing and part Planned premium residential project and forms part of our Phoenix MarketCity Bengaluru mixed-use development, located at Whitefield in Bengaluru.

Once completed, this project will comprise 2 towers with a total Saleable Area of approximately 1.02 million square feet. Phase I of this development is our Ongoing project, with a total Saleable Area of approximately 0.38 million square feet. The launch of Phase I is expected in FY2016. Phase II of this is our Planned project and is currently at the planning stage and awaiting approval. It is expected to have an estimated Saleable Area of approximately 0.64 million square feet.

Courtyard by Marriott, Agra has been operational since January 2015 and is operated by the Marriott Group. It has 193 keys, three restaurants, a bar and a banquet hall with a 200 person capacity.

### **Hospitality Services**

Our hospitality services include two hotels, Palladium Hotel in Mumbai and the Courtyard by Marriott in Agra.

### ***Palladium Hotel, Mumbai***

The Palladium Hotel is our luxury hotel located within our High Street Phoenix mixed-use development at Lower Parel in Mumbai with 389 rooms including serviced apartments (of which 335 rooms are currently operational), 11 food and beverage venues (of which nine are currently operational), eight event venues and 13 meeting rooms comprising approximately 42,500 square feet of events space, an exclusive members club and an extensive health club and spa with nine treatment rooms. The hotel has been operational since December 2012. The average occupancy during the financial year 2015 was 66% and the average room rate per night was ₹ 8,231.

The Palladium Hotel was developed and is owned by our wholly-owned subsidiary, Pallazzo Hotels & Leisure Limited. In September, 2014, Pallazzo 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., amongst others, for the management, marketing, technical services and branding of the Palladium Hotel to be operated under the trademark of St. Regis, a luxury hotel brand owned by Starwood. The Palladium Hotel will be rebranded as The St. Regis, Mumbai from September 1, 2015.

### ***Courtyard by Marriott, Agra***

Courtyard by Marriott, Agra is a premium leisure and business hotel

located at Taj Nagri on Fatehabad Road in Agra, in close proximity to the Taj Mahal, with 193 keys, three restaurants and a bar (of which two restaurants and the bar are currently operational), and a banquet hall with a 200 person capacity. The hotel has been operational since January 2015 and is operated by the Marriott Group. The average occupancy during the fourth quarter of financial year 2015 was 28% and the average room rate per night was ₹ 4,800. We 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.





## AWARDS AND RECOGNITIONS

We have won several awards for our Retail, Residential, Commercial and Hospitality developments and projects, including:

Development/Project	Name of Award	Awarded By	Year of Award
<b>Retail</b>			
High Street Phoenix & Palladium	Shopping Centre of the Year (Palladium)	CMO Asia & CMO Council	2015
	Most Admired Shopping Centre of the Year Socially Responsible (HSP)	CMO Asia & CMO Council	2014
	Most Admired Shopping Centre (Metros West) – (HSP)	Images Shopping Centre Awards	2015, 2013 & 2010
	Among India's Best Existing Neighborhood Shopping Malls (Palladium)	Estate Avenues	2013 – 2014
	Developer of the Year – Retail (HSP)	Realty Plus Excellence Awards	2012
	Mall Developer of the Year	Property Awards	2011
	Retailer of the Year (Mall)	CMO Asia & CMO Council	2015
	Shopping Centre of the Year (Palladium)	CMO Asia & CMO Council	2015
Phoenix MarketCity Pune	Most Special Emerging Retailer of the Year (Mall)	Reid & Taylor	2012
	Most Admired Shopping Centre Launch of the Year (West) – Palladium	Images Shopping Centre Awards	2010
	Most Admired Shopping Centre of the Year Non Metros West	Images Shopping Centre Awards	2015, 2014 & 2013
	Most Admired Shopping Centre - Marketing & Promotions of the Year	Images Shopping Centre Awards	2014 & 2013
	Shopping Centre of the Year	CMO Asia & CMO Council	2014
	Most Admired Shopping Centre Non Metro (WEST)	Images Shopping Centre Award (ISCA)	2013
Phoenix MarketCity Bengaluru	Retailer of the year (Mall)	CMO Asia & CMO Council	2014
	Annual Excellence Award	Alliance of Infrastructure & Facility Managers	2011-2012
	Most Admired Marketing Campaign of the Year	CMO Asia & CMO Council	2014
Phoenix MarketCity Mumbai	Best Retail Project - Bengaluru	CNBC Awaaz Real Estate Award	2013
	Most Admired Shopping Centre of the Year	CMO Asia & CMO Council	2015
	India's Best Existing Neighbourhood Shopping Mall	Estate Avenues	2013 -2014
	The best brands in the city "Mumbai HOT 50 Brands	Hindustan Times Mumbai brand Summit	2014
Phoenix MarketCity Chennai	Best Thematic Decoration	Asia Shopping Centre & Mall Awards organized by CMO Asia	2014
	Best Malls & Shopping Centre of the Year - Operational Mixed Used Development	Estate Avenues	2015
	Most Admired Shopping Centre of the Year	CMO Asia & CMO Council	2014



Development/ Project	Name of Award	Awarded By	Year of Award
<b>Residential</b>			
One Bangalore West	Regional Project of the Year - South (Franchise India & ET NOW)	7 <sup>th</sup> Estate Awards	2014
	Architecture Multiple Residence / Residential High-rise Development	Asia Pacific Property Awards	2015
Kessaku	The Residential Project of the Year - Towers	3 <sup>rd</sup> Asian CEF Awards	2014
	Project of the Year - National	7 <sup>th</sup> Estate Awards	2014
	Development Marketing and Residential Property Interior (Show Home)	Asia Pacific Property Awards	2015
	Integrated Design Project/Marketing Strategy / Direct Response - Brochures/Catalogue	Designomics Awards	2014
Fountainhead	Residential Project of the Year - Residential Buildings	3 <sup>rd</sup> Asian CEF Awards	2014
	Apartment/Best Developer Website/Development Marketing/Interior Design Show Home	Asia Pacific Property Awards	2015-2016
	Integrated Design Project (2 <sup>nd</sup> place) / Direct Response - Brochures/Catalogue	Designomics Awards	2014
<b>Hospitality</b>			
High Street Phoenix and Palladium	<b>Seven Kitchens:</b> Winner of Best All Day Restaurant (South Mumbai, Fine Dining)	Times Food & Nightlife Awards	2014
	<b>Mekong:</b> Winner of Best Thai Restaurant (Newcomer, South Mumbai, Fine Dining)	Times Food & Nightlife Awards	2014
	<b>Li Bai:</b> Winner of Best Bar (South Mumbai)	Times Food & Nightlife Awards	2014
	Certificate of Excellence	Tripadvisor	2014
	Favourite New Leisure Hotel in India (Runner Up)	Condé Nast Readers' Travel Awards	2014
	<b>The Sahib Room &amp; Kipling Bar:</b> Winner of Best Indian) Noteworthy Newcomer South Mumbai, Fine Dining)	Times Food & Nightlife Awards	2015
	<b>Yuuka:</b> Winner of Best Japanese (Noteworthy Newcomer South Mumbai, Fine Dining)	Times Food & Nightlife Awards	2015
	Award of Excellence	Booking.com	2014
	Featured Hotel	ClearTrip	2014-2015



Income from Operations increased by 14 % to ₹ 16,533 Million in FY2015 from ₹ 14,485 Million in FY2014. The rise in consolidated income from operations was due to a combination of higher rental income, and healthy inflows from the residential and commercial projects.

## FINANCIAL OVERVIEW

### Income from operations

On Standalone basis, which includes operations of only High Street Phoenix & Palladium (HSP), Mumbai, income from operations has increased by 7% YoY to 3,154 Million in FY2015 from ₹ 2,948 Million in FY2014 on the back of healthy footfalls, consumption growth and higher rental income post lease renewals during FY2015. On a Consolidated basis, Income from Operations increased by 14 % to ₹ 16,533 Million in FY2015 from ₹ 14,485 Million in FY2014. The rise in consolidated income from operations was due to a combination of higher rental income, and healthy inflows from the residential and commercial projects. The higher rental income in the malls was driven primarily by increased consumption (the total consumption in Phoenix malls increased by 23% to ₹ 49 Billion in FY2015 from ₹ 40 Billion in FY2014).

### Earnings before Interest, Depreciation and Taxes (EBITDA)

The Standalone EBITDA increased by 5% YoY to 2,031 Million in FY2015 from ₹ 1,930 Million in FY2014. The EBITDA margins were 64% in FY2015 as compared to 65% in FY2014. Consolidated EBITDA has increased by 12% to 7,620 Million in FY2015 from ₹ 6,784 Million in FY2014. The consolidated margins have decreased to 46% in FY2015 from 47% in FY2014.

### Interest and Depreciation

The Standalone depreciation increased at 22% to 310 Million in FY2015 from 254 Million in FY2014, whereas the consolidated depreciation increased by 59% YoY to 1,681 Million in FY2015 from ₹ 1,054 Million in FY2014. Due to an increase in standalone debt, standalone interest expense increased by 59% to ₹ 707 Million in FY2015 from ₹ 444 Million in FY2014. The consolidated interest expense has increased by 15% YoY to ₹ 3,956 Million in FY2014 from ₹ 3,451 Million in FY2013.

### Profit after Tax and Minority Interest

Standalone Profit after Tax decreased by 60% YoY to 618 Million in FY2015 from ₹ 1,526 Million in FY2014. The Consolidated Profit After Tax and Minority Interest decreased by 72% YoY to 354 Million in FY2015 from ₹ 1,285 Million in FY2014. This was majorly due to creation of Provision for Impairment.

### Share Capital

During FY2015, Share Capital of the Company which stood at ₹ 290 Million. Standalone Reserves and Surplus increased marginally to ₹ 18,799 Million in FY2015 from ₹ 18,547 Million in FY2014, whereas Consolidated Reserves and Surplus stood at ₹ 16,446 Million in FY2015 as against ₹ 16,947 Million in FY2014.

### Non-Current & Current Liabilities

The Standalone Non-Current (long term) borrowings of the Company have increased to 5,318 Million in FY2015 from ₹ 3,807 Million in FY2014. The Consolidated Non-Current (long-term) borrowings decreased to ₹ 28,190 Million in FY2015 from ₹ 28,328 Million in FY2014. The Consolidated Current Liabilities have increased to ₹ 12,048 Million in FY2015 from ₹ 11,928 Million in FY2014.

### Fixed Assets

The Consolidated Tangible Assets have remained stable at ₹ 41,303 Million in FY2015 from ₹ 41,696 Million in FY2014 and CWIP has decreased to ₹ 2,137 Million in FY2015 from ₹ 2,350 Million in FY2014.

### Current Assets

The Consolidated Current Assets have increased to ₹ 17,233 Million in FY2015 from ₹ 17,161 Million in FY2014, due to increase in Investments, construction progress Across the commercial and residential developments and advances. Consolidated Inventories increased to ₹ 11,783 Million in FY2015 from ₹ 11,416 Million in FY2014.

The Company has adopted global standards in information automation, performance metrics and management excellence. The efficient enhancement of the application environment at different locations in the business processes and in the sales network is just as vital as having a modern IT infrastructure.

### **RISK MANAGEMENT AND INTERNAL CONTROLS**

PML identifies new risks and re-evaluates old risks during the year, in the process of considering risk mitigating strategies. Some of the risks the Company's core businesses are exposed to include credit risk, market risk, operational risk and legal risk. It is also exposed to specific risks in connection with the management of investments and the environment within which it operates. The Company manages cost escalation risk through processes aimed at optimising costs through suppliers and through rigorous contracts and procurement. To manage project execution risk, PML evaluates track records and performance capabilities to ensure the right contracts are on board. As a part of the monitoring system, a project review is done every week on timelines and budgets to evaluate project cost and costs to completion.

The Company seeks to understand, limit and manage the adverse impacts arising from external and internal events. The risk management team safeguards and protects the Company's assets against unauthorised use or disposition, maintenance of proper accounting records and verification of authenticity of all transactions. Within the Company, the directors

are responsible for maintenance of a sound system of internal controls. This is done by way of continuous process of identifying, evaluating and managing the risks faced by the company. The Group's effectiveness on internal control and their internal control system is also checked by external agencies. This results in an unbiased and independent examination of the adequacy and effectiveness of the internal control system and aims to achieve the objective of optimal functioning of the Company.

### **INFORMATION TECHNOLOGY**

Your Company well understands that an adequately equipped IT infrastructure, both technologically and quantitatively, is the foundation for stable IT systems and optimal IT support. It has the best-in-class IT systems and the entire IT backbone to manage administration and delivery of its services. A key hallmark of its IT systems is its ability to monitor and assist each retail store, helping them manage their business better and has a comprehensive package for managing its retail properties. This enables the entire operation to be on a centralised platform offering single-system property management and accounting integration.

The advanced IT system facilitates PML in establishing various business intelligence reports for investment management, electronic procurement, paperless transaction processing, budgeting, forecasting and cash flow modelling. The Company has adopted global standards in information automation, performance metrics and management excellence. The efficient enhancement of the application environment at different locations in the business processes and in the sales network is just as vital as having a modern IT infrastructure. The technical staff is responsible not only for programming the systems, but also supporting the users in technical development. Expert teams develop solutions that can be applied across verticals to establish IT standards in business areas that are the basis for leveraging potential synergies.

### **HUMAN RESOURCES**

Over the years, PML has rapidly expanded its intellectual capacity to develop its unique projects aimed at becoming one of the largest mixed-use property companies in India. From an HR perspective, the Company emphasises on attracting the right talent to help the organisation achieve its vision and deliver globally acclaimed properties to customers and retailers. PML



has strong strategic planning and decision making skills achieved through a highly capable and committed leadership team that is geared to build the finest and most unique properties across India.

To accomplish its goals, the Company is always on the lookout for talented, creative, ambitious individuals driven by challenges with a passion to excel. Today, PML hires some of the most talented and experienced individuals in their fields. It believes having the right people will take the organization to great heights. It endeavours to become a market leader in the most competitive environment and faces the challenge of accessing and deploying talent and unleashing the teams' innovative potential.

PML is a strong believer of developing and retaining the talented people by treating employees with dignity, honesty and respect and also helping employees realize their potential. It believes in providing appropriate working conditions to enable employees to work effectively and also recognising and rewarding each individual and the team achievement. The Company is driven by trust and the principles of empowerment, and believes in inculcating a winning attitude among its employees by encouraging learning, self-development and building effective leadership. It breaks the barriers of scale, size and efficiency. It also offers stimulating assignments, a great working environment and professional management.

### CAUTIONARY STATEMENT

Statements in this report pertaining to the Company's objectives, projections, estimates, exceptions and predictions are forward-looking statements subject to the applicable laws and regulations. These statements may be subject to certain risks and uncertainties. The Company's operations are affected by many external and internal factors which are beyond the control of the management. Therefore, the actual position may differ from those expressed or implied. The Company assumes no obligation to amend or update forward looking statements in future on the basis of new information, subsequent developments or otherwise.

# Directors' Report

Your Directors are pleased to present the 110<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2015.

## FINANCIAL RESULTS

(₹ In Million)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>Sales and other Income</b>	<b>4121.90</b>	3747.99
Profit before Interest, Depreciation, Extraordinary Items and Tax	<b>2998.37</b>	2730.73
Less: Interest & Finance Charges	<b>706.66</b>	444.08
Less: Depreciation	<b>310.49</b>	254.38
<b>Profit Before Tax</b>	<b>1138.72</b>	2032.25
Less: Provision for Taxation:		
Current Tax	<b>532.00</b>	480.00
Deferred Tax	<b>(11.80)</b>	26.70
<b>Net Profit After Tax</b>	<b>618.52</b>	1525.55
Balance brought forward from Previous Year	<b>5674.59</b>	4721.85
Profit available for appropriation	<b>6293.11</b>	6247.40
Appropriations:		
General Reserves	<b>200.00</b>	200.00
Proposed Dividend	<b>318.90</b>	318.66
Corporate Dividend Tax	<b>64.92</b>	54.16
Balance Carried Forward to:		
Profit & Loss Account	<b>5697.68</b>	5674.59

## OPERATIONS

Consumption is one of the central economic themes of 21<sup>st</sup> century India. With a large Indian middle class emerging as the big force and consumerism getting embedded into our culture, we are clearly more of a consumption play than a pure real estate company. Our retail malls have become highly 'sought after' destinations by the top-end national and international brands. Our mixed-used development portfolio is difficult to replicate, giving us a head-start for 5-6 years. Having created prime retail destinations, we have the ability to attract high-quality occupiers / retailers.

We have 17.88 mn square feet of completed and on-going large format mixed-use and residential projects. We have 9 retail assets with a leasable area of 6.2 million sq. ft. mainly in Tier-1 cities of Mumbai, Bengaluru, Chennai and Pune. All our large-format retail malls are now operational. With an aggregate of more than 2000 stores and a fantastic array of leading domestic and global retail brands, our malls exhibit great substance and large operational scale.

The Phoenix Mills Limited (PML) has emerged as the leading retail led real-estate firm and the largest mall developer / operator across India. We have emerged as a leading commercial and residential property developer through our mixed-use asset development strategy.

We are suitably positioned to capitalise on India's ever-growing consumption story. The response to all our malls has been tremendous, evident through steadily rising consumption numbers. In FY15 the total consumption was ₹ 49 bn. We have seen a CAGR of 38% in the last three years. We are continuing to witness strong footfalls aggregating

nearly ₹ 8.6 million per month across our malls indicating strong consumer interest towards our malls as a retail destination.

As each of our malls are nearing maturity in terms of awareness and brand pull, we expect footfalls and consumption numbers to steadily keep growing. Our focus continues to be on maintaining and enhancing our retail-led assets. Palladium Chennai, our luxury mall adjoining Phoenix Marketcity, Chennai, with 0.22 million sq. ft. of leasable area, is currently under construction.

We have an ongoing and planned residential portfolio of approximately 5.5 million square feet of which we have sold over 1.6 million square feet in cities of Bangalore, Chennai and Pune. In addition to this we have more than 1.8 million square feet of completed and planned commercial portfolio in Mumbai and Pune and have a significant upcoming pipeline.

In our hospitality portfolio, Palladium Hotel atop Palladium Mall at HSP Complex is now maturing. With total keys of 389, the Hotel has clocked 66% occupancy for the year ended March 31, 2015. The Courtyard by Marriott, our five-star hotel in the tourist city of Agra was launched in January 2015 and is garnering excellent response from all kinds of travellers.

During FY2015, our key focus has been consolidation of our market leadership as the owner, developer and manager of large-format, prime, retail-led assets in the city-centres of India, with multiple options for shopping, entertainment and fine-dining. With our retail-led mixed-use asset development model, we strive to yield the best returns for our shareholders and consumers. We have also increased our equity stakes in most of our SPVs to a majority status, allowing us to accrete them to the holding company.

Management Discussion & Analysis (MDA), which forms a part of this report, deals comprehensively with our current operations and projects in the pipeline. It also deals with the current and future outlook of the Company.

## SHARE CAPITAL

During the year under review, the Company issued 1,11,250 equity shares of ₹ 2/- each upon exercise of stock options. Consequently, the paid up equity share capital as on March 31, 2015 stood at ₹ 28,99,13,390 divided into 14,49,56,695 equity shares of ₹ 2 each. During the year, the Company has not issued shares with differential voting rights nor sweat equity shares. Further, the Company has issued 40,250 equity shares of ₹ 2 each upon exercise of stock options during the current financial year upto the date of this report. The paid up equity share capital as on the date of this report stood at ₹ 28,99,93,890 divided into 14,49,96,945 equity shares of ₹ 2 each.

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

## DIVIDEND

Your Directors are pleased to recommend, for approval of the Company's shareholders in the ensuing Annual General Meeting (AGM), a final dividend of 110% for the year ended March 31, 2015, i.e. ₹ 2.20/- for each fully paid up equity share of ₹ 2/-. The said dividend, if declared in the ensuing AGM, shall not be taxable in the hands of the shareholders.

## TRANSFER TO RESERVES

The Board has recommended transfer of ₹ 200 Million to the General Reserve out of the amount available for appropriation and an amount of ₹ 5697.68 Million is proposed to be carried forward to the Statement of Profit and Loss.

## **DEPOSITS**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company under Section 188 of the Companies Act 2013, with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. Consequent upon which details as prescribed in Form AOC-2 are not required to disclosed.

The details of transactions / contracts / arrangements entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, is given under Note 24 of the Notes to Accounts, which forms part of the Annual Report.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

## **SUBSIDIARY COMPANIES**

As on March 31, 2015, the Company has 14 direct subsidiaries, 8 indirect subsidiaries and 8 associates. During the year under review, there were no additions or deletions in the subsidiaries of the Company. However, Savannah Phoenix Private Limited which was an associate earlier, has become a subsidiary of the Company with effect from April 7, 2015. During the year, the Company's Board reviewed the affairs of the subsidiaries on a quarterly basis. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which forms part of the Annual Report. Further a statement containing salient features of the financial statements of our subsidiaries in the prescribed format AOC-1 is given under Note 51(ii) of the Notes to Accounts, which forms part of the Annual Report. The statement also provides the details of performance and financial position of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on the website of the Company. These documents will also be available for inspection during the business hours at our registered office.

## **CORPORATE GOVERNANCE**

The Company is committed to uphold the highest standards of Corporate Governance and adhere to the requirements set out by the Securities and Exchange Board of India. A detailed report on Corporate Governance along with the Certificate of M/s. Rathi & Associates, Company Secretaries, confirming compliance of conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is appended as Annexure I to this report.

## PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required pursuant to Section 197(12) read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure II a to this report.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 60 Lakhs or more or employed for part of the year and in receipt of remuneration of ₹ 5 lakhs or more in a month under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure II b to this report.

## BOARD OF DIRECTORS

The Board of Directors in their meeting held on October 14, 2014 have appointed Ms. Shweta Vyas as an additional director in the category of Independent Director w.e.f October 14, 2014 to hold office till the conclusion of the ensuing annual general meeting. The Company has received notice from a shareholder under section 160 proposing the candidature of Ms. Shweta Vyas for appointment as an Independent Director.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory enactments thereof) your Directors seek the appointment of Ms Shweta Vyas as Independent Directors for five consecutive years with effect from October 14, 2014. Details of the proposal for the appointment of Ms. Shweta Vyas are mentioned in the Explanatory Statement to the Notice of the 110<sup>th</sup> Annual General Meeting under Section 102 of the Companies Act, 2013.

Mr. Amit Kumar Dabriwala, Mr. Suhail Nathani, Mr. Amit Dalal, Mr. Sivaramakrishnan Iyer and Ms. Shweta Vyas, Directors of the Company, qualify to be Independent Directors within the meaning of Section 149 of the Companies Act, 2013 and the Company has received necessary declaration from all Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. In accordance with the provisions of the Act, none of the Independent Directors are liable to retire by rotation.

Mr. Kiran Gandhi, Whole-time Director on the Company's Board has unfortunately passed away on May 31, 2015 and has accordingly ceased to be a Director. Mr. Gandhi has been associated with the Phoenix Group since 1970 in various capacities including as the head of finance, culminating in his elevation to the Board as a Whole Time Director. The Board places on record, its deep regret and sorrow at his passing and expresses its immense appreciation and gratitude for the invaluable services rendered by Mr. Kiran Gandhi during his long tenure with the Company.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Shishir Shrivastava, Director, shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

A brief profile of the Directors proposed to be appointed and re-appointed as required by Clause 49 of the Listing Agreement is given in the AGM Notice contained in the Annual Report. The Board recommends the same for Shareholders' approval in the ensuing AGM.

## BOARD MEETINGS

The Board of Directors met 7 times during the financial year ended March 31, 2015, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and rules made thereunder.

## ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has adopted an Annual Performance Evaluation Policy. In terms of the Policy and as per the statutory provisions, the Independent Directors had a separate meeting on February 4, 2015 without the presence of the management in which they

discussed and evaluated the performance of the Chairman, Executive Directors and KMPs and the Board as a whole through evaluation feedback forms. The Nomination and Remuneration Committee also evaluated the performance of the Individual Directors and the Board as a whole. On the basis of the feedback and report of the Independent Directors and the Nomination and Remuneration Committee, the Board has also evaluated the performance of individual directors, Board Committees and the Board and has noted its satisfaction on the outcome.

## **NOMINATION AND REMUNERATION COMMITTEE**

In accordance with the requirements of Section 178 of the Companies Act, 2013 and the rules made thereunder (including any statutory enactments thereof), the Board has constituted the Nomination and Remuneration Committee of the Board which comprises of Mr. Suhail Nathani as the Chairman and Mr. Amit Kumar Dabriwala, Mr. Sivaramakrishnan Iyer and Ms. Shweta Vyas as members of the Committee.

The Board has also formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of directors and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The aforementioned detailed policy duly approved and adopted by the Board is appended as Annexure III to this report.

## **AUDIT COMMITTEE**

The Audit Committee of the Board of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 and the rules made thereunder (including any statutory enactments thereof). The composition of the Audit Committee is in conformity with the provisions of the said section. The composition, scope and terms of reference of the Audit Committee as amended in accordance with the Act and the Listing Agreement entered into with the Stock Exchanges is detailed in the Corporate Governance Report.

During the year under review, the Board of Directors of the Company have accepted all the recommendations of the Committee.

## **WHISTLE BLOWER POLICY / VIGIL MECHANISM FOR THE DIRECTORS AND EMPLOYEES**

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed the Whistle Blower Policy / Vigil Mechanism for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right / option to report their concern / grievance to the Chairman of the Audit Committee. No personnel have been denied access to the Audit Committee during the financial year ended March 31, 2015.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. Visit <http://www.thephoenixmills.com/PMLWhistleblowerPolicy.pdf> for more details related to Vigil Mechanism Policy.

## **RISK MANAGEMENT POLICY**

The Board of Directors of the Company has framed a Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in periodic management reviews.



## CORPORATE SOCIAL RESPONSIBILITY POLICY

As per the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The Board of Directors of the Company has also adopted and approved CSR Policy based on the recommendation of the CSR Committee. The Company has initiated activities in accordance with the said Policy, the details of which have been prescribed in the CSR Report appended as Annexure IV to this report. The report also contains the composition of the CSR Committee as per Section 135(2) of the Companies Act, 2013.

The CSR Policy of the Company is available on the Company's website and can be accessed in the link <http://www.thephoenixmills.com/CSRPoly.pdf>.

## REVISION OF FINANCIAL STATEMENT

There was no revision of the financial statements for the year under review.

## DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

## PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Full particulars of loans, guarantees, investments and securities provided during the financial year under review along with the purposes for which such loans, guarantees and securities are proposed to be utilized by the recipients thereof, has been given under Note 39 of the Notes to Accounts, which forms part of the Annual Report.

## EMPLOYEE STOCK OPTION SCHEME (ESOP)

The Company in its meeting held on December 19, 2007 has formulated and adopted The Phoenix Mills Employees Stock Option Plan 2007 which was approved by the shareholders on January 31, 2008. The aggregate number of options that may be granted under this scheme shall not exceed 33,90,000 Equity Shares of ₹ 2 each.

The details of equity shares issued under Employees Stock Option Scheme during the financial year under review as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and as per the provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and other applicable Regulations, is annexed as Annexure V to this report.

## INTERNAL CONTROL SYSTEMS

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

Further, the internal financial controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2015, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit / loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **SECRETARIAL AUDIT**

In terms of the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, and the rules made thereunder (including any statutory enactments thereof) the Board had appointed M/s Rathi and Associates, Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2014-15.

Secretarial Audit Report issued by M/s Rathi and Associates, Company Secretaries in Form MR-3 for the financial year 2014-15 is appended as Annexure VI to this report.

The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Board has re-appointed M/s Rathi and Associates, Company Secretaries as the Secretarial Auditors of the Company for the financial year 2015-16.

### **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. A.M. Ghelani and Company (Firm Regn. No. 103173W), Chartered Accountants and M/s. Chaturvedi and Shah (Firm Regn. No. 101720W), Chartered Accountants, Joint Statutory Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting.

The said Statutory Auditors have confirmed their respective eligibility as per the provisions of the Companies Act, 2013 and their willingness to act as Auditors of the Company for Financial Year 2015-16, if re-appointed.

The Board recommends the re-appointment of M/s. A.M. Ghelani and Company, Chartered Accountants and M/s. Chaturvedi and Shah, Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the Company's 111<sup>th</sup> Annual General Meeting.

### **AUDITORS' REPORT**

The matters of emphasis referred by the Auditors in their Report read with the relevant notes given in the Notes to Accounts for the year ended March 31, 2015, are detailed and self-explanatory and do not require any further explanation.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended March 31, 2015 made under the provisions of Section 92(3) of the Act is appended as Annexure VII to this Report.

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3)(A & B) of Companies' (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company.

## CODE OF CONDUCT

The Board of Directors have approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form. The Code has been posted on the Company's website. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board members and the Senior Management personnel have confirmed compliance with the Code.

## FOREIGN EXCHANGE OUTGO AND EARNINGS

The particulars regarding foreign exchange expenditure and earnings are contained in Note Nos. 29 and 30 of the Notes to accounts forming part of the financial statements for the year ended March 31, 2015.

## CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion & Analysis as explained in the Corporate Governance Report, describing the Company's objectives, estimates and expectations may constitute "forward looking statements" within the meaning of the applicable laws and regulations. Actual results might differ materially from those expressed or implied in the statements depending on the circumstances.

## ACKNOWLEDGEMENT

The Board of Directors place on record their appreciation of the assistance, guidance and support extended by all the regulatory authorities including SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, Reserve Bank of India, the Depositories, Bankers and Financial Institutions, the Government at the Centre and States, as well as their respective Departments and Development Authorities in India and abroad connected with the business of the Company for their co-operation and continued support. The Company expresses its gratitude to the Customers for their trust and confidence in the Company.

In addition, your Directors also place on record their sincere appreciation of the commitment and hard work put in by the Registrar & Share Transfer Agents, all the suppliers, sub contractors, consultants, clients and employees of the Company.

On behalf of the Board  
For The Phoenix Mills Limited

Date: June 20, 2015  
Place: Mumbai

Regd. Office Address:  
462, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400013,  
CIN: L17100MH1905PLC000200  
Tel.: (022) 2496 4307 / 8 / 9  
Fax.: (022) 2493 8388  
Email: info@thephoenixmills.com,  
Website: www.thephoenixmills.com

**Ashokkumar Ruia**  
Chairman & Managing Director  
DIN: 00086762

# Annexure I

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
**The Phoenix Mills Limited**

We have examined the compliance of conditions of Corporate Governance by The Phoenix Mills Limited ("the Company") for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management; our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **RATHI & ASSOCIATES**  
COMPANY SECRETARIES

**HIMANSHU S. KAMDAR**  
PARTNER  
COP No. 3030

Place: Mumbai  
Date: June 20, 2015

# Annexure IIa

## DISCLOSURE AS PER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

### 1. Information as per Rule 5(1) of the Companies (Appointment & Remuneration Of Managerial Personnel) Rules, 2014

- i. The ratio of remuneration of each director to the median employee's remuneration for the financial year 2014-15. (In ₹)

Median Remuneration		
Name of the Director	Remuneration	Ratio
Mr. Ashokkumar Ruia	60,00,000	1:11.86
Mr. Atul Ruia	60,00,000	1:11.86
Mr. Kiran Gandhi	27,92,168	1:5.52

- ii. There was no increase in the remuneration of Executive Directors, Chief Financial Officer and Company Secretary, during the financial year 2014-15.
- iii. There was 12% increase in the median remuneration of employees in the financial year 2014-15.
- iv. There were 93 permanent employees on the rolls of the Company as on March 31, 2015.
- v. Explanation on the relationship between average increase in remuneration and the Company's performance: The increase in remuneration was due to annual appraisal, company performance and replacements.
- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: The Company has designated Mr. Atul Ruia, Joint Managing Director, Mr. Pradumna Kanodia, Director – Finance and Ms. Puja Tandon – Company Secretary as the Key Managerial Personnel of the Company in compliance with Section 203 of the Companies Act, 2013.
- There was no change in the remuneration of Mr. Atul Ruia, Joint Managing Director during the financial year 2014-15. Ms. Puja Tandon was appointed as Company Secretary w.e.f July 28, 2014 and there was no change in her remuneration during the FY 2014-15. Mr. Pradumna Kanodia has been appointed as Director –Finance without payment of any remuneration from the Company.
- Net Profit of the Company decreased by 59.46% from ₹ 1,525.55 Million in 2013-14 to ₹ 618.52 Million in 2014-15.
- vii. Our market capitalization increased by 43.69% to ₹ 51,742.29 Million as of March 31, 2015 from ₹ 36,008.58 Million as of March 31, 2014. The Price Earnings Ratio was 83.59 as of March 31, 2015 which was an increase of 16.5%, as compared to March 31, 2014. The closing price of the Company's equity shares on the NSE and BSE as of March 31, 2015 was ₹ 356.95 and ₹ 351.45 respectively.
- viii. Percentage increase over decrease in the market quotations of shares of the Company in comparison to the rate at which the Company came out with the last public offer - N.A.
- ix. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: On an average 9% increase was made in the salaries of employees during the financial year 2014-15 whereas there was no increase in the managerial remuneration.
- x. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company: There was no change in the remuneration of Key Managerial Personnel during the financial year 2014-15 whereas the Net Profit of the Company decreased by 59.46% from ₹ 1,525.55 Million in 2013-14 to ₹ 618.52 Million in 2014-15.
- xi. The key parameters for variable component of remuneration availed by the directors are as follows - N.A.
- xii. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - 1:1.0135

We hereby affirm that the remuneration is as per the duly approved and adopted Remuneration Policy of the Company.

# Annexure II b

## Statement pursuant to Rule 5(2) Of Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

Name of employee	Designation	Remuneration received (In ₹)	Nature of employment	Qualification	Experience (in yrs)	Date of commencement of employment	Age	Previous employment and designation	% of equity shares held by the employee in the Company
Ashokkumar Ruia	Chairman and Managing Director	60,00,000	Permanent	Graduate	52	November 8, 1963	71	NA	2.52%
Atul Ruia	Joint Managing Director	60,00,000	Permanent	Bachelors in Business Management	19	November 19, 1996	44	NA	1.61%
Rajendra Kalkar	President (West)	60,81,004	Permanent	B.E. Electrical	26	January 11, 2010	48	DLF Services - Sr. General Manager	Nil

None of the employees mentioned above is a relative of any Director of the Company except Mr. Ashokkumar Ruia, Chairman and Managing Director and Mr. Atul Ruia, Joint Managing Director who are related to each other as father and son respectively.

None of the employees who were employed throughout the financial year ended March 31, 2015 or part thereof, were in receipt of remuneration for that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director and held by himself or along with his spouse and dependent children, 2% or more of the equity shares of the Company.

None of the employees, not being directors or their relatives, were drawing more than sixty lakh rupees per financial year or five lakh rupees per month, as the case may be, were posted and working in a country outside India.

# Annexure III

## Nomination & Remuneration Policy

### 1. Preface

The Company understands the importance of attracting and retaining highly talented individuals at all levels of the organization. The Company and its management endeavor to recruit and retain employees who achieve operational excellence and create value for shareholders. The Company believes that a transparent, fair and reasonable process is vital for determining the appropriate remuneration at all levels of the Organization and is committed to ensure that all the stakeholders remain informed and confident in the management of the Company. The Board has constituted the Nomination and Remuneration Committee (the "Committee") to assist the Board in discharging its responsibilities relating to compensation of the Company's directors and other senior level employees.

### 2. Objectives

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Independent, Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- To recommend to the Board, the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To determine criteria for remuneration of the Directors and Key Managerial Personnel based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation by the Board.
- To provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations and growth.
- To lay down policies to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.

### 3. Definitions

**'Act'** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

**'Board'** means Board of Directors of the Company.

**'Committee'** means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.

**'Company or the Company'** means The Phoenix Mills Limited.

**'Director(s)'** mean Director(s) of the Company.

**'Independent Director'** means a Independent Director of the Company appointed pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**"Key Managerial Personnel"** means a key-managerial personnel as defined under the Companies Act, 2013 and includes

- (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer

'Senior Management' means Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### **4. Policy**

This Policy is divided in two sections Part A and Part B. Part A covers the appointment and nomination related policies. Part – B covers remuneration related policies.

##### **4.1. Part A - Appointment and Nomination**

###### **4.1.1 Criteria for Board Membership**

The Committee shall take into account following points for appointment of a person as Director, KMP or at Senior Management level and recommend to the Board his / her appointment accordingly.

- Shall possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- Shall possess the highest personal and professional ethics, integrity, values and moral reputation and be eligible to hold the office under the provisions of the Companies Act, 2013 and Rules made thereunder and the Listing Agreement and the applicable policies of the Company.

###### **4.1.2 Additional Criteria for Independent Directors**

In addition to the criteria mentioned above, a person proposed to be appointed as an Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement.

###### **4.1.3 Term / Tenure**

The Term / Tenure of the Directors shall be in accordance with the provisions of the Companies Act, 2013 and rules made there under and Clause 49 of the Listing Agreement as applicable and as amended from time to time.

###### **4.1.4 Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or the applicable policies of the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

###### **4.1.5 Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board shall have the discretion to retain a Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.



#### 4.1.6 Policy on Board diversity

The Company believes that a truly diverse Board would be necessary for effectively managing the affairs of the Company. Diversity in terms of the skills, regional and industry experience, background, gender and other diversities between Directors is essential to enable the Board, as a whole, to achieve the desired results for the Company. These distinctions shall be considered in determining the optimum composition of the Board and when possible shall be balanced appropriately. All Board appointments shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

#### 4.2 Part B – Remuneration and Perquisites

The Committee shall recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals: The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

##### 4.2.1 Managing Director/Whole-time Director/Executive Director

Besides the above criteria, the remuneration/ compensation/ commission etc to be paid to Managing Director/Whole-time Director/Executive Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

##### 4.2.2 Non executive Independent Directors

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof and commission based on the performance of the Company in each financial year and as approved by the Board and shareholders. Provided that the amount of such fees and commission shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. An Independent Director shall not be entitled to any stock options of the Company.

##### 4.2.3 KMPs / Senior Management Personnel etc

The remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

#### 5. Disclosure

The Criteria for remuneration of Directors shall be disclosed in the Annual Report. The Policy shall be made available on the Company's website and the Policy and evaluation criteria shall be published in the Annual Report.

#### 6. Review

The Board shall periodically review this Policy to determine its appropriateness to the needs of the Company. The Board shall have the authority to amend the Policy, if required.

# Annexure IV

## Annual Report on CSR Activities

### (Pursuant to Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility) Rules, 2014)

The Company strives towards becoming a socially responsible corporate entity with a thrust on Community development, and education through sustained business conduct. The Company is committed to the philosophy of compassionate care and endeavors to act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. Further, the Company subscribes towards ensuring environmental sustainability through ecological conservation and regeneration and promoting biodiversity. The CSR policy of the Company articulates what CSR means to the Company, kind of projects to be undertaken, identifying broad areas of intervention, approach to be adopted to achieve the CSR goals and monitoring mechanism.

In line with the Company's vision, values and mission, the Board of Directors have identified the following core areas for CSR.

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation;
- Promotion of Education (especially amongst children, women, elderly and differently-abled) including special education and employment enhancing vocation skills and livelihood enhancement projects;
- Promotion of gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- Training to promote rural sports and nationally recognized sports;
- To undertake or to contribute for rural development projects;
- To contribute to other approved Funds undertaking activities and efforts in the aforesaid areas (as may be approved from time-to-time, in this regard).

Visit [www.thephoenixmills.com](http://www.thephoenixmills.com) for more details related to our CSR policy.

### CSR committee

The Board has constituted a CSR Committee that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. Our CSR committee comprises of the following board members

Name	Category
Mr. Ashokkumar Ruia (Chairman)	Chairman and Managing Director
Mr. Atul Ruia	Joint Managing Director
Ms. Shweta Vyas	Independent Director

## Financial Details

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any of the three preceding financial years shall ensure that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to The Phoenix Mills Limited. The financial details as sought by the Companies Act, 2013 are as follows:

Particulars	Amount (₹ Lacs)
Average net profit of the Company for last three financial years	17,506.35
Prescribed CSR expenditure (2% of the average net profit as computed above)	350.13
Details of CSR expenditure during the financial year :	
Total amount to be spent for the financial year	350.13
Amount Spent	60.00
Amount Unspent	290.13

## Company's CSR Initiatives during the FY2014-15

During the year ended March 31, 2015 the Company has incurred its CSR related expenditure in the areas of conservation of natural resources, maintaining quality of soil, air and water and promotion of rural and nationally recognized sports, which are among the areas identified and approved by the Company's Board for CSR related activities.

The Company has engaged Aakar Charitable Trust (a registered Trust with a track record of more than a decade) as the implementing agency for the purpose of carrying out its CSR activities relating to conservation of natural resources, etc.

The Trust mostly works in the area of constructing water harvesting structures popularly known as 'check dams' in water starved rural areas and villages. These check dams involve comparatively small masonry constructions and extensive earthen bunds. The check dams have all the advantages of the larger dams and do not involve any displacement and rehabilitation of people, water logging, risk of breach thereby preventing extensive damage to life and property. These check dams ensure preservation of water for drinking, agriculture, cattle rearing purposes.

Apart from the above mentioned CSR activity, during the year ended March 31, 2015 the Company has also incurred CSR expenditure on its objective of promoting rural and nationally recognized sports by co-sponsoring the 20th Asian Junior Table Tennis Championship, 2014 at NSCI, Worli in association with Mumbai City District Table Tennis Association. The event succeeded in its attempt to foster interest in Table Tennis among children and provided a platform to budding sportsmen to showcase their talent.

**Manner in which the amount spent during the financial year is detailed below:**

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ In Lacs)	Amount spent on the projects or programs sub heads (₹ In Lacs)		Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
					Direct Expenditure on project and programs	Overheads		
1	Construction of Check Dams	Conservation of natural resources and maintaining quality of soil, air and water	Construction of Check dams in the Bada Khet, Dahlia, Paaneta, Devnarain and Barkada areas of Rajasthan.	20	20	Nil	20	Aakar Charitable Trust
2	Construction of Check Dams	Conservation of natural resources and maintaining quality of soil, air and water	Construction of Check Dams in Dausa and Paali areas of Rajasthan and Aurangabad and Gaya areas of Bihar	35	35	Nil	35	Aakar Charitable Trust
3	Sponsorship of 20th Asian Junior Table Tennis Championship, 2014	Promote rural sports and nationally recognized sports	Sponsorship of 20th Asian Junior Table Tennis Championship 2014 along with other organizers at NSCI, Worli Mumbai, Maharashtra	5	5	Nil	5	Mumbai City District Table Tennis Association
<b>Total</b>				<b>60</b>	<b>60</b>	<b>Nil</b>	<b>60</b>	

**Reason for unspent amount on CSR**

During the FY2014-15, the Company through the said Trust has focused on the water deprived villages of Rajasthan and Bihar and has removed scarcity of water in certain villages by constructing check dams.

The CSR committee has constantly monitored the activities of the Trust and approved each of its proposals after due consideration. Implementation of each check dam has taken about five months on an average. During the year, the Trust has been able to identify twelve villages, deploy its resources and completed the construction of check dams in nine villages and the remaining three dams are under construction.

Aakar is in the process of identifying other needy villages for construction of check dams and the Company will provide the required funds immediately upon presentation of the proposals of the Trust to the CSR Committee and its approval thereof.

The Company has an unspent amount of Rs. 2.90 crores for FY14-15. Going forward, while continuing to incur expenditure on the above projects, the Company will also endeavor to take up new initiatives to fulfil its CSR commitments.

**Our CSR responsibilities**

The CSR committee of the Board of Directors of the Company hereby affirms that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

**Mr. Atul Ruia**

Joint Managing Director  
DIN 00087396

**Ashokkumar Ruia**

Chairman of CSR Committee  
DIN: 00086762

## Annexure V

Disclosures pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Section 62(1)(b) of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 for the financial year ended March 31, 2015.

Total No. of Shares covered by ESOP Scheme approved by the Shareholders	33,90,000 (As per the Scheme approved, an aggregate number of 6,78,000 options convertible into One Equity Share of ₹ 10/- each were available for grant. Consequent to sub-division of the equity capital from ₹ 10/- per share to ₹ 2/- per share, necessary adjustments were made to the total number of options)	
Options granted	7,55,556	
Options vested	2,25,000	
Options exercised	1,11,250	
The total number of shares arising as a result of exercise of option	1,11,250	
Options forfeited	Nil	
Options lapsed	4,25,000	
Extinguishment or modification of options	NA	
The exercise price	270	
Pricing formula	Exercise Price not less than the par value of the equity share and not more than the price prescribed under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 on Grant Date	
Variation of terms of options	NA	
Money realized by exercise of options	₹ 3,00,37,500	
Total number of options in force	2,19,306	
Employee wise details of options granted during the financial year 2014-15 to:		
- Key Managerial Personnel & Senior Managerial Personnel	1,05,556	
- Pradumna Kanodia		
Issued Capital (excluding outstanding warrants and conversions of the Company at the time of grant. (Only in case of Listed Companies)	₹ 28,99,13,390	
Diluted EPS calculated in accordance with Accounting Standard (AS)20	₹ 4.26	
Difference between the employees compensation cost based on intrinsic value of the stock and the fair value for the year and its impact on profits and on EPS of the Company	₹ 59,486	
Weighted average exercise price	₹ 292.53	
Weighted average fair price	₹ 153.26	
Method and significant assumptions used to estimate the fair values of options risk-free interest rate expected life expected volatility expected dividends market price of the underlying share on grant date		
Disclosure:		
The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions:	Grant Date: 10-Jun-08	Grant Date: 26-Mar-15
Risk free interest rate	8.07%	8.23%
Expected life	1 to 8	1 to 8 years
Expected volatility	45.00%	35.00%
Expected Dividend yield	0.63%	0.80%
Price of underlying shares	₹ 274.07	₹ 352.47

No employee was granted stock options exceeding 5% of the total grants or exceeding 1% of the issued capital during the year except Mr. Pradumna Kanodia, Director Finance and KMP was granted 1,05,556 stock options.

# Annexure VI

## SECRETARIAL AUDIT REPORT

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

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

To  
The Board of Directors  
**THE PHOENIX MILLS LIMITED**  
Mumbai

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by The Phoenix Mills Limited (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by The Phoenix Mills Limited ("the Company") as given in Annexure A, for the financial year ended on 31st March, 2015, according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
    - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - ii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - iii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") were not applicable to the Company under the financial year under report:-
  - i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- iv. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings were not attracted to the Company under the financial year under report.
  4. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure B.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s);

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

#### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members views, if any, are captured and recorded as part of the minutes.

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

For **Rathi & Associates**  
Company Secretaries

**Himanshu S. Kamdar**  
Partner  
Membership No. FCS: 5171  
COP: 3030

Place: Mumbai  
Dated: May 28, 2015

# Annexure A

## List of documents verified

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31<sup>st</sup> March, 2014;
3. Minutes of Board of Directors, Audit Committee, Nomination & Remuneration Committee, Compensation Committee, Independent Directors Remuneration Committee, Finance and Investment Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee of the Company along with the respective Attendance Registers for meetings held during the financial year under report;
4. Minutes of General Body Meetings held during the financial year under report;
5. Policies on:
  - Related Parties Transactions,
  - Material Subsidiaries,
  - Whistle Blower,
  - Corporate Social Responsibility,
  - Risk Management Policy & Framework,
  - Nomination & Remuneration,
  - Code of Conduct for Independent Directors and
  - Internal Financial Controls;
6. Statutory Registers viz.
  - Register of Directors & KMP;
  - Register of Directors' Shareholding;
  - Register of Employee Stock Options;
  - Register of loans, guarantees and security and acquisition made by the Company;
  - Register of Contracts with Related Parties;
  - Register of Charges;
7. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings;
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013;
9. Intimations received from directors under the prohibition of Insider Trading Code;
10. e-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
11. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report;
12. Documents related to payments of dividend made to its shareholders during the financial year under report;
13. Documents related to issue of shares under ESOP Schemes filed with Stock Exchanges and Listing approvals received thereon;
14. E-mails evidencing dissemination of information related to closure of trading window;
15. E-mails evidencing notice of Board and Committee meetings circulated to Board and Committee members;
16. Internal Code of Conduct for prevention of Insider Trading by Employees / Directors/ Designated Persons of the Company;
17. The Phoenix Mills Ltd – Code of Conduct for Employees;
18. Company's ESOP related documents;
19. Quarterly Related Party Transactions statements;
20. Documents filed with Stock Exchanges;
21. Screenshots of BSE filings.



# Annexure B

## List of applicable laws to the Company

1. Securities & Exchange Board of India Act, Rules, Regulations and Guidelines made thereunder
2. Companies Act and Rules made thereunder
3. Listing Agreement - BSE Limited and National Stock Exchange of India Limited
4. Income Tax Act and Rules made thereunder
5. Service Tax Act and Rules made thereunder
6. Sexual Harassment of Women at Workplace Prevention Prohibition & Redressal Act and Rules made thereunder
7. Securities Contracts (Regulation) Act and Rules made thereunder
8. Foreign Exchange Management Act, Rules, Regulations and Policy made thereunder
9. Maharashtra Fire Prevention & Life Safety Measures Act and Rules made thereunder
10. Maharashtra Regional & Town Planning Act, 1966
11. Maharashtra Rent Control Act, 1999
12. Bombay Shops & Establishment Act and Rules made thereunder
13. Development Control Regulations for Mumbai Metropolitan Region, 1999
14. Development Control Regulations for Greater Bombay, 1991
15. Maharashtra Municipalities Act, 1965
16. Mumbai Municipal Corporation Act, 1888
17. Maharashtra State Tax On Professions Trades Callings & Employments Act and Rules made thereunder
18. Maharashtra Tax on Entry of Goods Into Local Areas Act and Rules made thereunder
19. Maharashtra Value Added Tax Act and Rules made thereunder
20. Indian Stamp Act 1899 and Bombay Stamp Act
21. Air Prevention & Control of Pollution Act and Rules made thereunder (Central and Maharashtra Rules)
22. Environment Protection Act and Rules made thereunder
23. Water Prevention & Control of Pollution Act and Rules made thereunder (Central and Maharashtra Rules)
24. Industrial Employment Standing Orders Act and Rules made thereunder (Central and Maharashtra Rules)
25. Building & Other Construction Workers Welfare Cess Act and Rules made thereunder
26. Building Other Construction Workers Regulation Of Employment & Condition of Service Act and Rules made thereunder (Central and Maharashtra Rules)
27. Contract Labour Regulation & Abolition Act and Rules made thereunder (Central and Maharashtra Rules)
28. Employees Compensation Act and Rules made thereunder
29. Employees Deposit Linked Insurance Scheme 1976
30. Employees Pension Scheme 1995
31. Employees Provident Funds & Miscellaneous Provisions Act and Scheme made thereunder
32. Employees State Insurance Act, Rules, Regulations and Scheme made thereunder
33. Employers Liability Act, 1938
34. Secretarial Standards 1 to 10
35. Personal Injuries Compensation Insurance Act, Rules and Scheme made thereunder

36. Central Sales Tax Act and Rules made thereunder (Central and Maharashtra Rules)
37. Equal Remuneration Act and Rules made thereunder
38. Maternity Benefit Act and State Rules made thereunder (Central and Maharashtra Rules)
39. Minimum Wages Act and Rules made thereunder (Central and Maharashtra Rules)
40. Payment of Bonus Act and Rules made thereunder
41. Payment of Gratuity Act and Rules made thereunder
42. Payment of Wages Act and Rules made thereunder
43. Bombay Labour Welfare Fund Act and Rules made thereunder
44. Bombay Lifts Act 1939
45. Maharashtra Workmen Minimum House Rent Allowance and Rules made thereunder
46. Indian Copyright Act and Rules made thereunder
47. Trade Marks Act and Rules made thereunder
48. Information Technology Amendment Act and Rules made thereunder
49. Electricity Act and Rules made thereunder
50. Industrial Dispute Act and Rules made thereunder
51. Selection Installation & Maintenance of First Aid Fire Extinguishers Code of Practice
52. Central Motor Vehicles Act and Rules made thereunder
53. Collection of Statistics Act and Rules made thereunder
54. Energy Conservation Act and Rules made thereunder
55. Employment Exchanges Compulsory Notification of Vacancies Act and Rules made thereunder
56. Competition Act, 2002
57. Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 and Prohibition of Smoking in Public Places Rules, 2008
58. Maharashtra Private Security Guards (Regulation of Employment and Welfare) Act 1981, Maharashtra Private Security Guards (Regulation of Employment and Welfare) Rules, 1981 and Private Security Guards (Regulation of Employment and Welfare) Scheme, 2002
59. Maharashtra Mathadi, Hamal and Other Manual Workers (Regulation of Employment and Welfare) Act, 1969
60. Central Excise Act, 1944 and Cenvat Credit Rules, 2004
61. Essential Commodities Act, 1955
62. Prevention of Black Marketing & Maintenance of Supplies of Essential Commodities Act, 1980
63. Weekly Holidays Act, 1942
64. Right To Fair Compensation & Transparency In Land Acquisition Rehabilitation & Resettlement Act, 2013
65. Customs Act and Rules made thereunder
66. Customs Tariff Act, 1975

# Annexure VII

## Form No. MGT - 9

### EXTRACT OF ANNUAL RETURN

#### As on financial year ended on 31st March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

CIN	:	L17100MH1905PLC000200
Registration Date	:	January 27, 1905
Name of the Company	:	THE PHOENIX MILLS LIMITED
Category / Sub-Category of the Company	:	Company Limited by Shares/ Indian Non-Government Company
Address of the Registered office and contact details	:	462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Tel. No.: 022-2596 3838 Fax No.: 022-2594 6969 e.mail: mumbai@linkintime.co.in

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Construction of buildings	41	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held (effective holding)	Applicable section
1	Vamona Developers Private Limited	U45201MH2006PTC165253	Subsidiary	62.55	2(87)(ii)
2	Butala Farm Lands Private Limited	U70200MH1996PTC104404	Subsidiary	100.00	2(87)(ii)
3	Phoenix Hospitality Company Private Limited	U55209MH2006PTC161066	Subsidiary	56.92	2(87)(ii)
4	Pallazzio Hotels & Leisure Limited	U67120MH1995PLC085664	Subsidiary	100.00	2(87)(ii)
5	Enhance Holdings Private Limited	U67120MH2007PTC169479	Subsidiary	100.00	2(87)(ii)
6	Pinnacle Real Estate Development Private Limited	U70100MH2006PTC161072	Subsidiary	100.00	2(87)(ii)
7	Market City Resources Private Limited	U55100MH2006PTC159544	Subsidiary	100.00	2(87)(ii)

<b>Sr. No.</b>	<b>Name and address of the Company</b>	<b>CIN / GLN</b>	<b>Holding / subsidiary / associate</b>	<b>% of shares held</b>	<b>Applicable section</b>
8	Plutocrat Assets and Capital Management Private Limited	U65990MH1991PTC060487	Subsidiary	100.00	2(87)(ii)
9	Bellona Hospitality Services Limited (formerly Bellona Finvest Limited)	U74999MH1995PLC085663	Subsidiary	100.00	2(87)(ii)
10	Market City Management Private Limited	U74999MH2008PTC183667	Subsidiary	100.00	2(87)(ii)
11	Big Apple Real Estate Private Limited (BARE)	U17125DL2007PTC218317	Subsidiary	76.59	2(87)(ii)
12	Mugwort Land Holdings Private Limited	U45202MH2007PTC169133	Subsidiary	94.86	2(87)(ii)
13	Classic Mall Development Company Private Limited	U70100MH2005PTC156875	Subsidiary	50.01	2(87)(ii)
14	Offbeat Developers Private Limited	U55200MH2000PTC124192	Subsidiary	56.26	2(87)(ii)
15	Island Star Mall Developers Private Limited	U45200MH2006PTC161067	Subsidiary	75.34	2(87)(ii)
16	Alliance Spaces Private Limited (formerly known as Alliance Hospitality Services Private Limited)	U55101MH2007PTC169101	Subsidiary	33.00	2(87)(ii)
17	Palladium Constructions Private Limited	U45400MH2008PTC178115	Subsidiary	73.24	2(87)(ii)
18	Gangetic Developers Private Limited	U74899DL1951PTC001959	Subsidiary	44.89	2(87)(ii)
19	UPAL Developers Private Limited	U45201UP2006PTC069979	Subsidiary	76.58	2(87)(ii)
20	Blackwood Developers Private Limited	U45400UP2007PTC070178	Subsidiary	76.59	2(87)(ii)
21	Sangam Infrabuild Corporation Private Limited	U45201UP2006PTC031651	Subsidiary	76.58	2(87)(ii)
22	Graceworks Realty & Leisure Private Limited	U72900MH2000PTC126232	Subsidiary	44.02	2(87)(ii)
23	Savannah Phoenix Private Limited*	U55101MH2012PTC235585	Associate	50.00	2(6)
24	Classic Housing Projects Private Limited	U45400MH2005PTC156887	Associate	48.00	2(6)
25	Escort Developers Private Limited	U45400MH2007PTC171778	Associate	50.00	2(6)
26	Galaxy Entertainment Corporation Limited	L51900MH1981PLC024988	Associate	23.56	2(6)
27	Galaxy Entertainment (India) Private Limited	U92410MH1998PTC114472	Associate	49.02	2(6)

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
28	Starboard Hotels Private Limited	U55101MH1996PTC101044	Associate	28.47	2(6)
29	Mirabel Entertainment Private Limited	U55101MH2007PTC172946	Associate	28.46	2(6)
30	Gangetic Hotels Private Limited	U55101UP2007PTC033633	Associate	23.61	2(6)

\*Savannah Phoenix Private Limited which was an associate earlier, has become a subsidiary of the Company with effect from April 7, 2015.

## I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

### i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	9931781	0	9931781	6.86	9931781	0	9931781	6.85	(0.01)	
b) Central Govt	0	0	0	0	0	0	0	0	-	
c) State Govt(s)	0	0	0	0	0	0	0	0	-	
d) Bodies Corp.	85594382	0	85594382	59.09	85638182	0	85638182	59.08	(0.01)	
e) Banks / FI	0	0	0	0	0	0	0	0	-	
f) Any other	0	0	0	0	0	0	0	0	-	
Sub-total(A)(1):	95526163	0	95526163	65.95	95569963	0	95569963	65.93	(0.02)	
(2) Foreign										
a) NRIs - Individuals	0	0	0	0	0	0	0	0	-	
b) Other - Individuals	0	0	0	0	0	0	0	0	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	-	
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	95526163	0	95526163	65.95	95569963	0	95569963	65.93	(0.02)	
B. Public Shareholding										
(1) Institutions										
a) Mutual Funds	3477415	0	3477415	2.40	4710208	0	4710208	3.25	0.85	
b) Banks / FI	6725	70500	77225	0.05	8503	0	8503	0.01	(0.04)	
c) Central Govt	-	-	-	-	-	-	-	-	-	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	34071223	0	34071223	23.52	33131283	0	33131283	22.86	(0.66)
h) Foreign Venture Capital Funds Investors	1500000	0	1500000	1.04	1401416	0	1401416	0.97	(0.07)
i) Others (specify Foreign Portfolio Investor (Corporate))	-	-	-	-	1999026	0	1999026	1.38	1.38
Sub-total (B)(1):	39055363	70500	39125863	27.01	41250436	0	41250436	28.46	1.45
(2) Non-Institutions									
a) Bodies Corp.	3865491	124500	3989991	2.75	4023461	4750	4028211	2.78	0.03
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2862685	2224411	5087096	3.51	2563938	535411	3099349	2.14	(1.37)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	542860	116250	659110	0.46	500103	53750	553853	0.38	(0.08)
c) Others (specify)									
i Non Resident Indians (Repat)	347563	0	347563	0.24	289680	0	289680	0.20	(0.04)
ii Non Resident Indians (Non Repat)	71917	0	71917	0.05	105570	0	105570	0.07	0.02
iii Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
iv Clearing Member	34292	0	34292	0.02	35733	0	35733	0.02	0.00
v Directors / Relatives	3200	0	3200	0.00	23650	0	23650	0.02	0.01
vi Trusts	250	0	250	0.00	250	0	250	0.00	0.00
Sub-total(B)(2):	7728258	2465161	10193419	7.04	7542385	593911	8136296	5.61	(1.43)
Total Public Shareholding (B)=(B)(1)+(B)(2)	46783621	2535661	49319282	34.05	48792821	593911	49386732	34.07	0.02
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	142309784	2535661	144845445	100	144362784	593911	144956695	100	0

**ii. SHAREHOLDING OF PROMOTERS:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Ruia International Holding Company Private Limited	49163237	33.94	Nil	49207037	33.95	Nil	0.03
2	Senior Holdings Pvt. Ltd.	15142550	10.45	Nil	15142550	10.45	Nil	Nil
3	Radhakrishna Ramnarain Pvt. Ltd.	11617930	8.02	Nil	11617930	8.01	Nil	Nil
4	Ashok Apparels Pvt. Ltd.	9670665	6.68	Nil	9670665	6.67	Nil	Nil
5	Ashokkumar Radhakrishna Ruia	3659594	2.53	Nil	3659594	2.52	Nil	Nil
6	Atul Ashokkumar Ruia	2335362	1.61	Nil	2335362	1.61	Nil	Nil
7	Amla Ashokkumar Ruia	2125000	1.47	Nil	2125000	1.47	Nil	Nil
8	Gayatri Atul Ruia	1534890	1.06	Nil	1534890	1.06	Nil	Nil
9	Sharanya A.Ruia Beneficiary Trust	276935	0.19	Nil	276935	0.19	Nil	Nil
<b>Total</b>		<b>95526163</b>	<b>65.95</b>		<b>95569963</b>	<b>65.93</b>		

**iii. CHANGE IN PROMOTERS' SHAREHOLDING ( PLEASE SPECIFY, IF THERE IS NO CHANGE):**

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
	At the beginning of the year	95526163	65.95	95526163	65.95
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	April 2, 2014 (Market Purchase) - 36000 shares June 27, 2014 (Market Purchase) - 7800 shares Total			
		Total Difference- 43800			
	At the End of the year	95569963	65.93	95569963	65.93

**iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	
		Number of Shares at the beginning of the year (April 1, 2014) and end of the year (March 31, 2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Fidelity Investment Trust Fidelity Series Emerging Markets Fund	5941766	4.10	1-Apr-2014	0		5941766	4.10
				4-Apr-2014	2886	Transfer	5944652	4.10
				11-Apr-2014	114777	Transfer	6059429	4.18
				18-Apr-2014	6150	Transfer	6065579	4.18
				25-Apr-2014	2922	Transfer	6068501	4.19
				2-May-2014	34834	Transfer	6103335	4.21
				9-May-2014	61	Transfer	6103396	4.21
				16-May-2014	94581	Transfer	6197977	4.28
				30-May-2014	114773	Transfer	6312750	4.35
				13-Jun-2014	-25831	Transfer	6286919	4.34
				20-Jun-2014	-116697	Transfer	6170222	4.26
				30-Jun-2014	-142747	Transfer	6027475	4.16
				8-Aug-2014	-1469	Transfer	6026006	4.16
				15-Aug-2014	-91	Transfer	6025915	4.16
				22-Aug-2014	-9499	Transfer	6016416	4.15
				29-Aug-2014	-1255	Transfer	6015161	4.15
				5-Sep-2014	-29423	Transfer	5985738	4.13
				30-Sep-2014	-16915	Transfer	5968823	4.12
				19-Dec-2014	422819	Transfer	6391642	4.41
				23-Jan-2015	140039	Transfer	6531681	4.51
		30-Jan-2015	190556	Transfer	6722237	4.64		
		6-Mar-2015	10823	Transfer	6733060	4.64		
		13-Mar-2015	323511	Transfer	7056571	4.87		
		20-Mar-2015	-45389	Transfer	7011182	4.84		
		7011182	4.84	31-Mar-2015		7011182	4.84	
2	Nordea 1 Sicav - Emerging Consumer Fund	4566329	3.15	1-Apr-2014			4566329	3.15
				6-Jun-2014	68860	Transfer	4635189	3.20
				13-Jun-2014	825786	Transfer	5460975	3.77
				30-Jun-2014	-1562477	Transfer	3898498	2.69
				15-Aug-2014	8614	Transfer	3907112	2.70
				22-Aug-2014	-5205	Transfer	3901907	2.69
				10-Oct-2014	59415	Transfer	3961322	2.73
				17-Oct-2014	5770	Transfer	3967092	2.74
				24-Oct-2014	4091	Transfer	3971183	2.74
				14-Nov-2014	386118	Transfer	4357301	3.01
				21-Nov-2014	15210	Transfer	4372511	3.02
				28-Nov-2014	7295	Transfer	4379806	3.02
				5-Dec-2014	133183	Transfer	4512989	3.11
		12-Dec-2014	412112	Transfer	4925101	3.40		



Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	% of total shares of the Company
		Number of Shares at the beginning of the year (April 1, 2014) and end of the year (March 31, 2015)	% of total shares of the Company				No. of shares	
				19-Dec-2014	487047	Transfer	5412148	3.73
				9-Jan-2015	13821	Transfer	5425969	3.74
				23-Jan-2015	250000	Transfer	5675969	3.92
				6-Feb-2015	117017	Transfer	5792986	4.00
				13-Mar-2015	221472	Transfer	6014458	4.15
				20-Mar-2015	124407	Transfer	6138865	4.23
		6138865	4.23	31-Mar-2015			6138865	4.23
3	Merrill Lynch Capital Markets Espana S.A. S.V.	2232585	1.54	1-Apr-2014			2232585	1.54
				23-May-2014	78665	Transfer	2311250	1.59
				13-Feb-2015	-50000	Transfer	2261250	1.56
				13-Mar-2015	507000	Transfer	2768250	1.91
		2768250	1.91	31-Mar-2015			2768250	1.91
4	Reliance Capital Trustee Co Ltd A/C - Reliance Regular Savings Fund - Equity Option	2000000	1.38	1-Apr-2014			2000000	1.38
				12-Dec-2014	-60160	Transfer	1939840	1.34
				31-Dec-2014	50178	Transfer	1990018	1.37
				2-Jan-2015	280	Transfer	1990298	1.37
				6-Feb-2015	-107	Transfer	1990191	1.37
				20-Feb-2015	8966	Transfer	1999157	1.38
				27-Feb-2015	843	Transfer	2000000	1.38
		2000000	1.38	31-Mar-2015			2000000	1.38
5	The Phoenix Mills Limited - Unclaimed Suspense Account*	0		1-Apr-2014			0	
				31-Dec-2014	1794000	Transfer	1794000	1.24
				2-Jan-2015	-6250	Transfer	1787750	1.23
				9-Jan-2015	-25250	Transfer	1762500	1.22
				23-Jan-2015	-250	Transfer	1762250	1.22
				6-Feb-2015	-250	Transfer	1762000	1.22
				20-Feb-2015	-750	Transfer	1761250	1.22
				6-Mar-2015	-500	Transfer	1760750	1.21
		1760750	1.21	31-Mar-2015			1760750	1.21
6	College Retirement Equities Fund - Stock Account*	998959	0.69	1-Apr-2014			998959	0.69
				6-Jun-2014	10183	Transfer	1009142	0.70
				11-Jul-2014	14199	Transfer	1023341	0.71
				25-Jul-2014	16084	Transfer	1039425	0.72
				1-Aug-2014	-70000	Transfer	969425	0.67
				8-Aug-2014	-36405	Transfer	933020	0.64
				15-Aug-2014	-13595	Transfer	919425	0.63

Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	% of total shares of the Company
		Number of Shares at the beginning of the year (April 1, 2014) and end of the year (March 31, 2015)	% of total shares of the Company				No. of shares	
				22-Aug-2014	-21067	Transfer	898358	0.62
				29-Aug-2014	-2771	Transfer	895587	0.62
				5-Sep-2014	-26162	Transfer	869425	0.60
				19-Sep-2014	21758	Transfer	891183	0.61
				17-Oct-2014	300000	Transfer	1191183	0.82
				6-Feb-2015	35301	Transfer	1226484	0.85
				13-Mar-2015	198561	Transfer	1425045	0.98
				27-Mar-2015	-23459	Transfer	1401586	0.97
		1401586	0.97	31-Mar-2015			1401586	0.97
7	Americorp Ventures Limited	1500000	1.03	1-Apr-2014			1500000	1.03
				23-Jan-2015	-30250	Transfer	1469750	1.01
				30-Jan-2015	-53725	Transfer	1416025	0.98
				6-Feb-2015	-10015	Transfer	1406010	0.97
				20-Feb-2015	-4594	Transfer	1401416	0.97
		1401416	0.97	31-Mar-2015			1401416	0.97
8	Government of Singapore	7521801	5.19	1-Apr-2014			7521801	5.19
				4-Apr-2014	100000	Transfer	7621801	5.26
				12-Dec-2014	-2180144	Transfer	5441657	3.75
				19-Dec-2014	-5942	Transfer	5435715	3.75
				31-Dec-2014	-144190	Transfer	5291525	3.65
				2-Jan-2015	-2285	Transfer	5289240	3.65
				9-Jan-2015	-384693	Transfer	4904547	3.38
				16-Jan-2015	-724420	Transfer	4180127	2.88
				23-Jan-2015	-614470	Transfer	3565657	2.46
				30-Jan-2015	-408097	Transfer	3157560	2.18
				6-Feb-2015	-177254	Transfer	2980306	2.06
				13-Feb-2015	-136978	Transfer	2843328	1.96
				20-Feb-2015	-37613	Transfer	2805715	1.94
				27-Feb-2015	-140984	Transfer	2664731	1.84
				6-Mar-2015	-623074	Transfer	2041657	1.41
				13-Mar-2015	-281278	Transfer	1760379	1.21
				20-Mar-2015	-240200	Transfer	1520179	1.05
				27-Mar-2015	-52517	Transfer	1467662	1.01
		1377252	0.95	31-Mar-2015	-90410	Transfer	1377252	0.95
9	Invesco Asia Consumer Demand Fund*	0		1-Apr-2014			0	0.00
				9-Jan-2015	230000	Transfer	230000	0.16
				16-Jan-2015	570000	Transfer	800000	0.55
				23-Jan-2015	350000	Transfer	1150000	0.79
				30-Jan-2015	170000	Transfer	1320000	0.91
		1320000	0.91	31-Mar-2015			1320000	0.91

Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	% of total shares of the Company
		Number of Shares at the beginning of the year (April 1, 2014) and end of the year (March 31, 2015)	% of total shares of the Company				No. of shares	
10	Sundaram Mutual Fund A/C Sundaram Growth Fund*	0		1-Apr-2014			0	0.00
				11-Jul-2014	275324	Transfer	275324	0.19
				18-Jul-2014	199436	Transfer	474760	0.33
				25-Jul-2014	115166	Transfer	589926	0.41
				1-Aug-2014	20074	Transfer	610000	0.42
				5-Sep-2014	2667	Transfer	612667	0.42
				12-Sep-2014	84685	Transfer	697352	0.48
				19-Sep-2014	202333	Transfer	899685	0.62
				10-Oct-2014	5000	Transfer	904685	0.62
				5-Dec-2014	102500	Transfer	1007185	0.69
				12-Dec-2014	994	Transfer	1008179	0.70
				19-Dec-2014	9006	Transfer	1017185	0.70
				31-Dec-2014	116491	Transfer	1133676	0.78
				16-Jan-2015	50000	Transfer	1183676	0.82
				23-Jan-2015	130000	Transfer	1313676	0.91
				6-Mar-2015	5000	Transfer	1318676	0.91
				27-Mar-2015	-55056	Transfer	1263620	0.87
		1263620	0.87	31-Mar-2015			1263620	0.87
11	Kuwait Investment Authority Fund 223#	1092886	0.75	1-Apr-2014			1092886	0.75
				16-May-2014	-228838	Transfer	864048	0.60
				11-Jul-2014	-87547	Transfer	776501	0.54
				31-Oct-2014	-74611	Transfer	701890	0.48
				6-Mar-2015	-1850	Transfer	700040	0.48
		700040	0.48	31-Mar-2015			700040	0.48
12	Global Strong Growth Fund#	2317160	1.60	1-Apr-2014			2317160	1.60
				4-Apr-2014	20000	Transfer	2337160	1.61
				11-Apr-2014	20000	Transfer	2357160	1.63
				25-Apr-2014	10000	Transfer	2367160	1.63
				2-May-2014	15000	Transfer	2382160	1.64
				23-May-2014	55410	Transfer	2437570	1.68
				30-May-2014	-110799	Transfer	2326771	1.61
				6-Jun-2014	-729835	Transfer	1596936	1.10
				20-Jun-2014	-50000	Transfer	1546936	1.07
				30-Jun-2014	-50000	Transfer	1496936	1.03
				18-Jul-2014	-200000	Transfer	1296936	0.89
				25-Jul-2014	-100000	Transfer	1196936	0.83
				5-Sep-2014	-50000	Transfer	1146936	0.79
				7-Nov-2014	-100000	Transfer	1046936	0.72
				14-Nov-2014	-100000	Transfer	946936	0.65
				5-Dec-2014	-300000	Transfer	646936	0.45

Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	
		Number of Shares at the beginning of the year (April 1, 2014) and end of the year (March 31, 2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
				12-Dec-2014	-25000	Transfer	621936	0.43
		621936	0.43	31-Mar-2015			621936	0.43
13	New Vernon India Limited#	1849669	1.28	1-Apr-2014			1849669	1.28
				4-Apr-2014	-100000	Transfer	1749669	1.21
				23-May-2014	-78500	Transfer	1671169	1.15
				11-Jul-2014	-200000	Transfer	1471169	1.01
				19-Sep-2014	-220000	Transfer	1251169	0.86
				10-Oct-2014	-300000	Transfer	951169	0.66
				31-Dec-2014	-1169	Transfer	950000	0.66
				9-Jan-2015	-55646	Transfer	894354	0.62
				23-Jan-2015	-100000	Transfer	794354	0.55
				30-Jan-2015	-183334	Transfer	611020	0.42
				13-Feb-2015	-100000	Transfer	511020	0.35
		511020	0.35	31-Mar-2015			511020	0.35
14	M/s Regal Investment and Trading Co Pvt Ltd#	2104909	1.45	1-Apr-2014			2104909	1.45
				12-Dec-2014	-671908	Transfer	1433001	0.99
				20-Feb-2015	-61700	Transfer	1371301	0.95
				27-Feb-2015	-395872	Transfer	975429	0.67
				6-Mar-2015	-429706	Transfer	545723	0.38
				13-Mar-2015	-45000	Transfer	500723	0.35
		500723	0.35	31-Mar-2015			500723	0.35

\* Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2015

# Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholder as on March 31, 2014

#### v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	
		Number of Shares at the beginning of the year (April 1, 2014) and end of the year (March 31, 2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Atul Ruia	2335362	1.61	1-Apr-2014	No Change	No Change	2335362	1.61
		2335362	1.61	31-Mar-2015	No Change	No Change	2335362	1.61
2	Ashokkumar Ruia	3659594	2.52	1-Apr-2014	No Change	No Change	3659594	2.52
		3659594	2.52	31-Mar-2015	No Change	No Change	3659594	2.52
3	Shishir Shrivastava	2200	0.00	1-Apr-2014			2200	0.00
				8-Sep-2014	20000	ESOP Allotment	22200	0.02
		22200		31-Mar-2015			22200	0.02

None of the Directors or KMP's except as stated above hold shares in the Company during the FY 2014-15

## II INDEBTEDNESS:

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

(In ₹)

### Indebtedness at the beginning of the financial year

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	4,91,31,32,863	10,00,00,000	Nil	5,01,31,32,863
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	8,65,84,467	15,58,219	Nil	8,81,42,686
<b>Total (i+ii+iii)</b>	<b>4,99,97,17,330</b>	<b>10,15,58,219</b>	<b>Nil</b>	<b>5,10,12,75,549</b>

Change in Indebtedness during the financial year

· Addition	6,18,80,00,000	55,00,00,000	Nil	6,73,80,00,000
· Reduction	5,15,64,89,748	10,15,58,219	Nil	5,25,80,47,967
<b>Net Change</b>	<b>1,03,15,10,252</b>	<b>44,84,41,781</b>	<b>Nil</b>	<b>1,47,99,52,033</b>

Indebtedness at the end of the financial year

i) Principal Amount	5,99,13,49,930	55,00,00,000		6,54,13,49,930
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	3,98,77,652	Nil	Nil	3,98,77,652
<b>Total (i+ii+iii)</b>	<b>6,03,12,27,582</b>	<b>55,00,00,000</b>	<b>Nil</b>	<b>6,58,12,27,582</b>

## III REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration paid by the Company to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. Ashokkumar Ruia	Mr. Atul Ruia	Mr. Kiran Gandhi	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	60,00,000	27,92,168	1,47,92,168
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (A)</b>	<b>60,00,000</b>	<b>60,00,000</b>	<b>27,92,168</b>	<b>1,47,92,168</b>
	Ceiling as per the Act*				11,21,48,019

\*Being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013.

**B. REMUNERATION TO OTHER DIRECTORS:**

(In ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Amit Dalal	Amit Kumar Dabriwala	Sivaramakrishnan Iyer	Suhail Nathani	Shweta Vyas	
1.	Independent Directors						
	Fee for attending board / committee meetings	70,000	1,40,000	1,10,000	1,00,000	60,000	4,80,000
	Commission	2,50,000	2,50,000	2,50,000	2,50,000	2,50,000	12,50,000
	Others, please specify	-	-	-	-	-	-
	Total (1)	3,20,000	3,90,000	3,60,000	3,50,000	3,10,000	17,30,000
2.	Other Non-Executive Directors	NA	NA	NA	NA	NA	NA
	Fee for attending board / committee meetings	NA	NA	NA	NA	NA	NA
	Commission	NA	NA	NA	NA	NA	NA
	Others, please specify	NA	NA	NA	NA	NA	NA
	Total (2)	NA	NA	NA	NA	NA	NA
	<b>Total (B)=(1+2)</b>	<b>3,20,000</b>	<b>3,90,000</b>	<b>3,60,000</b>	<b>3,50,000</b>	<b>3,10,000</b>	<b>17,30,000</b>
	Ceiling as per the Act*						11,21,48,02
	<b>Total Managerial Remuneration (A+B)</b>						<b>1,65,22,168</b>
	<b>Overall Ceiling as per the Act**</b>						<b>12,33,62,821</b>

\*Being 1% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013.

\*\*Being 11% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013.

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

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Puja Tandon Company Secretary	Total Amount (in ₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,82,817	9,82,817
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit	Nil	Nil
	- others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	<b>Total</b>	<b>982,817</b>	<b>982,817</b>

**IV PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

# Report on Corporate Governance

Your Directors are pleased to present the Companies report on Corporate Governance in compliance with the Clause 49 of the Listing Agreement with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on corporate governance is directed at the enhancement of shareholders' value, keeping in mind the interests of the other stakeholders, viz.; clients, employees, investors, regulatory bodies, etc. since we believe that adhering to the standards of best Corporate Governance practice is essential to enhance shareholders' value and achieve long term corporate goals. It is commitment of the Company to values and ethical business conduct. The Company is committed to good Corporate Governance and as a part of its growth strategy, it places the highest importance on strengthening and further developing Corporate Governance initiatives.

## BOARD OF DIRECTORS

### Composition of the Board

Pursuant to Section 149(4) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement with Indian Stock Exchanges, the Company has a balanced Board, comprising of Executive and Non-Executive Directors which includes independent professionals from diverse background relevant to the Company's business requirements, who have long standing experience and expertise in their respective fields.

The Chairman of the Board is an Executive Chairman and accordingly pursuant to the provisions of Clause 49 of the Listing Agreement, one half of the Board is required to consist of Independent Directors. As on March 31, 2015, the Company's Board comprised of five Executive Directors and five Independent Directors.

Mr. Kiran Gandhi, Whole Time Director on the Company's Board has unfortunately passed away on May 31, 2015 and has accordingly ceased to be a Director. Consequent upon the sad demise of Mr. Kiran Gandhi, the Company's Board comprises of four Executive Directors and five Independent Directors as on the date of this report.

As per the declarations received by the Company from each of the Directors, none of them is disqualified to be appointed as a director under Section 164(2) of the Companies Act, 2013.

The Independent Directors of the Company are in compliance with the provisions of Clause 49(II)(B)(2). Further, disclosures have been made by the Directors regarding their Chairmanships / Memberships of the mandatory Committees of the Board and that the same are within the permissible limits as stipulated under Clause 49(II)(D)(2).

### Composition and Attendance

The composition of the Board and other relevant details relating to Directors are given below:

Name of the Director	Nature of Directorship / Designation	DIN	No. of Other Directorships*	Membership and Chairmanship of the Committees of the Board of other Companies (**)	
				Chairman-Ships	Memberships
<b>Promoter Directors</b>					
Ashokkumar Ruia	Chairman & Managing Director	00086762	3	Nil	1
Atul Ruia	Joint Managing Director	00087396	4	Nil	2
<b>Executive Directors</b>					
Kiran Gandhi***	Whole-time Director	00339111	4	Nil	Nil
Shishir Shrivastava	Joint Managing Director	01266095	9	Nil	Nil
Pradumna Kanodia	Director- Finance	01602690	5	Nil	1



Name of the Director	Nature of Directorship Designation	DIN	No. of Other Directorships*	Membership and Chairmanship of the Committees of the Board of other Companies (**)	
				Chairman-Ships	Memberships #
<b>Independent Non-Executive Directors</b>					
Amit Kumar Dabriwala	Independent Director	00164763	3	2	7
Amit Dalal	Independent Director	00297603	6	1	2
Sivaramakrishnan Iyer	Independent Director	00503487	4	3	2
Suhail Nathani	Independent Director	01089938	3	Nil	2
Shweta Vyas®	Independent Director	06996110	Nil	Nil	1

Directorships held by the Directors, as mentioned above (i) do not include directorships held in the Company, foreign companies, private limited companies and companies under Section 8 of the Companies Act, 2013 (ii) include directorship in private limited companies, which are considered as public limited companies in terms of Sec 2(71) of the Companies Act, 2013.

\*\*Committees considered for the purpose are those prescribed under Clause 49(II)(D)(2) of the Listing Agreement(s) viz. Audit Committee and shareholders / investors grievance committee of the Indian public limited companies (including private limited companies, which are considered as public limited companies in terms of Section 2(71) of the Companies Act, 2013). Committee membership details provided do not include chairmanship of committees as it has been provided separately.

\*\*\*Mr. Kiran B. Gandhi ceased to be a Director w.e.f. May 31, 2015.

®Shweta Vyas was appointed as an additional director on the Company's Board w.e.f. October 14, 2014.

Except Mr. Ashokkumar Ruia and Mr. Atul Ruia, who are father and son respectively and Promoter Directors, none of the Directors are relatives of any other Director.

Mr. Gautam Nayak has resigned as the director from the Company's Board w.e.f. May 28, 2014.

None of the directors except the following, held equity shares in the Company as on March 31, 2015:

Mr. Ashokkumar Ruia – 36,59,594 shares

Mr. Atul Ruia – 23,35,362 shares

Mr. Shishir Shrivastava – 22,200 shares

### Appointment / Re-appointment of Directors

In terms of Section 149 (13) of the Companies Act, 2013, the provisions of Section 152(6) and (7) of the said Act in respect of retirement of directors by rotation shall not be applicable to appointment of Independent Directors.

Therefore, pursuant to Section 152 of the Companies Act, 2013, Mr. Shishir Shrivastava is liable to retire by rotation at the ensuing Annual General Meeting. Resolutions for his re-appointment is incorporated in the Notice of the ensuing Annual General Meeting.

As per the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Ms. Shweta Vyas as an additional Director w. e. f. October 14, 2014. Ms. Vyas's term as Additional Director expires at the ensuing Annual General Meeting.

The Board recommends the appointment of Ms. Shweta Vyas as a Director of the Company in the ensuing Annual General Meeting.

Detailed profiles and other information as required under Clause 49(VIII)(E) of the Listing Agreement, of the aforesaid proposed appointees are provided in the Notice of the ensuing Annual General Meeting.

### Board Meetings and Annual General Meeting

During the financial year 2014-2015, seven meetings of the Board of Directors were held i.e. on May 28, 2014, July 28, 2014, August 13, 2014, September 30, 2014, November 13, 2014, December 22, 2014 and February 13, 2015. The previous Annual General Meeting of the Company was held on August 26, 2014. The necessary quorum was present

for all the meetings. When deemed expedient, the Board also approves important and urgent items of business through resolution by circulation, which could not be deferred till the next Board Meeting.

Details of attendance of Directors in Board Meetings held during the financial year 2014-2015 and in the previous Annual General Meeting are as follows:

<b>Name of the Director</b>	<b>Number of Board Meetings Attended (Total held)</b>	<b>Attendance at Last Annual General Meeting</b>
Ashokkumar Ruia	7(7)	Yes
Atul Ruia	7(7)	Yes
Kiran Gandhi*	7(7)	Yes
Shishir Shrivastava	2(7)	Yes
Pradumna Kanodia	7(7)	Yes
Amit Kumar Dabriwala	5(7)	Yes
Amit Dalal	3(7)	No
Sivaramakrishnan Iyer	5(7)	Yes
Suhail Nathani	5(7)	No
Gautam Nayak**	0(1)	No
Shweta Vyas***	2(3)	No

\*Mr. Kiran B. Gandhi ceased to be a Director w.e.f. May 31, 2015.

\*\*Gautam Nayak has resigned as the director from the Company's Board w.e.f. May 28, 2014.

\*\*\*Shweta Vyas was appointed as an additional director on the Company's Board w.e.f. October 14, 2014.

### **Separate meetings of the Independent Directors**

Pursuant to Schedule IV of the Companies Act, 2013 read with the rules made thereunder and Clause 49 of the Listing Agreement with Indian Stock Exchanges, Independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting and shall, inter-alia:

- i. review the performance of Non-Independent Directors and the Board as a whole;
- ii. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Therefore, in compliance with the aforesaid requirements all Independent Directors of the Company met separately on February 4, 2015 without the presence of any Non-Independent Directors or representatives of management to review and discuss the performance of Non-Independent Directors, Executive Directors, Chairman of the Board and performance of the Board as a whole.

### **Information available to the Board of Directors**

The Board has complete access to all the relevant information of the Company and to that of all our employees. The information / data / updates shared with the Board includes:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of the Board and Board Committees, resolutions passed by circulations, and Board minutes of the unlisted subsidiary companies.

- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial nonpayment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or Intellectual Property (IP).
- Significant labour problems and their proposed solutions. Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non- compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

### Board Procedures

The Board Meetings are governed by structured agenda. The agenda along with comprehensive notes and background material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members may bring up any matter for consideration of the Board, in consultation with the Chairman. Presentations are made by the management on the Company's operations and other matters on a periodic basis. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes and the draft minutes are circulated to the Board for perusal. The important decisions taken at the Board / Committee meetings are communicated to the concerned departments / divisions promptly.

### Code of Conduct

Code of Conduct is derived from three interlinked fundamental principles, viz.; good corporate governance, good corporate citizenship and exemplary personal conduct. The Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Company has obtained the confirmation of the compliance with the Code from all members of the Board and senior management of the Company for the year 2014-15. As required by Clause 49 of the Listing Agreement, the declaration on compliance of the Company's code of conduct signed by Managing Director forms part of this report as Annexure A.

### Induction and Familiarisation Programme for Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Indian Stock Exchanges, the Company has a an Induction and Familiarization process for Independent Directors that includes background material, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company.

The Directors are provided with all the necessary documents, brochures, reports and internal policies and procedures to enable them to understand the working of the Company. They are also given periodic presentation in the Board and Committee meetings in order to provide details on the business and performance updates, Company's strategy and operating plans, key issues on corporate governance, code of business conduct, risk management issues, etc.

The details of the above discussed induction and familiarisation programmes are disclosed on the Company's website and can be accessed at <http://www.thephoenixmills.com/ThePhoenixMillsDirectorsFamiliarizationProgramforIndependentDirectors.pdf>.

## BOARD COMMITTEES

### I Audit Committee

#### Constitution of Audit Committee

The Company's Board has an Audit Committee consisting of qualified members. As on March 31, 2015, the Committee comprised of one Executive and two Independent Non-Executive Directors. All the members of the Audit Committee have the financial knowledge and expertise as mandated by Clause 49 of the Listing Agreement. Mr. Amit Kumar Dabriwala, the Chairman of the Committee holds a bachelors' degree in Commerce from the Calcutta University and has expertise in the accounting and financial management domain. The Company Secretary acts as the secretary of the Committee.

#### Composition and Attendance

During the Financial Year 2014-2015, four Audit Committee Meetings were held i.e. on May 28, 2014, August 13, 2014, November 13, 2014 and February 13, 2015. The composition of the Audit Committee and the number of meetings attended by each member is as follows:

Committee Members	Category	No. of Meetings Attended (Total Held)
Amit Kumar Dabriwala*(Chairman)	Independent Director	4(4)
Atul Ruia	Joint Managing Director	4(4)
Shweta Vyas**	Independent Director	2(2)
Amit Dalal***	Independent Director	1(3)
Sivaramakrishnan Iyer****	Independent Director	1(2)

\* Mr. Amit Kumar Dabriwala was designated as the Chairman of the Audit Committee w.e.f November 13, 2014.

\*\* Ms. Shweta Vyas was appointed as a member of the Committee w.e.f. November 12, 2014.

\*\*\* Mr. Amit Dalal, resigned from the membership of the Audit Committee of the Board w.e.f. November 13, 2014.

\*\*\*\* Mr. Sivaramakrishnan Iyer, the Chairman of the Audit Committee had resigned as the member of the Committee w.e.f. August 13, 2014.

#### Attendees

The Audit Committee invites such executives, as it considers appropriate to be present at the meetings of Committee, but on certain occasions it also meets without the presence of any executives of the Company. The Director – Finance, the Internal Auditors and the Statutory Auditors also remain present as invitees for the meetings of Audit Committee.

#### Terms of Reference of the Audit Committee

The terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49(III)(D) and (E) of the Listing Agreement and Section 177 of the Companies Act, 2013 as follows:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are true and accurate and provide sufficient information.
- (ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of their terms of appointment and remuneration.
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors, if any.
- (iv) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.

- Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  - (vi) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - (viii) Approval or any subsequent modification of transactions of the company with related parties;
  - (ix) Scrutiny of inter-corporate loans and investments;
  - (x) Valuation of undertakings or assets of the company, wherever it is necessary;
  - (xi) Monitoring the end use of funds raised through public offers and related matters, if any;
  - (xii) Evaluation of internal financial controls and risk management systems;
  - (xiii) Approve the appointment, re-appointment and removal of Chief Financial Officer of the Company;
  - (xiv) Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, etc;
  - (xv) Discussion with internal auditors with respect to the coverage and frequency of internal audits as per the annual audit plan, nature of significant findings and follow up thereof;
  - (xvi) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - (xvii) Obtaining an update on the Risks Management Framework and the manner in which risks are being addressed;
  - (xviii) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (xix) Review the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any;
  - (xx) To review the functioning of Whistle Blower mechanism;
  - (xxi) Approve appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - (xxii) Reviewing the Management discussion and analysis of financial condition and results of operation;
  - (xxiii) Review the statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - (xxiv) Review the management letters / letters of internal control weaknesses;
  - (xxv) Review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
  - (xxvi) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
  - (xxvii) Carry out such other responsibility as may be provided by the Companies Act, 2013 and Listing Agreement.

## II Nomination and Remuneration Committee

### Constitution of Nomination and Remuneration Committee

The Company's Board has constituted a Nomination and Remuneration Committee consisting of qualified members. As on March 31, 2015, the Committee comprises of four Non-Executive Independent Directors. Mr. Suhail Nathani, Non Executive Independent Director is the Chairman of the Committee. The Company Secretary acts as the secretary of the Committee.

### Composition and Attendance

During the financial year 2014-2015, three meetings of the Nomination and Remuneration Committee were held on September 30, 2014, October 14, 2014 and February 4, 2015.

The composition of the Nomination and Remuneration Committee and the number of meetings attended by each member is as follows:

Committee Members	Category	No. of Meetings Attended (Total Held)
Suhail Nathani (Chairman)	Independent Director	3(3)
Sivaramakrishnan Iyer	Independent Director	2(3)
Amit Kumar Dabriwala	Independent Director	3(3)
Shweta Vyas*	Independent Director	1(1)

\*Ms. Shweta Vyas was appointed as a member of the Committee w.e.f November 12, 2014.

### Terms of reference of Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee are in accordance with and Section 178 of the Companies Act, 2013 as follows:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- iii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel;
- iv. Review and recommend the structure, size and composition of the Board and Board Committees;
- v. Formulation of criteria for evaluation of all Directors including Independent Directors;
- vi. To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance;
- vii. Devising a policy on Board diversity;
- viii. Recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- ix. Assist the Board in implementing Corporate Governance practices;
- x. to develop a succession plan for the Board and to regularly review the plan;
- xi. to consider any other matters as may be requested by the Board.

### Nomination and Remuneration Policy

The Nomination and Remuneration Committee of the Board of Directors of the Company has formulated a policy which is appended as Annexure III in the Directors Report for determining qualifications, positive attributes and independence of a director and other related matters provided under Section 178 (3) of the Companies Act, 2013.

The Company hereby affirms that the remuneration paid to the Directors is as per the term laid in the duly approved and adopted Nomination and Remuneration policy of the Company.

### Details of remuneration to directors during FY 2014-15:

#### Non-Executive Directors

Non- Executive Directors are eligible for sitting fees and commission which cannot exceed the limit prescribed in the Companies Act, 2013. The remuneration payable to Non-Executive Directors is decided by the Independent Directors' Remuneration Committee of the Board of Directors subject to the approval of members of the Company. The Independent Directors' Remuneration Committee determines the quantum of commission payable to the Independent Directors and makes suitable recommendation to the Board in this regard. The Committee has accordingly, recommended that a sum of

Rs. 12,50,000/- be distributed among the five Independent Directors on the Company's Board.

Details of the sitting fees and commission paid to Non-Executive Directors during the year 2014-15 are as under:

(In ₹)

Name of the Director	Sitting Fees paid		Commission to be paid *
	Board Meeting	Audit Committee	
Mr. Amit Kumar Dabriwala	1,00,000	40,000	2, 50,000
Mr. Amit Dalal	60,000	10,000	2, 50,000
Mr. Sivaramakrishnan Iyer	1,00,000	10,000	2, 50,000
Mr. Suhail Nathani	1,00,000	Nil	2, 50,000
Ms. Shweta Vyas	40,000	20,000	2, 50,000
<b>Total</b>	<b>4,00,000</b>	<b>80,000</b>	<b>12,50,000</b>

\*This commission will be paid to the Independent Directors after adoption of accounts for the year ended March 31, 2015 by the shareholders in the ensuing Annual General Meeting.

### Executive Directors:

The appointment of the Executive Directors is governed by resolutions passed by the Board of Directors and shareholders of the Company, which cover the terms of such appointment and are implemented in conjunction with the service rules of the Company. Remuneration paid to the Executive Directors, which is recommended by the Nomination and Remuneration Committee and approved by the Board, is within the limits set by the shareholders in general meetings.

Details of remuneration paid by the Company to Executive Directors during the financial year ended March 31, 2015 are given below:

Name of the Director	Designation	Salary (₹)	Contri- bution to PF (₹)	Perquisites & Allowances (₹)	Commi- ssion Payable	Perfor- manced Link Incentive	Bonus / Incen- tive	Total (₹)	Stock Options Granted
Mr. Ashokkumar Ruia	Chairman & Managing Director	6,000,000	Nil	Nil	Nil	Nil	Nil	6,000,000	Nil
Mr. Atul Ruia	Jt. Managing Director	6,000,000	Nil	Nil	Nil	Nil	Nil	6,000,000	Nil
Mr. Kiran Gandhi*	Whole-time Director	2,792,168	Nil	Nil	Nil	Nil	Nil	2,792,168	Nil

\*Mr. Kiran B. Gandhi ceased to be a Director w.e.f. May 31, 2015

### III Stakeholders Relationship Committee

#### Constitution of Stakeholders Relationship Committee

The Stakeholders' Relationship Committee of the Company has been constituted for redressal and satisfaction of investors' grievances and approval of requests for transfer and transmission of shares, transposition and deletion of name in the Register of Members, addressing to the complaints for non-receipt of declared dividends, revalidation of dividend warrants, approval of requests for change of address, consolidation and split of shares, etc. The Shareholders' / Investors' Grievance Committee meets as often as required.

The Stakeholders Relationship Committee comprises of three directors of whom one is Independent Director. Mr. Amit Kumar Dabriwala, Independent Director chairs the Stakeholders' Relationship Committee meetings. The Company Secretary acts as the Secretary to the Committee

### Composition and Attendance

During the financial year 2014-15 eighteen meetings of Stakeholders' Relationship Committee were held i.e. on April 25, 2014, May 19, 2014, June 9, 2014, June 19, 2014, June 30, 2014, August 26, 2014, August 28, 2014, September 6, 2014, September 12, 2014, October 13, 2014, October 20, 2014, November 6, 2014, November 19, 2014, December 10, 2014, December 18, 2014, December 30, 2014, February 3, 2015 and March 19, 2015. The Company Secretary acts as the secretary of the Committee.

The present composition of the Stakeholders' Relationship Committee and the number of meetings attended by the Committee Members are as under:

Committee Members	Category	No. of Meetings Attended (Total Held)
Mr. Amit Kumar Dabriwala (Chairman)	Independent Director	18(18)
Mr. Ashokkumar Ruia	Chairman and Managing Director	18(18)
Mr. Atul Ruia	Joint Managing Director	18(18)

### Compliance Officer

Ms. Puja Tandon, Company Secretary, acts as the Company's Compliance Officer and is responsible for complying with the requirements of the Listing Agreement with the Stock Exchanges. Mr. Pradumna Kanodia, Director-Finance has been appointed as the Compliance Officer to ensure compliances with the Company's Code of Conduct for Regulating & Reporting Trading by Insiders 2015 adopted as per SEBI (Prohibition of Insider Trading) Regulations, 2015.

### Investor Complaints

During the year 2014-15, the Company has received following 19 complaints from shareholders / investors. There were no complaints pending as at the end of the year.

Nature of Complaints	Received	Resolved	Closing
Non Receipt of Share Certificate(s)	4	4	0
Non Receipt of Dividend	9	9	0
Non Receipt of Annual Report	5	5	0
Non Receipt of Rep / Spl / Con / Dup	1	1	0

### Share Transfers in Physical Mode

Shares received for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects.

## VI Corporate Social Responsibility Committee

### Constitution

In accordance with section 135 of the Companies Act, 2013, the Board of Directors of the Company have formed a Corporate Social Responsibility Committee. The Committee has framed a Corporate Social Responsibility policy, the purpose of which is to articulate what CSR means to the Company, kind of projects to be undertaken, identifying broad areas of intervention, approach to be adopted to achieve the CSR goals and monitoring mechanism. The framework enables to put in place, policies and practices in line with this policy. The CSR Policy is an attempt to showcase the linkage of our social objectives with business strategy. The CSR Committee comprises of three directors of whom one is Independent Director. Mr. Ashokkumar Ruia, Chairman and Managing Director is the Chairman of the CSR Committee. The Company Secretary acts as the Secretary to the Committee.

### Composition and Attendance

During the financial year 2014-2015, three meetings of Corporate Social Responsibility Committee were held on July 29, 2014, September 30, 2014 and November 13, 2014.

The present composition of the Corporate Social Responsibility Committee and the number of meetings attended by the Committee Members are as under:



Committee Members	Category	No. of Meetings Attended (Total Held)
Mr. Ashokkumar Ruia (Chairman)	Chairman and Managing Director	3(3)
Mr. Atul Ruia	Joint Managing Director	3(3)
Ms. Shweta Vyas*	Independent Director	1(1)
Mr. Suhail Nathani**	Independent Director	1(3)

\*Ms. Shweta Vyas was appointed as a member of the CSR Committee w.e.f. November 13, 2014.

\*\*Mr. Suhail Nathani ceased to be a member of the Committee w.e.f. November 13, 2014.

The Companies Corporate Social Responsibility Policy is disclosed on the company's website and can be accessed at <http://www.thephoenixmills.com/CSRPpolicy.pdf>.

## V Compensation Committee

### Constitution of Compensation Committee

The Compensation Committee of the Board has been constituted in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, to formulate and monitor ESOP plans, decide on future grants, allot shares upon exercise of options and to do all such acts relating to stock options. The Committee comprises of three directors of whom two are Independent Directors. Mr. Sivaramkrishnan Iyer, Independent Director is the Chairman of the Compensation Committee. The Company Secretary acts as the Secretary to the Committee.

### Composition and Attendance

During the financial year 2014-2015, four meetings of the Compensation Committee were held on May 28, 2014 September 8, 2014, March 18, 2015 and March 26, 2015.

The present composition of the Compensation Committee and the number of meetings attended by the Committee Members are as under:

Committee Members	Category	No. of Meetings Attended (Total Held)
Mr. Sivaramkrishnan Iyer (Chairman)	Independent Director	3(4)
Mr. Atul Ruia	Joint Managing Director	4(4)
Mr. Suhail Nathani	Independent Director	2(4)

## VI Finance and Investment Committee

### Constitution of Finance and Investment Committee:

The Finance and Investment Committee of the Company has been constituted to make investments in its subsidiary companies, place inter corporate deposits and advance loans to its subsidiaries or other bodies corporate, borrow or raise finance from various banks, financial institutions etc. from time to time. The Finance and Investment Committee meets as often as required. The Committee comprises of three directors, all of whom are Executive Directors. The Company Secretary acts as the Secretary of the Committee.

### Composition and Attendance

During the financial year 2014-2015, eleven meetings of the Finance and Investment Committee were held on April 1, 2014, May 2, 2014, June 2, 2014, June 16, 2014, July 1, 2014, August 1, 2014, September 1, 2014, October 1, 2014, October 28, 2014, December 21, 2014 and January 2, 2015.

The present composition of the Finance and Investment Committee and the number of meetings attended by the Committee Members are as under:

Committee Members	Category	No. of Meetings Attended (Total Held)
Mr. Atul Ruia	Joint Managing Director	11(11)
Mr. Shishir Shrivastava	Joint Managing Director	6(11)
Mr. Pradumna Kanodia	Director - Finance	11(11)

## **COMPANY POLICIES**

### **I. Policy on Related Party Transactions**

In compliance with the requirements of Section 188 of the Companies Act 2013 and Rules made thereunder and Listing Agreement with the Stock Exchanges, the Board of Directors of the Company has adopted policy and procedures with regard to Related Party Transactions in order to ensure the transparency and procedural fairness of such transactions.

This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company. It is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its related party in the best interest of the Company and its Stakeholders. Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws.

The Companies Policy on Related Party transaction is disclosed on the its website and can be accessed at <http://www.thephoenixmills.com/RelatedPartyTransactionPolicy.pdf>.

### **II Policy on Material Subsidiaries**

In line with the requirements of the Companies Act, 2013 and the Listing Agreement, the Board of Directors of the Company has adopted the policy on material subsidiaries which sets out the criteria and identify the material subsidiaries of the Company and define processes and procedures for any transactions with it.

The Company's Policy on Material Subsidiaries is disclosed on its website and can be accessed at <http://www.thephoenixmills.com/MaterialSubsidiariespolicy.pdf>.

### **III Policy on Whistle Blower / Vigil Mechanism**

The "Vigil Mechanism Policy" or the "Whistleblower Policy" in line with Section 177(9)(10) and Rules made thereunder and Clause 49 of the Listing Agreement is framed and implemented with a view to provide a mechanism for employees and directors of the Company to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. and instances of unethical behaviour, actual or suspected or violation of the Company's code of conduct.

The Whistleblower Policy allows the employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization, without necessarily informing their superior. The Policy ensures that the employees are protected against victimization / any adverse action and / or discrimination as a result of such a reporting, provided it is justified and made in good faith.

The Companies Policy on Whistle Blower / Vigil Mechanism is disclosed on the its website and can be accessed at <http://www.thephoenixmills.com/PMLWhistleblowerPolicy.pdf>.

### **IV Policy on Annual Performance Evaluation**

In order to meet the expectations of all the stakeholders at large, the Board of Directors of the Phoenix Mills Limited have devised a policy for evaluation of the performance of the individual members of the Company's Board as well as the Board Committees and the Board, which can contribute significantly to improve performance at three levels: the organizational, Board and individual Director level. It also helps in increased accountability, better decision making, enhanced communication and more efficient board operations.

## MATERIAL SUBSIDIARY COMPANIES

As per Clause 49(V)(A) of the Listing Agreement, Palladium Constructions Private Limited qualifies to be a material non-listed Indian subsidiary of the Company for the financial year 2014-15. The Board has nominated Mr. Amit Kumar Dabriwala, to be appointed as an Independent Director on the Board of Palladium Constructions Private Limited as per the requirements of Clause 49(V)(A) of the Listing Agreement.

## GENERAL BODY MEETINGS

### I. Annual General Meetings

i. Location, time and date of the last three Annual General Meetings (AGMs) are given below:

Financial Year	Date	Time	Location of the meeting
2011-12	21.08.2012	03.30 P.M.	Indian Merchants' Chamber, 4th floor, Walchand Hirachand Hall, Churchgate, Mumbai – 400 020
2012-13	21.08.2013	03.30 P.M.	Indian Merchants' Chamber, 4th floor, Walchand Hirachand Hall, Churchgate, Mumbai – 400 020
2013-14	26.08.2014	03.30 P.M.	Indian Merchants' Chamber, 4th floor, Walchand Hirachand Hall, Churchgate, Mumbai – 400 020

ii. Special Resolutions passed during previous three Annual General Meetings:

Financial Year	Particulars of Special Resolutions Passed
2011-2012	N.A.
2012-2013	To raise funds to a maximum extent of Rs.1000 Crores.
2013-2014	(i) Power to borrow monies in excess of paid up capital and free reserves of the Company in terms of section 180(1)(c) of the Companies Act, 2013. (ii) Power to create security in excess of paid up capital and free reserves of the Company in terms of section 180(1)(a) of the Companies Act, 2013.

iii. No special resolution is proposed to be passed at the ensuing AGM.

### II. Extra-Ordinary General Meeting

- i. During the year under review, no Extra-ordinary General Meeting was held.
- ii. There were no resolutions passed by the Company through postal ballot during the financial year 2014-15.

### III. Postal Ballot / E-voting

#### 1. Postal ballot Notice dated April 16, 2015

**The Company passed the following special resolutions through Postal Ballot on May 25, 2015.**

- i. Re-appointment of Mr. Ashokkumar Ruia as Chairman and Managing Director of the Company.
- ii. Re-appointment of Mr. Atul Ruia as Joint Managing Director of the Company.

#### Person conducting the Postal Ballot exercise

In terms of the circular resolution dated April 16, 2015, Mr. Pradumna Kanodia, Director – Finance and Ms. Puja Tandon, Company Secretary were appointed as persons responsible for the Postal Ballot / E-Voting process. Mr. Himanshu S. Kamdar, Partner of M/s. Rathi & Associates, Practicing Company Secretaries, was appointed as a Scrutiniser for carrying out the Postal Ballot process in a fair and transparent manner. Mr. Himanshu S. Kamdar, conducted the Postal Ballot process and submitted his report to the Company.

#### Procedure for Postal Ballot

- a. The Company issued the notice of Postal Ballot / E-Voting dated April 16, 2015 containing draft resolutions together with the explanatory statements and the Postal Ballot forms and self-addressed envelopes to the members whose names appears on the register of members as on Friday, April 17, 2015 (cut-off date) and others concerned.

- b. In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing E-voting facility to all its members. The members had an option to vote either by physical Ballot or through E-voting.
- c. Members were advised to read carefully the instructions printed on the Postal Ballot form and return the duly completed form in the attached self-addressed envelope so as to reach the Scrutiniser on or before the close of business hours i.e. 6.00 p.m. on Saturday, May 23, 2015. The members who opted for the E-voting could vote on or before the business hours i.e. 6.00 p.m. on Saturday, May 23, 2015.
- d. After due scrutiny of all the Postal Ballot forms / E-Voting received upto the close of the working hours on Saturday, May 23, 2015, Scrutiniser submitted his final report on Monday, May 25, 2015.
- e. The results of the Postal Ballot / E-Voting were declared on Monday, May 25, 2015. The date of declaration of the results of the Postal Ballot was taken as the date of passing of the resolutions.
- f. The results of the Postal Ballot / E-voting were published in the newspapers within 48 hours of the declaration of the results and were also placed at the website of the Company.

#### **Details of Voting Pattern**

As per the Scrutinizer's report the voting pattern was as under:

<b>Resolution</b>	<b>No. of Valid Votes polled</b>	<b>No. of Votes in Favour (%)</b>	<b>No. of Votes Against (%)</b>
Re-appointment of Mr. Ashokkumar Ruia as Chairman and Managing Director of the Company	121790284	121041565 (99.39%)	748719 (0.61%)
Re-appointment of Mr. Atul Ruia as Joint Managing Director of the Company	121804279	121803266 (100%)	1013 (0.00%)

## **2. Postal ballot Notice dated May 11, 2015**

**The Company passed the following special resolution through postal ballot on June 15, 2015.**

- i. Issue of further securities on private placement basis.

#### **Person conducting the Postal Ballot exercise**

In terms of the board resolution dated May 11, 2015, Mr. Pradumna Kanodia, Director – Finance and Ms. Puja Tandon, Company Secretary were appointed as persons responsible for the Postal Ballot / E-voting process. Mr. Himanshu S. Kamdar, Partner of M/s. Rathi & Associates, Practicing Company Secretaries, was appointed as a Scrutiniser for carrying out the Postal Ballot process in a fair and transparent manner. Mr. Himanshu S. Kamdar, conducted the Postal Ballot process and submitted his report to the Company.

#### **Procedure for Postal Ballot**

- a. The Company issued the notice of Postal Ballot / E-voting dated May 11, 2015 containing draft resolutions together with the explanatory statements and the Postal Ballot forms and self-addressed envelopes to the members whose names appears on the register of members as on Friday, May 8, 2015 (cut-off date) and others concerned.
- b. In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of CDSL for the purpose of providing through E-voting facility to all its members. The members had an option to vote either by physical ballot or E-voting.

- c. Members were advised to read carefully the instructions printed on the Postal Ballot form and return the duly completed form in the attached self-addressed envelope so as to reach the Scrutiniser on or before the close of business hours i.e. 6.00 p.m. on Saturday, June 13, 2015. The members who opted for the E-voting could vote on or before the business hours i.e. 6.00 p.m. on Saturday, June 13, 2015.
- d. After due scrutiny of all the Postal Ballot forms / E-voting received upto the close of the working hours on Saturday, June 13, 2015, Scrutiniser submitted his final report on Monday, June 15, 2015.
- e. The results of the Postal Ballot / E-voting were declared on Monday, June 15, 2015. The date of declaration of the results of the Postal Ballot was taken as the date of passing of the resolutions.
- f. The results of the Postal Ballot / E-voting were published in the newspapers within 48 hours of the declaration of the results and were also placed at the website of the Company.

### Details of Voting Pattern

As per the Scrutinizer's report the voting pattern was as under:

Resolution	No. of Valid Votes polled	No. of Votes in Favour (%)	No. of Votes Against (%)
Issue of further securities on private placement basis	121309669	119974540 (98.90%)	1335129 (1.10%)

### MEANS OF COMMUNICATION

- I. The Company regularly publishes its quarterly and annual results in "Business Standard" (English daily) and "Mumbai Lakshadweep" (Marathi daily) and simultaneously posts them on the Company's corporate website (<http://www.thephoenixmills.com/>). In addition, the quarterly shareholding patterns, Annual Reports, Board Meeting notices, press releases and other shareholder communications are also regularly posted on the corporate website of the Company.
- II. The quarterly results are submitted to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) immediately after the conclusion of the respective board meetings at which the same are taken on record and approved by the Board of Directors of the Company.
- III. Quarterly presentations made to institutional investors or to analysts during the year under review were promptly uploaded on the website of the Company.
- IV. The Management Discussion and Analysis Report forms part of this Annual Report.

### CEO/CFO CERTIFICATION

In terms of the requirement of Clause 49(IX) of the Listing Agreement, the Joint Managing Director and Director-Finance have submitted a certificate to the Board of Directors in the prescribed format for the year under review which is attached as Annexure B to this report.

### GENERAL SHAREHOLDER INFORMATION

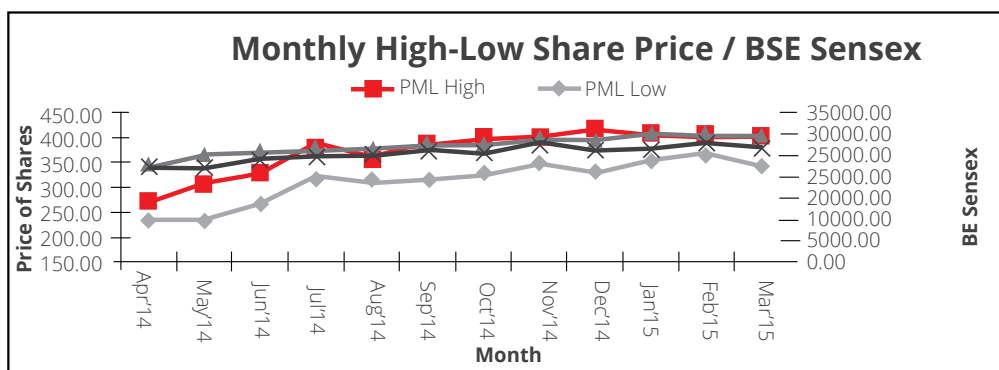
I	Annual General Meeting	
	Day, Date and Time	: Wednesday, September 9, 2015 at 3.30 P.M.
	Venue	: Indian Merchants' Chamber, 4th Floor, Walchand Hirachand Hall, Churchgate, Mumbai - 400 020
II.	Financial Year	: The Company follows April-March as its financial year.
III.	Unaudited financial reporting for the quarter ending (tentative)	
	June 30, 2015	: On or before August 14, 2015
	September 30, 2015	: On or before November 14, 2015
	December 31, 2015	: On or before February 14, 2016
	March 31, 2016	: On or before May 30, 2016
	AGM for the year ending March 31, 2016	: On or before September 30, 2016

IV.	Book Closure	:	September 4, 2015 to September 9, 2015 (both days inclusive )
V.	Dividend	:	Rs. 2.20 per equity share of Rs. 2 each (110% of the face value of the shares)
VI	Dividend Payment	:	The Dividend, if declared, by the shareholders at the AGM shall be paid / credited on or before October 9, 2015.
VII.	Listing on Stock Exchanges	:	The Company has already paid the annual listing fees for the year 2015-16 to the Stock Exchanges (BSE and NSE) as well as custodial fees to the depositories within the prescribed time.
VIII.	Scrip Code / Symbol	:	BSE: 503100 NSE: PHOENIXLTD Traded on the BSE Limited and National Stock Exchange of India Limited
IX.	Corporate Identification Number (CIN)	:	L17100MH1905PLC000200
X.	Plant Locations	:	The Company does not carry any manufacturing activities and hence does not have any plant locations.

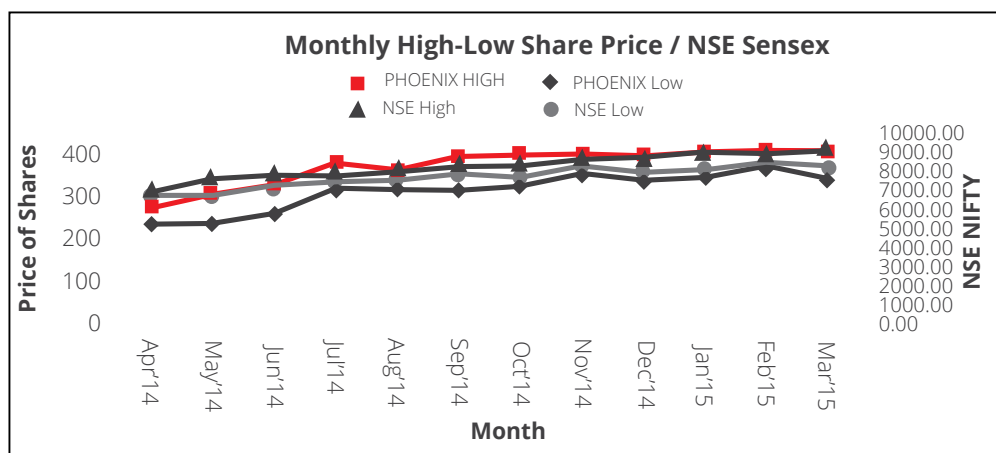
Performance in comparison with BSE Sensex and NSE Nifty

The monthly high and low quotations of shares traded on the BSE Limited and National Stock Exchange of India Limited along with the volumes is as follows:

Month	Phoenix Mills on BSE		S & P BSE SENSEX		Volume (₹)
	High	Low	High	Low	
Apr-14	274.00	234.45	22,939.31	22,197.51	22,152,716
May-14	309.00	236.00	25,375.63	22,277.04	72,035,869
Jun-14	331.75	267.00	25,725.12	24,270.20	634,232,906
Jul-14	383.00	321.10	26,300.17	24,892.00	69,369,221
Aug-14	360.00	314.00	26,674.38	25,232.82	9,038,259
Sep-14	388.65	317.15	27,354.99	26,220.49	77,615,002
Oct-14	398.40	328.50	27,894.32	25,910.77	24,897,071
Nov-14	400.00	352.60	28,822.37	27,739.56	11,005,181
Dec-14	415.80	332.00	28,809.64	26,469.42	336,879,485
Jan-15	406.95	355.00	29,844.16	26,776.12	39,065,654
Feb-15	405.00	371.00	29,560.32	28,044.49	97,660,149
Mar-15	399.00	344.00	30,024.74	27,248.45	67,624,117



Month	Phoenix Mills on NSE		NIFTY		Volume (₹ In Lacs)
	High	Low	High	Low	
Apr-14	274.00	233.95	6869.85	6650.40	1,454.29
May-14	305.00	234.00	7563.50	6638.55	3,593.74
Jun-14	331.40	261.85	7700.05	7239.50	6,223.28
Jul-14	380.00	317.00	7840.95	7422.15	5,475.27
Aug-14	361.70	318.00	7968.25	7540.10	973.91
Sep-14	396.00	315.00	8180.20	7841.80	3,703.71
Oct-14	399.90	326.75	8330.75	7723.85	3,263.74
Nov-14	400.85	352.60	8617.00	8290.25	2,547.22
Dec-14	399.00	337.40	8626.95	7961.35	11,518.75
Jan-15	408.00	349.00	8996.60	8065.45	12,273.77
Feb-15	408.00	369.65	8941.10	8470.50	4,243.01
Mar-15	404.80	341.25	9119.20	8269.15	11,832.43



### Share Transfer System:

The Registrars and Share Transfer Agent of the Company receives applications for transfer of shares held in physical form. They attend to share transfer formalities every fortnight.

Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agent of the Company periodically receive from the Depository, the beneficiary holdings so as to enable them to update their records for sending all corporate communications, dividend warrants, etc.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

Category wise Shareholding as at March 31, 2015:

Sr. No.	Category	No. of Shares held	%
1.	Promoter and Promoter Group	95569963	65.93
2.	Mutual Funds / UTI	4710208	3.25
3.	Banks / Financial Institutions	8503	0.01
4.	Foreign Institutional Investors	33131283	22.86
5.	Foreign Venture Capital Investors	1401416	0.97
6.	Foreign Portfolio Investor (Corporate)	1999026	1.38
7.	Non-Residents	395250	0.27
8.	Private Bodies Corporate	4028211	2.78
9.	Indian Public	3653202	2.52
10.	Others (Directors and their Relatives, Clearing Members & Trusts)	59633	0.04
<b>Total</b>		<b>144956695</b>	<b>100.00</b>

Distribution of Shareholding as at March 31, 2015:

No. of Equity Shares	No. of Shareholders	% of Total	No. of Shares	% of Total
1-500	5302	83.2339	608109	0.4195
501 - 1000	377	5.9184	310214	0.2140
1001 - 2000	264	4.1444	386768	0.2668
2001 - 3000	101	1.5856	256269	0.1768
3001 - 4000	49	0.7692	175884	0.1213
4001 - 5000	33	0.5181	151994	0.1049
5001 - 10000	72	1.1303	532730	0.3675
10001 and above	172	2.7002	142534727	98.3292
<b>TOTAL</b>	<b>6370</b>	<b>100.00</b>	<b>144956695</b>	<b>100.00</b>

#### Dematerialization of Shares and Liquidity:

About 99.59% of the shares have been dematerialized as on March 31, 2015. The International Security Identification Number (ISIN) allotted to the Company's equity shares is INE211B01039.

The Company has not issued any GDRs / ADRs. There were no outstanding convertible warrants as on March 31, 2015.

#### Disclosure under Clause 5A(II) of the listing agreement in respect of unclaimed shares:

The Securities and Exchange Board of India vide its circular no.CIR/CFD/DIL/10/2010 dated December 16, 2010 amended Clause 5A of the Equity Listing Agreement regarding unclaimed shares held in physical form. The Clause inter-alia required transfer of such shares and any other corporate benefit related to these shares to a separate Demat Suspense Account.

In compliance with said amendment, the Company has opened a demat suspense account in the name of 'The Phoenix Mills Limited - Unclaimed Suspense Account' to which unclaimed shares shall be transferred. The details of unclaimed shares as on March 31, 2015 are as follows:

Particulars	No. of shareholders	No. of equity shares
Unclaimed shares as on April 1, 2014	1540	1817500
Details of shareholders who approached the Company for unclaimed shares during the FY2014-15	41	56750
No. of shares claimed during the FY2014-15	41	56750
Unclaimed shares as on March 31, 2015	1499	1760750

#### Status of Dividend Declared in the last five years

Status of the dividend declared by the Company for the last five years is as under:

(₹ In Lacs)

Financial Year	Rate of Dividend	Total pay-out	Amount paid to the shareholders	Unclaimed Amount as on March 31, 2015
2013-14	Rs. 2.20 per share	3186.60	3154.10	32.51
2012-13	Rs. 2.20 per share	3186.60	3157.52	29.08
2011-12	Rs. 2.00 per share	2896.91	2870.29	26.62
2010-11	Rs. 1.80 per share	2607.22	2583.25	23.97
2009-10	Rs. 1.20 per share	1738.15	1719.62	18.53

#### Shares held in Physical Form

Please note that in terms of SEBI Circulars No.MRD/DoP/Cir-05/2009 dated May 20, 2009 and No. SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated January 7, 2010, it is mandatory for the shareholders holding shares in physical form to submit self-attested copy of PAN card in the following cases:



- a) Transferees' PAN Cards for transfer of shares;
- b) Surviving joint holders' PAN Cards for deletion of name of deceased shareholder;
- c) Legal heirs' PAN Cards for transmission of shares;
- d) Joint holders' PAN Cards for transposition of shares.

In compliance with the aforesaid circulars, requests without attaching copies of PAN card, for transfer / deletion / transmission and transposition of shares of the Company in physical form will be returned under objection.

### Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that:

- Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to the Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these depositories to the Company.
- Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

## OTHER DISCLOSURES

### Disclosure on Materially Significant Related Party Transactions

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit Committee on a quarterly basis in terms of Clause 49(VII) of the Listing Agreement and other applicable laws for approval / information. None of the transactions with any of the related parties were in conflict with the interests of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in the Notes to Accounts in the financial statements for the year ended March 31, 2015.

### Details of Non-compliance with regard to the Capital Market

The Company has complied with the requirements of regulatory authorities on Capital Markets and no penalty / stricture was imposed on the Company during the last three years.

### Compliance with the mandatory requirements of Clause 49 of the Listing Agreement

The Company has complied with all the mandatory requirements of Corporate Governance as provided in the Listing Agreement. The Company has also obtained a certificate from Ms. Rathi & Associates, Company Secretaries affirming the compliances which is attached with the Directors' Report.

## COMPLIANCE WITH THE NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

### I. The Board

Mr. Ashokkumar Ruia is the Executive Chairman of the Company. Hence this provision is not applicable to the Company

### II. Shareholders' Rights

Since the quarterly and annual results are published in English and regional language newspapers and displayed on Company's website as well, half yearly financial results including summary of significant events in the past six months are presently not being sent to the Shareholders.

### **III. Audit Qualificaitons**

The financial statements of the Company for the year ended March 31, 2015 are unqualified.

### **IV. Separate Posts of Chairman and CEO**

The positions of Chairman and CEO are separate. Mr. Ashokkumar Ruia performs the role of the Chairman and Mr. Atul Ruia performs the role of the CEO.

### **IV. Reporting of Internal Auditor**

The Internal Auditors directly report to the Audit Committee of the Company's Board of Directors.

## **COMMUNICATION ADDRESS**

### **I. Address for shares related correspondence**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares:

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (West)  
Mumbai - 400 078  
Tel. No.: 022-25963838  
Fax No.: 022-25946969

### **II. Address for general correspondence**

Mr. Mangesh Satvilkar  
Investor Relations Officer  
The Phoenix Mills Limited  
462, Senapati Bapat Marg  
Lower Parel, Mumbai - 400 013  
Tel No.: 022-30016600  
Fax No.: 022- 30016818  
Email: investorrelations@highstreetphoenix.com

Place: Mumbai  
Date: June 20, 2015

**Ashokkumar Ruia**  
Chairman & Managing Director  
DIN: 00086762

## CODE OF CONDUCT DECLARATION

This is to certify that the Company has laid down a Code of Conduct (the Code) for all Board Members and Senior Management Personnel of the Company and a copy of the Code is put on the Company's corporate website (<http://www.thephoenixmills.com/>).

It is further certified that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code for the year ended March 31, 2015.

Place: Mumbai  
Date: May 28, 2015

**Shishir Shrivastava**  
Joint Managing Director

## Annexure B

## CERTIFICATION ISSUED BY CEO/CFO WITH RESPECT TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

We, Mr. Shishir Shrivastava, Joint Managing Director and Mr. Pradumna Kanodia, Director- Finance of the Phoenix Mills Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet as at 31st March, 2015 and profit and loss account for the year ended on that date and all the schedules and notes thereon, as well as the cash flow statements;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, presents in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operation and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. We are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company; and have also disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and what we have done or propose to do to rectify these.
5. We have disclosed based on recent evaluation, wherever applicable, to the Company's auditors and the audit committee instances of significant fraud, if any, of which we are aware, that involves management or other employees who have a significant role in the Company's internal control system;
6. We have indicated to the Auditors, the Audit Committee and in the notes on accounts, whether or not there were significant changes in internal control and / or of accounting policies during the year.
7. We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

**Atul Ruia**  
Joint Managing Director

**Pradumna Kanodia**  
Director-Finance & Group CFO

Place: Mumbai  
Date: May 28, 2015

# Independent Auditor's Report

To the Members of  
**The Phoenix Mills Limited**

## Report on the Financial Statements

We have audited the accompanying financial statements of The Phoenix Mills Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

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

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

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

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

## Opinion

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

## Matter of Emphasis

We refer to Note no. 35 of the accompanying financial statements relating to the company's investment in equity shares of Entertainment World Developers Limited (EWDL) and the pending realization from EWDL against the put option exercised on Fully Convertible Debentures (FCDs) of Treasure World Developers Private Limited (TWDPL). For the reason stated in the aforesaid note, the provision of ₹84,25,00,000/- made for diminution of the above investments is considered adequate at this stage.

Our opinion is not qualified in respect of this matter

## Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143 of the

Act (18 of 2013), we give in the Annexure, a statement on the matters specified in paragraph 3 and 4 of the Order.

2 As required under provisions of 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of the pending litigations on its financial position vide Notes 27 (b), (c), (d) and (f) to the financial statements.
- ii) The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **A. M. Ghelani & Company**  
Chartered Accountants  
Registration No : 103173W

**Chintan A. Ghelani**  
Partner  
Membership No. 104391

Place: Mumbai  
Date: 28<sup>th</sup> May, 2015

For **Chatuvedi & Shah**  
Chartered Accountants  
Registration No : 101720W

**Amit Chaturvedi**  
Partner  
Membership No. : 103141

## Annexure referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date

- i) In respect of its Fixed Assets :
- The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of the available information.
  - As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- ii) The Company did not have any inventory during the year under audit. Therefore, the provisions of Clause (ii) of paragraph 3 of the Order are not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchases of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed hereunder. Therefore, provisions of Clause (v) of paragraph 3 of the Order are not applicable to the company.
- vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues :
- According to the records of the Company,

undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.

- According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess on account of any dispute, which have not been deposited excepting the following:-

Name of Statute	Note of Dues	Amount in Rupees	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	193,911,510	2007-08 to 2012-13	CIT (Appeals)
Income Tax Act 1961	Income Tax	42,817,917	2004-05 to 2011-12	ITAT
Service Tax (Finance Act 1994)	Service tax	40,615,864	2006-07	CESTAT
<b>Total</b>		<b>277,345,291</b>		

- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- viii) The Company does not have any accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by audit and in the immediately preceding financial year.
- ix) According to the records examined by us and the information and explanation given to us, we are of the opinion that the company has not defaulted in re-payment of dues to financial institution and banks. The Company has not borrowed any funds by way of issue of debentures.
- x) According to information and explanation given to us the Company has not given guarantee for loans taken by others from Banks or Financial Institutions

during the year. Therefore, the provisions of clause (x) of paragraph 3 of the Order are not applicable to the Company.

- xi) According to information and explanation given to us, we are of the opinion that the term loans raised during the year were applied for the purpose for which the loans were obtained.
- xii) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **A. M. Ghelani & Company** Chartered Accountants  
Registration No : 103173W

For **Chatuvedi & Shah** Chartered Accountants  
Registration No : 101720W

**Chintan A. Ghelani**  
Partner  
Membership No. 104391

**Amit Chaturvedi**  
Partner  
Membership No. : 103141

Place: Mumbai  
Date: 28<sup>th</sup> May, 2015

# Balance Sheet

as at 31st March, 2015

	Notes	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	289,913,390	289,690,890
Reserves & Surplus	3	18,799,843,361	18,547,921,775
		<b>19,089,756,751</b>	18,837,612,665
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	4	5,318,999,996	3,806,875,000
Other Long Term Liabilities	5	979,216,597	701,369,254
Long-Term Provisions	6	5,282,472	2,007,230
		<b>6,303,499,065</b>	4,510,251,484
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	7	788,249,934	391,757,863
Trade Payables	8	82,173,881	491,247,691
Other Current Liabilities	9	1,199,196,550	1,583,801,355
Short Term Provisions	6	388,141,913	379,998,268
		<b>2,457,762,278</b>	2,846,805,177
<b>Total</b>		<b>27,851,018,094</b>	26,194,669,325
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	10		
Tangible Assets		4,558,227,349	4,092,975,639
Capital Work-in-Progress		1,357,215,979	1,227,510,677
Non-Current Investments	11	12,314,952,742	11,110,044,328
Deferred Tax Assets (Net)	26	21,442,316	3,499,007
Long-Term Loans and Advances	12	6,004,700,467	6,498,597,345
Other Non-Current Assets	13	318,854,417	4,254,417
		<b>24,575,393,270</b>	22,936,881,413
<b>CURRENT ASSETS</b>			
Trade Receivables	14	219,287,487	253,045,911
Cash and Cash Equivalents	15	204,319,316	245,829,613
Short Term Loans and Advances	12	2,696,648,570	2,484,108,842
Other Current Assets	13	155,369,451	274,803,545
		<b>3,275,624,824</b>	3,257,787,912
<b>Total</b>		<b>27,851,018,094</b>	26,194,669,325
Significant Accounting Policies and Notes on 1 to 42 Financial Statements			

As per our report of even date

**For A.M.Ghelani & Company**

Chartered Accountants  
FRN : 103173W

**Chintan A. Ghelani**

Partner  
M. No.:104391

**For Chaturvedi & Shah**

Chartered Accountants  
FRN : 101720W

**Amit Chaturvedi**

Partner  
M. No.:103141

For and on behalf of the Board of Directors

**Ashokkumar Ruia**

(Chairman & Managing Director)

**Atul Ruia**

(Jt. Managing Director )

**Puja Tandon**

(Company Secretary)

**Shishir Shrivastava**

(Jt. Managing Director)

**Pradumna Kanodia**

(Director - Finance)

Place : Mumbai

Date: 28<sup>th</sup> May, 2015



# Statement of Profit and Loss

for the year ended 31st March, 2015

	Notes	2014-2015 ₹	2013-2014 ₹
<b>INCOME</b>			
Revenue from Operations	16	3,154,534,832	2,948,023,075
Other Income	17	967,368,929	799,968,389
<b>Total Revenue</b>		<b>4,121,903,761</b>	3,747,991,464
<b>EXPENDITURE</b>			
Employee Benefits Expense	18	89,669,444	77,729,491
Finance Costs	19	706,655,366	444,087,175
Depreciation and Amortization Expense	20	310,492,788	254,383,674
Other Expenses	21	1,033,864,064	939,532,149
<b>Total Expenses</b>		<b>2,140,681,662</b>	1,715,732,489
<b>Profit Before Tax and Exceptional Items</b>		<b>1,981,222,099</b>	2,032,258,975
<b>Less : Exceptional Item</b>	35	<b>842,500,000</b>	-
<b>Profit Before Tax and after Exceptional Items</b>		<b>1,138,722,099</b>	2,032,258,975
<b>Less : Tax Expense</b>			
Current Tax		532,000,000	480,000,000
Deferred Tax		(11,799,251)	26,705,985
<b>Profit for the year</b>		<b>618,521,350</b>	1,525,552,990
<b>Earnings Per Share</b>			
<b>Basic EPS (Face Value ₹2)</b>	25	<b>4.27</b>	10.53
<b>Diluted EPS (Face Value ₹2)</b>		<b>4.26</b>	10.53
Significant Accounting Policies and Notes on Financial Statements	1 to 42		

As per our report of even date

**For A.M.Ghelani & Company**  
Chartered Accountants  
FRN : 103173W

**For Chaturvedi & Shah**  
Chartered Accountants  
FRN : 101720W

For and on behalf of the Board of Directors

**Chintan A. Ghelani**  
Partner  
M. No.:104391

**Amit Chaturvedi**  
Partner  
M. No.:103141

**Ashokkumar Ruia**  
(Chairman & Managing Director)

**Shishir Shrivastava**  
(Jt. Managing Director)

**Atul Ruia**  
(Jt. Managing Director)

**Pradumna Kanodia**  
(Director - Finance)

Place : Mumbai  
Date: 28<sup>th</sup> May, 2015

**Puja Tandon**  
(Company Secretary)

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# Cash Flow Statement

for the year ended on 31st march 2015

	31st March, 2015		31st March, 2014	
	₹	₹	₹	₹
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Profit before tax as per the Statement of Profit and Loss		<b>1,138,722,099</b>		2,032,258,975
Adjustments for :				
Depreciation		<b>310,492,788</b>		254,383,674
Exceptional Item		<b>842,500,000</b>		
(Profit)/Loss on Assets sold/discarded		<b>(17,241,908)</b>		(16,611,930)
Balances in Debtors/Advances written off		<b>3,375,357</b>		71,058,788
Balances written back		<b>(2,917,289)</b>		
Provision for Doubtful Debts and Advances		<b>33,055,414</b>		(62,507,613)
Interest Expenses		<b>706,655,366</b>		444,087,175
Interest Income		<b>(937,938,627)</b>		(686,281,806)
Dividend Income		<b>(5,199,981)</b>		(944,745)
Profit on sale of Investments		<b>(2,434,149)</b>		(86,453,817)
		<b>930,346,971</b>		(83,270,273)
Operating Cash flow before working capital changes		<b>2,069,069,070</b>		1,948,988,702
Adjustment for Working Capital changes :				
Trade and other Receivables		<b>(240,447,579)</b>		(92,964,247)
Trade and other Payables		<b>(79,771,873)</b>		164,269,193
		<b>(320,219,453)</b>		71,304,946
Cash generated from Operations		<b>1,748,849,618</b>		2,020,293,648
Direct Taxes Paid		<b>(584,398,681)</b>		(566,283,471)
Net Cash from Operating Activities	A	<b>1,164,450,937</b>		1,454,010,177
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of Fixed Assets		<b>(955,327,557)</b>		(61,856,183)
Advance for Fixed Assets (Given) / Refunded				(262,979,982)
Sale of Fixed Assets		<b>122,918,869</b>		16,907,723
Inter Corporate Deposits & Loans (placed)/refunded (Net)		<b>328,297,913</b>		(2,309,093,605)
Purchase of Investments		<b>(2,047,408,414)</b>		(2,266,661,072)
Profit Sale of Short Term Investments		<b>2,434,149</b>		13,344,479
Sale / Buyback of long term investments		-		615,975,625
Debenture / Share Application Money (Given) / Refunded		-		753,724,809
Interest Received		<b>979,063,504</b>		687,405,048
Dividend Received		<b>5,199,981</b>		944,745
Net Cash generated from/(used in) Investing Activities	B	<b>(1,564,821,556)</b>		(2,812,288,412)

<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from long term borrowings	<b>6,738,000,000</b>	3,095,000,000
Repayment of long term borrowings	<b>(5,606,275,004)</b>	(1,085,125,000)
Short term loans availed / (repaid )(Net)	<b>396,492,070</b>	271,120,648
Proceeds from Issue of Shares	<b>30,056,114</b>	-
Interest paid	<b>(829,470,811)</b>	(527,221,770)
Dividend paid (including tax on Dividend)	<b>(371,426,495)</b>	(371,411,231)
Net Cash generated from/(used in) Financing Activities	<b>C 357,375,875</b>	1,382,362,647
<b>D</b> Net Increase/(Decrease) in Cash and Cash Equivalents	<b>A+B+C (42,994,745)</b>	24,084,413
Cash and Cash equivalents at the beginning of the year	<b>247,314,061</b>	223,229,648
Cash and Cash equivalents at the end of the year	<b>204,319,316</b>	247,314,061

Note :The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements"

Note : The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements" as notified by the Companies (Accounting Standards) Rules 2006.

As per our report of even date

**For A.M.Ghelani & Company**  
Chartered Accountants  
FRN : 103173W

**For Chaturvedi & Shah**  
Chartered Accountants  
FRN : 101720W

For and on behalf of the Board of Directors

**Chintan A. Ghelani**  
Partner  
M. No.:104391

**Amit Chaturvedi**  
Partner  
M. No.:103141

**Ashokkumar Ruia**  
(Chairman & Managing Director)

**Shishir Shrivastava**  
(Jt. Managing Director)

**Atul Ruia**  
(Jt. Managing Director )

**Pradumna Kanodia**  
(Director - Finance)

Place : Mumbai  
Date: 28<sup>th</sup> May, 2015

**Puja Tandon**  
(Company Secretary)

# Notes

on financial statements for the year ended 31st March, 2015

## NOTE "1"

### SIGNIFICANT ACCOUNTING POLICIES

**a) Basis of preparation of financial statements:**

The Financial statements have been prepared to comply with accounting principles generally accepted in India (Indian GAAP), the Accounting Standards notified under relevant provisions of the Companies Act, 2013, The Financial statements are prepared on accrual basis under the historical cost convention except for certain fixed assets which are revalued. The Financial statements are presented in Indian Rupees.

**b) Use of estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses for the reporting period. The difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

**c) Classification of Assets and Liabilities as Current and Non - Current**

All assets and liabilities are classified as current or non-current as per Company's normal operating cycle, and other criteria set out in Schedule II to the Companies Act, 2013 and accordingly, 12 months period has been considered by the Company as its normal operating cycle for the purpose of classification of assets and liabilities as current and non-current.

**d) Fixed Assets:**

- i) Fixed Assets are stated at cost net of cenvat credit and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any.
- ii) Expenditure incurred on construction/erection of assets, which are incomplete as at balance sheet date, are included in Capital Work in Progress.

**e) Depreciation:**

- i) Leasehold land is amortized over the period of lease.
- ii) 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.
- iii) In respect of certain revalued assets, (land, buildings and plant & machinery) depreciation has been calculated on the revalued figures as per the rates and in the manner specified by the valuers in their Revaluation Report. The difference between the depreciation so computed and that computed as per (i) and (ii) above has been charged to the Revaluation Reserve.

**f) Impairment of Assets:**

In accordance with AS 28 on "Impairment of Assets", where there is any indication of impairment of the company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised in the Statement of Profit and Loss, whenever the carrying amount of such assets exceeds its recoverable amount.

**g) Investments:**

Long term investments are valued at cost of acquisition less diminution if any, of a permanent nature. Current Investments are stated at cost or market/fair value, whichever is lower.

**h) Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready

# Notes

on financial statements for the year ended 31st March, 2015

for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

**i) Revenue Recognition:**

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. License fees, rental income and service charges are recognised based on contractual rights. Interest is recognised on time proportion basis. Dividend income is recognised when the right to receive the same is established.

**j) Employee Benefits: -**

- i) Short term employee benefits are recognised as expenses at the undiscounted amounts in the Statement of Profit & Loss for the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expenses are recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits (net of expected return on plan assets) are charged to the Statement of Profit & Loss.

**k) Foreign Currency Transactions:**

- i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the Balance Sheet date are restated at the year-end rates. Non monetary foreign currency items are carried at cost.
- ii) Exchange differences arising as a result of the subsequent settlements or on translations are recognised as income or expense in the Statement of Profit and Loss except the Exchange differences arising on long term foreign currency monetary items relating to the acquisition of the fixed assets, which are adjusted to the carrying cost of the assets.

**l) Securities Issue Expenses:**

Expenses in connection with the issue of securities are adjusted against the Securities Premium Account.

**m) Taxes on Income:**

- i) Provision for income tax (current tax) is determined on the basis of the taxable income of the current year in accordance with the Income Tax Act, 1961.
- ii) Deferred tax is recognised in respect of deferred tax assets (subject to the consideration of prudence) and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

**n) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes to Financial Statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

# Notes

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	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
<b>NOTE "2"</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED :		
225,000,000 (P. Y. 225,000,000) Equity Shares of ₹2/- each	450,000,000	450,000,000
ISSUED, SUBSCRIBED AND PAID UP:		
144,956,695 (P Y. 144,845,445) Equity Shares of ₹2 each fully paid up	289,913,390	289,690,890
<b>Total</b>	<b>289,913,390</b>	<b>289,690,890</b>
a) Equity Shares have been reserved for allotment under The Phoenix Mills Employees' Stock Option Plan 2007.	3,390,000	3,390,000
b) Equity Options granted under 'The Phoenix Mills Employees' Stock Option Plan 2007 :		
As at beginning of the year (on cumulative basis)	650,000	650,000
Options Granted during the year	105,556	-
Options Exercised during the year	(111,250)	-
Options Lapsed till date, available for regrant	644,306	650,000
	425,000	406,250
	219,306	243,750
c) Reconciliation of Shares.		
Equity Shares outstanding at the beginning the year	144,845,445	144,845,445
Add : Issued during the year on exercise of employee options	111,250	-
Equity Shares outstanding at the end of the year	144,956,695	144,845,445

d) 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 shareholders 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 holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts which shall be in proportion to the number of shares held by the Shareholders.

e) Shares in the Company held by each shareholder holding more than 5 % Shares

Name of Shareholder	No. of Shares	% of Holding	No. of Shares	% of Holding
Ruia International Holding Company Private Limited	49,207,037	33.95	49,163,237	33.94
Senior Holdings Private Limited.	15,142,550	10.45	15,142,550	10.45
Radhakrishna Ramnarain Private Limited.	11,617,930	8.01	11,617,930	8.02
Ashok Apparels Private Limited.	9,670,665	6.67	9,670,665	6.68
Government of Singapore	-	-	7,521,801	5.19

	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
<b>NOTE "3"</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>RESERVES</b>		
Capital Reserve	18,413,824	18,413,824
As per last Balance Sheet		
General Reserve		
As per last Balance Sheet	2,091,764,734	1,891,764,734

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	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Add: Transfer from Surplus	200,000,000	200,000,000
	<b>2,291,764,734</b>	2,091,764,734
Securities Premium		
As per last Balance Sheet	10,659,263,354	10,659,263,354
Add: On issue of shares	29,815,000	-
	<b>10,689,078,354</b>	10,659,263,354
Revaluation Reserve		
As per last Balance Sheet	103,886,842	104,876,687
Less: Additional Depreciation on Revaluation of Assets transferred to Statement of Profit & Loss (Refer to Note No.37)	997,921	989,845
	<b>102,888,921</b>	103,886,842
Share Options Outstanding		
As per last Balance Sheet	-	-
Add: On ESOPs Granted	18,614	-
	<b>18,614</b>	-
<b>SURPLUS</b>		
Profit & Loss Account		
As per last Balance Sheet	5,674,593,021	4,721,856,273
Add : Profit for the Current Year	618,521,350	1,525,552,990
Less : Appropriations	6,293,114,371	6,247,409,263
Transferred to General Reserve	(200,000,000)	(200,000,000)
Proposed Dividend (Dividend Per share ₹2.20/-) ( P.Y. ₹2.20/-)	(318,904,729)	(318,659,979)
Tax on Proposed Dividend	(64,921,499)	(54,156,263)
Adjustment of depreciation as per transitional provision of Part C paragraph 7 (b) of Schedule II of the Companies Act , 2013 (Refer note no 10.1)	(11,609,229)	-
	<b>5,697,678,914</b>	5,674,593,021
<b>Total</b>	<b>18,799,843,361</b>	18,547,921,775

	As at 31st March, 2015 ₹		As at 31st March, 2014 ₹	
	Current	Non Current	Current	Non Current
<b>NOTE"4"</b>				
<b>LONG TERM BORROWINGS</b>				
<b>SECURED</b>				
Term Loans from Banks (The term loans are Secured 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.)	434,100,000	5,318,999,996	814,500,000	2,486,875,000
Term Loans from Others (The above loan was secured by pledging 8,000,000 Equity Shares of Offbeat Developers Private Limited)	-	-	-	1,320,000,000

# Notes

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	As at 31st March, 2015		As at 31st March, 2014	
	Current	Non Current	Current	Non Current
Less: Amount disclosed under the head "Other Current Liabilities" (Note 9)	(434,100,000)		(814,500,000)	
<b>Total</b>	<b>- 5,318,999,996</b>		<b>- 3,806,875,000</b>	

Maturity Profile	<b>FY 2015-2016</b>	<b>434,100,000</b>	FY 2018-2019	612,000,000
	<b>FY 2016-2017</b>	<b>486,600,000</b>	FY 2019-2020	686,100,000
	<b>FY 2017-2018</b>	<b>545,400,000</b>	FY 2020-2024	2,988,899,996

	As at 31st March, 2015		As at 31st March, 2014	
	Current	Non Current	Current	Non Current
<b>NOTE "5"</b>				
<b>OTHER LONG TERM LIABILITIES</b>				
Security Deposits from Occupants/ Licencees		<b>972,413,286</b>		689,749,532
Income Received in Advance		<b>6,803,311</b>		11,619,721
		<b>979,216,597</b>		701,369,254

	As at		As at	
	Current	Non Current	Current	Non Current
<b>NOTE "6"</b>				
<b>PROVISIONS</b>				
<b>Provision for Employee Benefits</b>				
Gratuity (net)	<b>1,395,047</b>	<b>2,692,003</b>	-	1,160,570
Leave Encashment	<b>3,887,425</b>	<b>1,623,682</b>	2,007,230	563,536
	<b>5,282,472</b>	<b>4,315,685</b>	2,007,230	1,724,106
<b>Others</b>				
Taxation (Net of taxes paid)	-	-	-	5,457,920
Proposed Dividend	-	<b>318,904,729</b>	-	318,659,979
Tax on Proposed Dividend	-	<b>64,921,499</b>	-	54,156,263
	-	<b>383,826,228</b>	-	378,274,162
	<b>5,282,472</b>	<b>388,141,913</b>	2,007,230	379,998,268

	As at	As at
	31st March, 2015	31st March, 2014
<b>NOTE "7"</b>		
<b>CURRENT LIABILITIES</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loans from Others (Secured by Pledging 2,00,641 Shares of Graphite India Limited held by the company as well as 1,748,449 Shares of Graphite India Limited held by a Wholly owned Subsidiary)	-	50,000,000



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	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Working Capital Loans (Overdraft facility with HDFC Bank Limited for ₹ 13,99,21,828/-(P.Y. ₹ 24,17,57,863/-) and Kotak Mahindra Bank Limited for ₹ 9,83,28,106/-(P.Y. Nil) is secured 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.)	238,249,934	241,757,863
<b>UnSecured</b>		
Term Loans from Banks	-	100,000,000
Commercial Papers	550,000,000	-
	<b>788,249,934</b>	391,757,863

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>NOTE "8"</b>		
<b>TRADE PAYABLES</b>		
Micro and Small Enterprises (Refer Note No. 41)	-	-
Others	82,173,881	491,247,691
	<b>82,173,881</b>	491,247,691

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>NOTE "9"</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts (Refer Note No.4)	434,100,000	814,500,000
Interest Accrued but not due	39,877,652	88,142,686
Advance from Prospective Buyers	135,652,670	64,112,347
Income Received in Advance	6,338,026	14,772,833
Unpaid Dividends #	16,187,805	14,798,058
<b>Other Liabilities</b>		
Creditors for Capital Items	74,852,346	60,410,044
Security Deposits from Occupants/Licencees	199,379,017	290,039,173
Stautory Payments	7,305,481	35,050,327
Others *	285,503,553	201,975,886
<b>Total</b>	<b>1,199,196,550</b>	1,583,801,355

# These figures do not include any amounts, due and outstanding to be credited to Investor Education & Protection Fund

\* Others include Advance received against the sale/redemption of Investments of ₹ 191,880,000 (P.Y. ₹ 191,880,000)

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## Note " 10 "

### FIXED ASSETS

(Amount in ₹)

Description	GROSS BLOCK [AT COST]			DEPRECIATION				NET BLOCK			
	As at 1.04.2014	Additions during the year	Deductions during the year	As at 31.03.2015	Upto 1.04.2014	For the year	Transfer to Retained (Refer Note 10.1)	Deduc- tions during the year	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>TANGIBLE ASSETS</b>											
Freehold Land	10,669,783	-	-	10,669,783	-	-	-	-	-	10,669,783	10,669,783
Right on Leasehold Land	69,761,432	-	-	69,761,432	4,860,736	42,359	-	-	4,903,095	64,858,337	64,900,696
Building	4,867,878,324	800,433,899.57	62,472,769.00	5,605,839,455	1,230,584,504	182,400,298	-	4,570,173	1,408,414,629	4,197,424,826	3,637,293,820
plant and machinery	292,520,625	28,157,794.84	2,863,751	317,814,669	144,971,488	30,498,086	-	1,768,234	173,701,340	144,113,329	147,549,137
vehicles	32,201,060	3,078,954.00	1,455,570	33,824,444	22,355,381	2,365,686	-	1,361,494	23,359,573	10,464,871	9,845,679
Office furniture and equipment	478,921,359	22,123,543.98	405,585	500,639,318	256,374,348	96,127,786	17,752,260	198,291	370,056,103	130,583,215	222,547,011
<b>Total (A)</b>	<b>5,751,952,584</b>	<b>853,794,192</b>	<b>67,197,675</b>	<b>6,538,549,101</b>	<b>1,659,146,457</b>	<b>311,434,215</b>	<b>17,752,260</b>	<b>7,898,192</b>	<b>1,980,434,740</b>	<b>4,558,114,361</b>	<b>4,092,806,127</b>
<b>INTANGIBLE ASSETS</b>											
Computer Softwares	282,469	-	-	282,469	112,988	56,494	-	-	169,481	112,988	169,481
<b>Total (B)</b>	<b>282,469</b>	<b>-</b>	<b>-</b>	<b>282,469</b>	<b>112,988</b>	<b>56,494</b>	<b>-</b>	<b>-</b>	<b>169,481</b>	<b>112,988</b>	<b>169,481</b>
<b>Total (A+B)</b>	<b>5,752,235,053</b>	<b>853,794,192</b>	<b>67,197,675</b>	<b>6,538,831,570</b>	<b>1,659,259,445</b>	<b>311,490,709</b>	<b>17,752,260</b>	<b>7,898,192</b>	<b>1,980,604,221</b>	<b>4,558,227,349</b>	<b>4,092,975,608</b>
Previous Year	5,840,172,174	36,123,747	124,060,836	5,752,235,085	1,415,621,132	260,851,396	-	17,213,083	1,659,259,445	4,092,975,640	4,424,550,901
Capital Work - in - Progress										1,357,215,979	1,227,510,677

- Notes : 10.1) Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II . Accordingly the unamortised carrying value is being depreciated/ amortised over the revised/ remaining useful lives. The written down value of fixed Assets whose lives have expired as at 1st April 2014 of ₹17,752,260/- (Gross figure) have been adjusted net of tax of ₹ 11,609,229/- , in the opening balance of the Profit and Loss Account.
- 10.2) \*Amount added on Revaluation (as at 31.3.1985) ₹ 184,843,610 (Net of Deprecation) Refer Note No. 37
- 10.3) @ Represent write off on the basis of the period of the lease
- 10.4) Lease Hold Land  
i) Includes land taken on lease for the period of 999 year from 1951 renewal at the option for like period  
ii) Includes ₹26,638,617 (as revalued) leased in perpetuity against which there is no write of required
- 10.5) Capital Work in progress includes pre operative expenses of ₹ 239,561,541 (P.Y ₹159,743,132) refer note no 32.

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>NOTE "11"</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>A. TRADE</b>		
<b>UNQUOTED</b>		
<b>1. INVESTMENT IN EQUITY INSTRUMENTS</b>		
<b>i. SUBSIDIARY COMPANIES</b>		
(Equity Shares of face value of ₹10/- each fully paid-up unless otherwise stated)		
4,387,120 (P.Y.4,000,020) - Bellona Hospitality Services Limited (Formerly known as Bellona Finvest Limited)	<b>43,871,200</b>	40,000,200
19,245,020 (P. Y. 19,245,020) - Big Apple Real Estate Pvt. Ltd.	<b>1,125,715,797</b>	1,125,715,797
"10,000 (P. Y. 10,000) - Enhance Holdings Pvt. Ltd. (Formerly known as Kalani Holdings Pvt. Ltd.)"	<b>384,600</b>	384,600
100,000 (P. Y. 100,000) - Market City Management Pvt Ltd.	<b>1,000,000</b>	1,000,000
10,000 (P. Y. 10,000) - Market City Resources Pvt. Ltd.	<b>103,600</b>	103,600
1,91,05,862 (P.Y. 17,014,913) - Island Star Mall Developers Pvt. Ltd. @	<b>1,456,187,782</b>	1,105,435,378
"9,280 (P. Y. 9,280) - Mugwort Land Holdings Pvt. Ltd (Formerly known as Mugwort Developers (P) Ltd)"	<b>92,800</b>	92,800

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	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
15,836,664 (P.Y. 13,125,795) - Palladium Constructions Pvt Ltd.	<b>1,932,747,316</b>	1,421,343,213
1,200,000 (P.Y. 1,200,000) - Pallazzo Hotels & Leisure Ltd. ₹100 each	<b>120,000,000</b>	120,000,000
1,321,400 (P.Y. 1,321,400) Phoenix Hospitality Company Private Limited	<b>1,541,634,836</b>	1,541,634,836
10,000 (P.Y. 10,000) - Pinnacle Real Estate Development Pvt. Ltd.	<b>39,993,898</b>	39,993,898
10,000 (P.Y. 10,000) - Plutocrat Assets and Capital Management Private Limited	<b>35,000,000</b>	35,000,000
1,250 (P. Y. 1250) - Butala Farm Lands Pvt. Ltd. ₹ 100 each	<b>250,000,000</b>	250,000,000
17,767,851 (P.Y. 16,808,730) - Offbeat Developers Private Limited (subsidiary w.e.f. 14th October 2013) @ (Out of 9,543,650 Shares acquired during the year, 8,000,000 Shares have been pledged against loan taken from IFIN - IL & FS Financial Services Limited)	<b>2,064,560,026</b>	1,862,778,748
3,709,416 (P.Y. 3,709,416) - Classic Mall Development Company Pvt. Ltd. (subsidiary w.e.f. 10th July 2013)	<b>815,435,694</b>	815,435,694
13,638,139 (P.Y.12,638,139)- Vamona Developers Pvt. Ltd. @	<b>474,194,563</b>	334,030,763
	<b>9,900,922,111</b>	8,692,949,526
<b>ii. ASSOCIATES</b>		
(Equity Shares of face value of ₹ 10/- each fully paid-up)		
5,000 (P.Y. 5,000) - Classic Housing Projects Pvt. Ltd.	<b>50,000</b>	50,000
25,000 (P.Y. 25,000) - Escort Developers Pvt. Ltd.	<b>15,950,000</b>	15,950,000
25,000 (P.Y. 25,000) Savannah Phoenix Pvt Ltd	<b>250,000</b>	250,000
	<b>16,250,000</b>	16,250,000
<b>iii. OTHERS</b>		
(Equity Shares of face value of ₹ 10/- each fully paid-up)		
5,000 (P.Y. 5,000) - Bartraya Mall Development Co. Pvt. Ltd #	<b>50,000</b>	50,000
20,593,192 (P. Y. 20,593,192) - EWDPL (India) Pvt. Ltd. #	<b>450,124,554</b>	450,124,554
10 (P.Y. 10) - Treasure World Developers (India) Pvt. Ltd.	<b>8,500</b>	8,500
	<b>450,183,054</b>	450,183,054
<b>2. INVESTMENT IN DEBENTURES</b>		
<b>i. SUBSIDIARY</b>		
(Compulsorily Convertible Debentures of ₹ 100/- each fully paid-up )		
847,365 (P.Y. 847,365) Pallazzo Hotels & Leisure Ltd - Series C	<b>627,779,110</b>	627,779,110
303,180 (P.Y Nil) 0.0001% Phoenix Hospitality Co. Pvt. Ltd. - CCD	<b>30,318,000</b>	-
449,664 (P.Y. Nil) Pallazzo Hotels & Leisure Ltd - Series G (Non Convertible Debenture of ₹230,000,000/- each fully paid-up)	<b>634,925,886</b>	-
1 (P.Y. 1) Pallazzo Hotels & Leisure Ltd - Series F	<b>230,000,000</b>	230,000,000
<b>ii. ASSOCIATE</b>		
(Compulsorily Convertible Debentures of ₹100/- each fully paid-up )		

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	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
34,000 (P.Y Nil) 0.0001% - Escort Developers Pvt Limited	3,400,000	-
224,000 (P.Y Nil) 0.0001% - Savannah Phoenix (P) Limited	22,400,000	-
1,383,999 (P.Y Nil) 0.0001% - Star Board Hotels (P) Limited ## (Optionally Convertible Debentures of ₹100/- each fully paid-up )	138,399,900	-
420,000 (P.Y.420,000) 0.0001% - Classic Housing Projects Pvt. Ltd.	42,000,000	42,000,000
<b>iii. OTHER</b>		
(Compulsorily Convertible Debentures of ₹100/- each fully paid-up )		
66,500 (P.Y Nil) 0.0001% - Phoenix Retail Pvt. Limited	6,650,000	-
38,545 (P.Y Nil) 0.0001% - Vigilant Developers Pvt. Limited (Compulsory Convertible Debentures of ₹10/- each fully paid-up )	3,854,540	-
100,000,000 (P.Y.100,000,000 ) - Treasure World Developers Pvt. Ltd.	1,000,000,000	1,000,000,000
	<b>2,739,727,436</b>	1,899,779,110
<b>3. INVESTMENT IN THE CAPITAL OF PARTNERSHIP FIRM</b>		
Phoenix Construction Company	19,424,433	19,936,930
<b>B. OTHERS</b>		
<b>QUOTED</b>		
(Equity Shares of face value of ₹10/- each fully paid-up, unless otherwise stated)		
36,325 (P. Y. 7,265) - I.C.I.C.I. Bank Limited - face value of ₹ 2 each (P.Y. ₹ 10 each ) ** / ***	260,250	260,250
20 (P. Y. 20) - Clariant Chemicals (India) Ltd.	200	200
200,641 (P. Y. 200,641) - Graphite India Limited - face value of Rs. 2 each	27,034,630	27,034,630
60,192 (P. Y. 60,192) - GKW Limited	3,648,128	3,648,128
	<b>30,943,208</b>	30,943,208
<b>UNQUOTED</b>		
10 (P. Y. 10) ordinary shares of ₹50/-each -fully paid of Sukhsagar Premises Co-op. Society Ltd.	500	500
80 (P. Y. 80) ordinary shares of ₹25/- each -fully paid of Rashtriya Mazdoor Madhyavarti Sahakari Grahak Sangh (Maryadit)	2,000	2,000
	<b>2,500</b>	2,500
	<b>13,157,452,742</b>	11,110,044,328
Less: Provision for diminution in the value of investments ( Refer Note No 35)	842,500,000	-
	<b>12,314,952,742</b>	11,110,044,328
1. Aggregate value of Quoted Investments:		
Book Value	30,943,208	30,943,208
Market Value	58,877,080	51,045,003
2. Aggregate book value of other Unquoted Investments:	12,284,009,534	11,079,101,120

Notes :

@ 7,265,080 shares of Offbeat Developers Private Limited, 11,375,589 shares of Island Star Mall Developers Private

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Limited and 12,538,319 shares of Vamona Developers 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.

\*\*\* During the year 7,265 shares of ₹10 each have been split into 36,325 shares of ₹2 each

\*\* Out of 36,325 shares, 9,975 shares are held by a Bank in their name as security

# Until previous year, these investments were categorised as Associates

## Investments are non transferable & non markeatable

	As at 31st March, 2015		As at 31st March, 2014	
	Current	Non Current	Current	Non Current
<b>NOTE "12"</b>				
<b>LOANS AND ADVANCES</b>				
<b>Unsecured and considered good</b>				
<b>Deposits</b>				
Deposits with Related Parties #	15,000,000	689,275,000	15,000,000	689,275,000
Other Deposits	-	40,299,003	-	38,863,777
<b>Capital Advances</b>				
Advance for Capital Items to Related Parties #	-	912,474,313	-	2,318,656,033
Others	-	87,335,307	-	867,458,146
<b>Inter Corporate Loans and Deposits</b>				
With Related Parties#	2,403,513,347	4,14,86,31,002	2,181,963,569	1,477,678,471
With Others	185,318,393	3,00,00,000	215,880,959	-
<b>Share/Debenture Application Money pending allotment</b>				
Related Parties#	-	-	-	1,053,099,594
Others	-	-	-	3,854,540
<b>Advance Tax (Net of Provision)</b>				
	-	46,940,761	-	-
<b>Balance with Central Excise Authorities</b>				
	12,691,300	-	37,737,528	-
<b>Other Loans &amp; Advances</b>				
Considered Good	80,125,530	49,745,082	33,526,786	49,711,784
Considered Doubtful	5,725,000	-	-	-
	85,850,530	49,745,082	33,526,786	49,711,784
Less: Provision for Doubtful Receivables	5,725,000	-	-	-
	80,125,530	49,745,082	33,526,786	49,711,784
<b>Total</b>	<b>2,696,648,570</b>	<b>6,004,700,468</b>	<b>2,484,108,842</b>	<b>6,498,597,345</b>

# Refer note no. 24

Loans & Advances include ₹560,475,000/-(Previous year: ₹305,925,000/-) to private limited companies in which any director is a director/member.

	As at 31st March, 2015		As at 31st March, 2014	
	Current	Non Current	Current	Non Current
<b>NOTE "13"</b>				
<b>OTHER ASSETS</b>				
Interest Accrued on Fixed Deposits	2,922,457	-	5,201,536	-
Interest Accrued on Investments	143,251,111	-	143,251,307	-
Interest Accrued on application money	-	-	38,845,603	-
Unbilled Revenue	9,195,883	-	87,505,100	-
Non current portion of Cash & Cash equivalents	-	318,854,417	-	4,254,417
<b>Total</b>	<b>155,369,451</b>	<b>318,854,417</b>	<b>274,803,545</b>	<b>4,254,417</b>

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	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>NOTE "14"</b>		
<b>TRADE RECEIVABLES</b>		
UNSECURED (considered good unless otherwise stated)		
Receivables outstanding for a period exceeding six months from the date due		
Considered Good	30,739,550	102,890,299
Considered Doubtful	72,350,098	45,019,684
	<b>103,089,648</b>	147,909,983
Less: Provision for Doubtful Receivables	72,350,098	45,019,684
	<b>30,739,550</b>	102,890,299
Other Receivables	188,547,937	150,155,613
<b>Total</b>	<b>219,287,487</b>	253,045,911

Trade Receivables include ₹1,173,914/- (Previous Year ₹1,173,914/-) from private companies in which a director is a director / member

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>NOTE "15"</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash on hand	202,208	-
Balances with Banks:		
In Current Accounts	187,929,305	-
In Fixed Deposit (Earmarked) Accounts :		
Deposit with Original maturity of more than 3 months and less than 12 months *	-	112,500,000
Others **	318,854,417	4,254,417
In Earmarked Accounts :		
Dividend Accounts	16,187,803	14,798,056
Less : Non current portion transferred to Non current assets (Refer note no. 13)	- (318,854,417)	- (4,254,417)
<b>Total</b>	<b>204,319,316</b>	245,829,613

\* Fixed Deposits of ₹ Nil (P.Y. ₹ 112,500,000) earmarked towards maintenance of DSRA as per loan agreement.

\*\* Fixed Deposits of ₹ 31,46,00,000 (P.Y. ₹ Nil) earmarked towards maintenance of DSRA as per loan agreement and Fixed deposits of ₹ 14,84,448 (P.Y. ₹ 14,84,448) is given as security for bank guarantee and fixed deposits of ₹ 27,69,969 (PY Rs 27,69,969) is pledged as security against Bank guarantee.

	2014-15 ₹	2013-14 ₹
<b>NOTE "16"</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Services		
License Fees and Rental Income	2,327,610,207	2,073,372,955
Service Charges	388,099,406	318,387,825
Others	438,825,219	556,262,295
<b>Total</b>	<b>3,154,534,832</b>	2,948,023,075

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	2014-15	2013-14
	₹	₹
<b>NOTE "17"</b>		
<b>OTHER INCOME</b>		
Interest Income		
From Long Term Investments	42	128
From Others	937,938,585	686,281,678
Dividend Income		
From Equity Investments in Subsidiary	2,500,000	-
From Other Long Term Investments	2,699,981	944,745
	<b>5,199,981</b>	944,745
Profit on sale of Investments	2,434,149	86,453,817
Other Non-operating Income		
Profit on Sale of Fixed Assets	-	16,611,930
Miscellaneous Receipts	1,051,450	508,822
Profit on assignment of rights / transfer of property under development	17,827,434	2,573,854
Sundry Balances written back	2,917,289	6,593,415
<b>Total</b>	<b>967,368,929</b>	<b>799,968,389</b>

	2014-15	2013-14
	₹	₹
<b>NOTE "18"</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages & Bonus	78,571,352	73,937,639
Contribution to Provident Fund & Other Funds	1,780,013	1,355,980
Gratuity and Leave encashment	6,909,819	471,282
Staff Welfare Expenses	2,408,260	1,964,590
<b>Total</b>	<b>89,669,444</b>	<b>77,729,491</b>

	2014-15	2013-14
	₹	₹
<b>NOTE "19"</b>		
<b>FINANCE COSTS</b>		
Interest Expense		
Interest to Banks on Fixed Loans	615,620,070	426,306,275
Other Borrowing Costs	91,035,296	17,780,900
<b>Total</b>	<b>706,655,366</b>	<b>444,087,175</b>

	2014-15	2013-14
	₹	₹
<b>NOTE "20"</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and Amortisation	311,490,709	260,851,396
Less : Transferred from revaluation reserve (Refer Note No 37)	997,921	989,845
Less : Prior Period Adjustments	-	5,477,877
<b>Total</b>	<b>310,492,788</b>	<b>254,383,674</b>

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	2014-15	2013-14
	₹	₹
<b>NOTE "21"</b>		
<b>OTHER EXPENSES</b>		
Electricity	373,881,750	333,452,532
Repairs and Maintenance:-		
Buildings	43,335,140	28,683,975
Plant & Machinery	33,887,784	27,325,091
Others	11,980,270	7,838,567
	<b>89,203,194</b>	63,847,633
Insurance	6,538,326	5,776,425
Rent	5,277,559	5,481,752
Rates & Taxes	80,798,865	144,549,136
Water Charges	37,603,075	28,625,652
Legal and Professional charges	82,561,570	57,491,076
Travelling Expenses	13,401,802	13,749,432
Auditors' Remuneration (Refer Note No. 28)	5,072,412	4,830,000
Directors' sitting fees & Commission	1,480,165	1,610,339
Compensation	13,884,621	71,020,645
Donation	7,732,500	3,014,371
Loss on Sale of Fixed Assets	585,526	-
Prior Period Expenses	4,635,426	2,704,157
Advertisement & Sales Promotion	122,022,567	63,849,178
Bad debts & Sundry balances written off	3,375,357	66,228,161
Provision for Doubtful Debts	27,330,414	30,705,771
Provision for Doubtful Advances	5,725,000	(57,676,986)
Rebates and settlement	18,310,036	8,551,176
Bank charges	154,360	10,532,898
Housekeeping and other services	69,457,672	85,796
Security Charges	35,336,891	64,648,982
Share of Loss from a Partnership Firm	512,497	33,808,669
Other Miscellaneous Expenses	28,982,480	1,242,368
<b>Total</b>	<b>1,033,864,064</b>	<b>939,532,149</b>

## NOTE "21.1"

Out of ₹ 35,012,702/- to be expended towards CSR activities as per Sec 135 of the Companies Act , 2013, company has incurred an expenditure of ₹ 60,00,000/- in the year.

## NOTE "22" Disclosure as per Accounting Standard 15 (Revised) "Employee Benefits".

- (a) Defined Contribution Plan, recognised as expenses for the year are as under :
- Employer's Contribution to Provident and Pension Fund ₹1,571,302 (P.Y.1,131,596).
  - Employer's Contribution to ESIC ₹ 71,430 (P.Y.121,052)

The Company makes contributions towards provident fund and pension fund for qualifying employees to the Regional Provident Fund Commissioner.

- (b) Defined Benefit Plan:

The company provides gratuity benefit to it's employees which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.



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(i) Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	(Amount in ₹)			
	2014-15		2013-14	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of the obligation at the beginning of the year	9,829,070	2,570,766	10,606,682	30,98,979
Current Service Cost	1,258,255	3,225,971	1,079,073	(54,569)
Interest Cost	884,616	231,369	848,535	(247,918)
Actuarial (Gain) / Loss on Obligation	1,509,554	150,601	( 618,304)	(276,647)
Benefits Paid	(2,954,104)	(667,600)	( 2,086,916)	(444,915)
Present value of the obligation at the end of the year	10,527,391	5,511,107	9,829,070	2,570,766

(ii) Reconciliation of Fair Value of Assets and Obligations

Particulars	(Amount in ₹)			
	2014-15		2013-14	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of the obligation at the end of the year	10,527,391	5,511,107	9,829,070	2,570,766
Fair Value of Plan Assets at the end of the year	(6,440,341)	NIL	(8,668,500)	NIL
Net Obligation at the end of the year	4,087,050	5,511,107	1,160,570	

(iii) Expense recognised during the year

Particulars	(Amount in ₹)			
	2014-15		2013-14	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	1,258,255	3,225,971	1,079,073	(54,569)
Interest cost on Obligation	884,616	231,369	848,535	247,918
Expected return on Plan Assets	(663,277)	NIL	(754,724)	NIL
Net Actuarial (Gain) / Loss recognised in the year	1,509,554	150,601	(618,304)	(276,647)
Net Cost Included in Personnel Expenses	2,989,148	3,607,941	554,580	(83,298)

(iv) Actual Return on Plan Assets for the year

Particulars	Gratuity (Funded)	Gratuity (funded)
	2014-15	2013-14
Expected return on Plan Assets	663,277	754,724
Actuarial (gain)/loss on Plan Asset	-	
Actual return on plan assets	663,277	754,724

# Notes

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(v) Actuarial Assumptions

	2014-15		2013-14	
	Gratuity	Leave	Gratuity	Leave
i) Discount Rate	7.75% P.A.	7.75% P.A.	8.5% P.A.	8.5% P.A.
ii) Salary Escalation Rate	10% P.A.	10% P.A.	10% P.A.	10% P.A.
iii) Mortality	Indian Assures Lives(2006-08) Ult. Mortality Rates	Indian Assures Lives(2006-08) Ult. Mortality Rates	L.I.C 1994-96 ULTIMATE	L.I.C 1994-96 ULTIMATE

(vi) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

Particulars	Gratuity (funded)	Gratuity (funded)
	2014-15	2013-14
Plan Assets at the beginning of the year	8,668,500	9,077,312
Expected Return on plan assets	663,277	754,724
Contribution (made by the employer)	62,668	923,380
Benefits paid during the year	(2,954,104)	(2,086,916)
Actuarial (gain)/loss on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	6,440,341	8,668,500

(vii) Amount Recognised in current year and previous four years:

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Defined Benefit Obligation	10,527,391	9,829,070	10,606,682	9,723,204	8,642,100
Fair Value of plan asset	6,440,341	8,668,500	9,077,312	8,181,591	7,274,711
(surplus)/Deficit in the Plan	(4,087,050)	(1,160,570)	(1,529,370)	(1,541,613)	(1,367,389)
Actuarial (gain)/loss on plan obligation	1,509,554	(618,304)	(297,733)	(160,386)	971,186
Actuarial(gain)/loss on plan assets	-	-	-	-	-

The company has funded its Gratuity obligation under Group Gratuity Policy managed by the Life Insurance Corporation (LIC) Of India.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

23. The Company is mainly engaged in the development and operation of Malls and other real estate properties. All activities of the company revolve around this main business. As such, there are no separate reportable segments as per Accounting Standard 17 'Segment Reporting'.
24. In view of the Accounting Standard : AS 18 on Related Parties Disclosures, the disclosure in respect of related party transactions for the year ended on 31st March 2015 is as under:

**a) RELATIONSHIPS**

**Category I : Subsidiaries of the Company**

- Alliance Spaces Private Limited
- Blackwood Developers Private Limited
- Bellona Hospitality Services Limited
- Big Apple Real Estate Private Limited
- Butala Farm Lands Private Limited
- Classic Mall Development Company Private Limited

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Gangetic Developers Private Limited  
Graceworks Realty & Leisure Private Limited  
Island Star Mall Developers Private Limited  
Enhance Holdings Private Limited  
Market City Management Private Limited  
Marketcity Resources Private Limited  
Mugwort Land Holdings Private Limited  
Offbeat Developers Private Limited  
Palladium Constructions Private Limited  
Pallazzo Hotels & Leisure Limited  
Pinnacle Real Estate Development Private Limited  
Plutocrat Assets and Capital Management Private Limited  
Phoenix Hospitality Company Private Limited  
Sangam Infrabuild corporation Private Limited  
Upal Developers Private Limited  
Vamona Developers Private Limited

## **Category II : Associates of the Company**

Classic Housing Projects Private Limited  
Escort Developers Private Limited  
Galaxy Entertainment Corporation Limited  
Galaxy Entertainment (India) Private Limited  
Gangetic Hotels Private Limited  
Mirabel Entertainment Private Limited  
Phoenix Construction Company  
Savannah Phoenix Private Limited  
Starboard Hotels Private Limited

## **Category III : Key Managerial Personnel**

<b>Key Person</b>	<b>Designation</b>
Ashokkumar R Ruia	Chairman & Managing Director
Atul Ruia	Jt. Managing Director
Kiran B Gandhi	Whole-time Director
Shishir Shrivastava	Jt. Managing Director

## **Category IV : Enterprises over which Key Managerial Personnel are able to exercise significant control**

Ashok Apparels Private Limited  
R.R.Hosiery Private Limited  
R.R. Hosiery  
Padmshil Hospitality & Lesiure Private Limited  
Phoenix Retail Private Limited  
Vigilant Developers Private Limited  
Winston Hotel Private Limited

## **Category V : Relatives of Key Managerial Personnel**

Gayatri A Ruia  
B.R.International

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b.

(Amount in ₹)

Sr No.	TRANSACTIONS	Category I	Category II	Category III	Category IV	Category V	Total
1	Rent, Compensation & Other recoveries	3,35,11,192	-	-	-	18,09,953	3,53,21,145
		(2,59,06,489)	-	-	-	(18,13,440)	(2,77,19,929)
2	Interest Received	87,94,62,410	1,09,31,701	-	-	-	89,03,94,111
		(55,09,65,617)	(9,88,24,574)	-	-	-	(64,97,90,191)
3	Administrative & other exp.	3,87,77,279	-	-	59,72,710	-	4,47,49,989
		(3,01,01,893)	-	-	(55,64,378)	-	(3,56,66,271)
4	Interest Paid	-	-	-	-	-	-
		-	-	-	0	(89,72,730)	(89,72,730)
5	Remuneration/Salaries/Other Expense	-	-	1,47,92,168	-	-	1,47,92,168
		-	-	(1,57,69,615)	-	-	(1,57,69,615)
6	Loss from Firm	-	-	-	5,12,497	-	5,12,497
		-	-	-	(12,42,368)	-	(12,42,368)
7	ICD returned by parties	59,53,26,770	-	-	-	-	59,53,26,770
		(1,04,05,25,000)	(1,25,00,000)	-	-	-	(1,05,30,25,000)
8	ICD Given	2,35,91,54,708	39,07,00,000	-	-	-	2,74,98,54,708
		(1,82,01,88,326)	(1,25,00,000)	-	-	-	(1,83,26,88,326)
9	Capital Advances Given	-	-	-	-	-	-
		(52,15,68,976)	(7,00,00,000)	-	-	-	(59,15,68,976)
10	Advances Returned by the Parties	1,40,61,81,719	-	-	-	-	1,40,61,81,719
		(40,91,90,133)	-	-	-	-	(40,91,90,133)
11	Deposit Given	18,50,00,000	-	-	-	-	18,50,00,000
		-	-	-	-	-	-
12	Deposit Returned by the Parties	18,50,00,000	-	-	-	-	18,50,00,000
		(60,38,517)	-	-	-	-	(60,38,517)
13	Investment in Shares / application money pending allotment	38,71,000	-	-	-	-	38,71,000
		(84,03,18,000)	(6,00,000)	-	(1,80,31,694)	-	(85,89,49,694)
14	Application money Refund Received/ Converted	84,03,18,000	18,80,99,900	-	2,46,81,694	-	1,05,30,99,594
		(3,27,24,885)	-	-	-	-	(3,27,24,885)
15	Redemption of OCD/CCD	-	-	-	-	-	-
		-	(12,48,00,000)	-	-	-	(12,48,00,000)
16	Investment in OCD/CCD	75,73,18,000	16,41,99,900	-	1,05,04,540	-	93,20,22,440
		-	-	-	-	-	-
17	Buy back of Equity Shares	-	-	-	-	-	-
		(54,67,75,625)	-	-	-	-	(54,67,75,625)
18	Conversion of Debentures to Equity Shares	-	-	-	-	-	-
		(1,16,13,00,000)	-	-	-	-	(1,16,13,00,000)

c) The following balances were due from / to the related parties as on 31-03-2015

Sr No.	TRANSACTIONS	Category I	Category II	Category III	Category IV	Category V	Total
1	Investment in Equity Shares / Pref shares	9,90,09,22,110	1,62,50,000	-	-	-	9,91,71,72,110
		(8,69,29,49,526)	(46,64,24,554)	-	-	-	(9,15,93,74,080)
2	Investment in OCD	1,52,30,22,996	20,61,99,900	-	1,05,04,540	-	1,73,97,27,436
		(85,77,79,110)	(4,20,00,000)	-	-	-	(89,97,79,110)
3	Investment in Capital of Partnership Firm	-	-	-	1,94,24,433	-	1,94,24,433

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Sr. No.	TRANSACTIONS	Category I	Category II	Category IV	Category III	Category V	Total
		-	-	-	(1,99,36,930)	-	(1,99,36,930)
4	Capital Advances	91,24,74,313	-	-	-	-	91,24,74,313
		(2,31,86,56,032)	-	-	-	-	(2,31,86,56,032)
5	Inter Corporate Deposits	6,21,16,23,179	37,05,21,170	-	-	-	6,58,21,44,349
		(3,65,90,21,142)	(6,20,898)	-	-	-	(3,65,96,42,040)
6	Advances Received	1,50,000	-	-	1,50,000	-	3,00,000
		(1,50,000)	-	-	(1,50,000)	-	(3,00,000)
7	Trade Receivables	48,06,892	-	-	11,73,914	4,84,277	64,65,083
		(1,77,15,766)	-	-	(11,73,914)	(4,67,610)	(1,93,57,290)
8	Trade Payables	-	1,31,957	-	2,19,24,300	-	2,20,56,257
		(2,43,564)	(1,31,957)	-	(2,19,24,300)	-	(2,22,99,821)
9	Deposits Given	22,50,00,000	-	-	47,92,75,000	-	70,42,75,000
		(22,50,00,000)	-	-	(47,92,75,000)	-	(70,42,75,000)
10	Application money pending allotment	-	-	-	-	-	-
		(84,37,18,000)	(18,46,99,900)	-	(2,46,81,694)	-	(1,05,30,99,594)
11	Interest applicable on deb application money	-	-	-	-	-	-
		(3,88,45,603)	-	-	-	-	(3,88,45,603)

Disclosure in Respect of Material Related Party Transactions during the year:

- Rent & other recoveries include received from Market City Resources (P) Ltd. Rs.16,078,608 (P.Y. ₹ 16,078,608) and Pallazzio Hotels & Leisure Limited ₹ 17,432,584 (P.Y. 9,827,881).
- Interest received include received from Island Star Mall Developers (P) limited Rs. Nil (PY 17,108,881), Offbeat Developers (P) Limited ₹ 221,805,450 (P.Y. ₹ 188,264,822), Vamona Developers (P) Limited ₹ 106,403,871 (P.Y. ₹ 122,400,191), Pallazzio Hotels & Leisure Limited ₹ 385,902,830 (P.Y. ₹ 190,581,697) and Graceworks realty & Leisure Pvt Ltd ₹ 98,865,206 (PY. ₹ 79,339,422)
- Administrative & other expenses include paid to Market City Resources Private Limited ₹33,050,000 (₹20,456,998), R.R Hosiery (P) Ltd. ₹5,972,710 (P.Y. ₹1,953,600), Pallazzio Hotels & Leisure Limited ₹4,462,279 (P.Y. ₹4,374,274) and Offbeat Developers Pvt Ltd ₹ 12,65,000 (PY. ₹5,270,621)
- Interest Paid to B.R. International ₹ Nil (P.Y. ₹ 8,972,730).
- Remuneration paid to Ashok Ruia ₹ 6,000,000 (P.Y. ₹ 6,000,000), Atul Ruia ₹6,000,000 (P.Y. ₹ 6,000,000) and Kiran Gandhi ₹ 2,792,168 (P.Y. ₹ 3,769,615)
- Loss from firm in Phoenix Construction Company ₹ 512,497 (P.Y. ₹ 1,242,368).
- Inter Corporate Deposit returned by the parties includes Deposits returned by Vamona Developers (P) Limited ₹20,000,000 (P.Y. ₹ 438,000,000), Graceworks realty & Leisure Pvt Ltd ₹150,000,000 (PY. ₹ 232,500,000), Big Apple Real Estate (P) Ltd. ₹ 250,000,000 (P.Y. ₹ Nil), Classic Mall Development Company Pvt. Ltd. Rs. Nil (PY. ₹ 230,000,000) and Offbeat Developers (P) Ltd. ₹ 105,265,259 (P.Y. ₹ Nil).
- Inter Corporate Deposits Given includes Deposits given to Vamona Developers (P) Limited ₹Nil (P.Y. ₹ 389,857,980), Pallazzio Hotels & Leisure Limited ₹ 878,429,036 (P.Y. ₹ 426,038,306), Graceworks realty & Leisure Pvt Ltd ₹ 67,000,000 (PY. ₹ 607,000,000), Big Apple Real Estate (P) Ltd ₹ 136,500,000 (P.Y. ₹ 270,700,000), Gangetic Hotels (P) Ltd. ₹ 261,200,000 (P.Y. ₹ Nil) and Offbeat Developers (P) Ltd ₹ 1,241,642,108 (P.Y. ₹ Nil).
- Capital Advances given towards capital goods to Offbeat Developers (P) Limited ₹ Nil (P.Y. ₹ 591,568,976).
- Capital advances returned by Island Star Mall Developers (P) Ltd. ₹ Nil (P.Y. ₹ 409,190,133) and Offbeat Developers (P) Limited ₹ 1,406,181,719 (P.Y. ₹ Nil).
- Deposit given to Island Star Mall Developers (P) Ltd. ₹ 185,000,000 (P.Y. ₹ Nil).
- Deposits returned by Island Star Mall Developers (P) Ltd. ₹185,000,000 (P.Y. ₹ Nil) and Classic Mall Development Company Pvt. Ltd. ₹ Nil (P.Y. ₹ 6,038,517).
- Investment in Shares/Application Money pending allotment Pallazzio Hotels & Leisure Limited ₹ Nil (P.Y. ₹ 810,000,000) and Bellona Hospitality Services Ltd ₹ 3,871,000 (P.Y. ₹ Nil).
- Share /Debenture application money refund received/converted includes Refund received from Starboard Hotels (P) Ltd. ₹ 138,399,900 (P.Y. ₹ Nil), Pinnacle Real Estate Development Private Limited ₹ Nil (PY. ₹ 27,524,885),

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Escort Developers Private limited ₹ 3,400,000 (PY ₹ 5,200,000) and Pallazzio Hotels & Leisure Ltd. ₹ 810,000,000 (P.Y. ₹ Nil).

- xv. OCD redeemed of Classic Housing Projects (P) Limited ₹ Nil (P.Y. ₹ 124,800,000).
- xvi. Investment in CCD of Pallazzio Hotels & Leisure Limited of ₹ 727,000,000 (P.Y. ₹ Nil) and Starboard Hotels (P) Limited ₹ 138,399,900 (P.Y. ₹ Nil).
- xvii. Buy Back of the Equity shares includes share purchased from Palladium Constructions (P) Limited ₹ Nil (P.Y. ₹ 546,775,625)
- xviii. Conversion of debentures to Equity includes Palladium Constructions Private Limited ₹ Nil (PY ₹ 1,161,300,000).

## 25. EARNING PER SHARE (EPS)

Basic as well as Diluted EPS	2014-15	2013-14
	₹	₹
Net Profit after Tax	618,521,350	1,525,552,990
Weighted Average No. of Equity Shares for Basic EPS	144,881,603	144,845,445
Dilution due to ESOPs Granted	163,912	-
Weighted Average No. of Equity Shares for Diluted EPS	145,045,515	-
Nominal Value of Equity Shares	2	2
Basic Earning Per Share	4.27	10.53
Diluted Earning Per Share	4.26	N.A.

## 26. DEFERRED TAX

In accordance with the 'Accounting Standard -AS 22 Accounting for Taxes on Income' as notified by the Companies (Accounting Standards) Rules 2006, the company has created deferred tax Assets of Rs. for the current year. The break-up of the net deferred tax asset as on 31st March, 2015 is as under:

	As at 31st March 2015	As at 31st March 2014
	₹	₹
Deferred tax Liability		
Related to fixed assets	8,899,644	12,318,261
Deferred tax Assets		
Disallowance under income tax act	30,341,960	15,817,268
<b>Total</b>	<b>21,442,316</b>	<b>3,499,007</b>

## 27. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:-

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts is ₹ 1,113,142,797 (P.Y. ₹ 1,083,128,320) net of advance paid.
- b. The Income tax assessments of the Company have been completed up to Assessment Year 2012-13. The disputed tax demand outstanding upto the said Assessment Year is ₹ 236,729,427. The Company as well as the Income Tax Department are in appeal before the Appellate Authorities against the assessments of earlier financial years. The impact thereof, if any, on the tax position can be ascertained only after the disposal of the above appeals. Accordingly, the accounting entries arising there from will be passed in the year of the disposal of the said appeals.
- c. The Service Tax Department had issued a Demand Notice of ₹ 2,03,07,932 (P.Y. ₹ 2,03,07,932) to the company, against which the company has filed an appeal with the Service Tax Tribunal.
- d. Demand notices received on account of arrears of Provident Fund dues aggregating to ₹ 2,471,962 (P.Y. ₹ 2,471,962) are disputed by the Company. The Company has paid ₹ 1,000,000 and has also furnished a Bank Guarantee for ₹ 1,471,165 against the said P.F. demands to the P.F. authorities.
- e. Other Claims against the company not acknowledge of ₹ 8,395,942/- (P.Y. 8,395,942/-)
- f. Outstanding guarantees given by Banks ₹ 2,769,969 (P.Y. ₹ 2,769,969).
- g. The above litigations are not expected to have any material adverse effect on the financial position of the company.

# Notes

on financial statements for the year ended 31st March, 2015

## 28. The Auditors' Remuneration includes:

Particulars	2014-15	2013-14
	₹	₹
Audit fees	4,422,000	4,200,000
Tax Audit fees	650,000	630,000
<b>Total</b>	<b>5,072,000</b>	<b>48,30,000</b>

## 29. Expenditure in foreign currency

	2014-15	2013-14
	₹	₹
Foreign Travelling Expenses	384,801	4,391,546
Consultancy Fees	330,850	49,219
Other Misc. Expenses	6,224,541	2,994,933

## 30. Earnings in foreign exchange :

	2014-15	2012-13
	₹	₹
Dividend	1,872,547	136,551
Sales Consideration of Equity shares (Investments)	-	1,449,146

## 31. Amount remitted in foreign currency on account of dividend:

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of the non-resident shareholders. The particulars of dividends declared and paid to non-resident shareholders, are as under:

Dividends for the year	2013-14	2012-13
	₹	₹
Number of non- resident share holders	151	156
Number of Equity Shares held by them	35,608,726	34,403,381
Face Value of Equity Share	₹ 2/-	₹ 2/-
Gross Amount of Dividend	78,339,197	75,687,438

## 32. PROJECT DEVELOPMENT EXPENDITURE

(In respect of Projects upto 31st March 2015, included under Capital Work-in-Progress)

Preoperative Income / Expenses transferred to capital work-in-progress:-

Particulars	2014-15	2013-14
	₹	₹
Opening Balance	159,743,132	55,541,932
Expenditure		
Interest & Finance Charges	74,550,411	83,134,595
Rates & Taxes	5,267,998	21,066,605
Closing Balance	239,561,541	159,743,132

## 33. Loans and Advances in the nature of Loans given to Subsidiaries and Associates:

Particulars	Relationship	2014-15	Maximum balance during the year	2013-14	Maximum balance during the Previous year
Pinnacle Real Estate Development Private					
1 Limited	Subsidiary	53,108,222	53,108,222	53,108,222	53,108,222
Vamona Developers Private					
2 Limited	Subsidiary	644,956,153	644,956,153	569,192,669	869,032,497

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	<b>Particulars</b>	<b>Relationship</b>	<b>2014-15</b>	<b>Maximum balance during the year</b>	<b>2013-14</b>	<b>Maximum balance during the Previous year</b>
3	Enhance Holdings Private Limited	Subsidiary	129,322,100	129,322,100	129,322,100	129,322,100
4	Butala Farm Lands Private Limited	Subsidiary	200,000	200,000	200,000	200,000
5	Marketcity Resources Private Limited	Subsidiary	65,000,000	65,618,608	63,500,000	143,500,000
6	Bellona Hospitality Services Limited	Subsidiary	514,624,152	514,624,152	493,690,588	498,302,115
7	Phoenix Hospitality Co. Private Limited	Subsidiary	8,709,001	9,628,602	8,709,001	54,448,132
8	Pallazzio Hotels & Leisure Limited	Subsidiary	2,703,308,078	2,703,308,078	1,477,678,471	1,477,678,471
9	Graceworks Realty & Leisure Private Limited	Subsidiary	533,487,546	571,587,423	527,508,861	676,103,381
10	Upal Developers Private Limited	Subsidiary	Nil	49,213,174	49,213,174	49,213,174
11	Offbeat Developers Private Limited	Subsidiary	1,336,001,754	2,269,876,894	1,406,181,719	1,406,181,719
12	Island Star Mall Developers Private Limited	Subsidiary	Nil	Nil	Nil	426,299,014
13	Classic Mall Development Company Private Limited	Subsidiary	Nil	Nil	Nil	269,944,443
14	Big Apple Real Estate Private Limited	Subsidiary	222,906,173	365,223,056	286,898,056	286,898,056
15	Starboard Hotels Private Limited	Associate	109,321,170	109,321,170	620,898	6,000,000
16	Gangetic Hotels Private Limited	Associate	261,200,000	261,200,000	-	-

Notes :

- (i) Loans and Advances given to Pallazzio Hotels & Leisure Limited, Offbeat Developers Private Limited and Starboard Hotels Private Limited are long term. Other loans shown above are repayable on demand and do not have any repayment schedule.
- (ii) Loans to the subsidiaries 1-3 are interest free.
- (iii) Butala Farm Lands Private Limited is having investment in equity shares of subsidiary company - Vamona Developers Private Limited.
- (iv) Phoenix Hospitality Co. Private Limited is having investment in equity shares of Subsidiary - Graceworks Realty & Leisure Private Limited, Alliance Spaces Private Limited, Palladium Constructions Private Limited & Associates – Starboard Hotels Private Limited, Gangetic Hotels Private Limited.
- (v) Escort Developers Private Limited is having investments in Equity shares of Subsidiary - Classic Mall Development Company Private Limited.

- 34.** The Company has created a charge, by way of mortgage, on 17,853 square meters of its land for the loan taken by its wholly owned subsidiary, Pallazzio Hotels & Leisure Limited (PHLL) from the banks. The Company has developed a mixed use retail structure on the said land. The Company has transferred the rights of development of 2/3rd portion of 17,853 square meters of the said land to PHLL for the construction of a hotel, vide a Land Development Agreement dated 30th March 2007. The conveyance of the said portion of Land, in favour of PHLL, is pending.



# Notes

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- 35.** The Investments of ₹ 57,92,70,269/- (including through wholly owned subsidiary) in the equity shares of Entertainment World Developers Limited (EWDL) and ₹ 100,00,00,000 in FCDs of Treasure world Developers Pvt. Ltd. (TWDPL), subsidiary of EWDL, which were considered as strategic and long term in nature, have been hitherto carried at cost in the Financial Statements. Interest income aggregating to ₹ 14,32,51,068 (net of TDS) was accrued on the said debentures upto 31<sup>st</sup> March 2012 and is outstanding as on 31<sup>st</sup> March, 2015. The company had exercised the put option available as per the Share & Debenture Subscription Deed for the said FCDs and EWDL has paid a part amount of ₹ 19,18,80,000 in November 2013 towards the same. Pending receipt of the balance consideration and the settlement of the matter, the amount received has not been adjusted against the investments/accrued Interest and has been shown under other current liability. The Company has been making all efforts towards settlement of the matter and for recovery of the balance dues against the above put option. There has been limited progress in the matter. The Company is exploring various options, including contractual remedies, for the recovery of its dues. However, the Company's Board has, out of abundant caution and as a prudent practice in line with the standard accounting practices, decided to provide ₹ 84,25,00,000 for the impairment of these investments, which is considered adequate at this stage. The Company will continue its efforts for the recovery of the dues against the put option exercised by it and would endeavor to ascertain the realizable values of these Investments. The adequacy of the impairment provision would be reviewed annually based on the future developments.
- 36.** Capital work in progress includes ₹ 933,834,120 (P.Y. ₹ 878,084,120) 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
- 37.** Based on the valuation reports of the Government approved valuers, the Company had revalued its assets consisting of land including leasehold land and land leased in perpetuity, Buildings and Plants and Machinery as on 31<sup>st</sup> March 1985. Depreciation on revalued land, building and plant and machinery has been calculated as per the rates specified by the valuers, which includes an additional charge amounting to ₹ 997,921 (P.Y. ₹ 9,89,845) in comparison to depreciation provided under the Companies Act, 1956, and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Statement of Profit and Loss.
- 38.** The balances in respect of Trade Receivables & Payables, loans and advances, as appearing in the books of accounts are subject to confirmations by the respective parties and adjustments/reconciliation arising therefrom, if any.
- 39.** Additional information as required under Section 186 (4) of the Companies Act, 2013 during the year:
- No investment is made in Body Corporate other than those mentioned in Note 11.
  - No Guarantee is given by the Company.
  - Loans given by the Company to Body Corporate or person are as under :

Name	Amount	Purpose
Anushikha Investments Pvt. Ltd.	28,133,466	General Corporate Purpose
Bartraya Mall Development Co. Pvt. Ltd	30,000,000	General Corporate Purpose
Bellona Hospitality Services Limited	514,624,152	General Corporate Purpose
Big Apple Real Estate Private Limited	222,906,173	General Corporate Purpose
Butala Farm Lands Private Limited	200,000	General Corporate Purpose
Enhance Holdings Private Limited	129,322,100	General Corporate Purpose
Gangetic Hotels Private Limited	261,200,000	General Corporate Purpose
Graceworks Realty & Leisure Private Limited	533,487,546	General Corporate Purpose
Kalani Industries Pvt Ltd	94,198,077	General Corporate Purpose
Marketcity Resources Private Limited	65,000,000	General Corporate Purpose
Offbeat Developers Private Limited	1,336,001,754	General Corporate Purpose
Pallazio Hotels & Leisure Limited	2,703,308,078	General Corporate Purpose
Phoenix Hospitality Co. Private Limited	8,709,001	General Corporate Purpose
Pinnacle Real Estate Development Private Limited	53,108,222	General Corporate Purpose
Starboard Hotels Private Limited	109,321,170	General Corporate Purpose
Swaran Financial Pvt Ltd	16,883,742	General Corporate Purpose
Treasure World Developers Pvt.Ltd.	5,725,000	General Corporate Purpose
Vamona Developers Private Limited	644,956,153	General Corporate Purpose
York Financial Services Pvt. Ltd.	10,378,106	General Corporate Purpose
	<b>6,767,462,740</b>	

# Notes

on financial statements for the year ended 31st March, 2015

40. 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 2013-14. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:-

Sr.No.	Name of the Partners	Profit Sharing ratio	Total Capital on	
			31/03/2014	31/03/2013
1.	The Phoenix Mills Ltd.	50%	<b>16,522,764</b>	17,035,260
2.	Gold Seal Holding Pvt. Ltd.	50%	<b>11,666,962</b>	12,179,458

The Company has accounted for its share of loss amounting to Rs. 512,497(1,242,368) pertaining to the financial year 2013-14 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.

41. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2015. The above information, regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the Auditors.
42. 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 A.M.Ghelani & Company**

Chartered Accountants  
FRN : 103173W

**For Chaturvedi & Shah**

Chartered Accountants  
FRN : 101720W

For and on behalf of the Board of Directors

**Chintan A. Ghelani**

Partner  
M. No.:104391

**Amit Chaturvedi**

Partner  
M. No.:103141

**Ashokkumar Ruia**

(Chairman & Managing Director)

**Shishir Shrivastava**

(Jt. Managing Director)

**Atul Ruia**

(Jt. Managing Director)

**Pradumna Kanodia**

(Director - Finance)

Place : Mumbai  
Date: 28<sup>th</sup> May, 2015

**Puja Tandon**

(Company Secretary)

# Independent Auditor's Report

To the Members of  
**The Phoenix Mills Limited**

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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 of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for 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 financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on the financial statements of the subsidiaries noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

## Matter of Emphasis

- (a) We refer to note no. 40 of the accompanying consolidated financial statements relating to the company's investment in equity shares of Entertainment World Developers Limited (EWDL) and the pending realization from EWDL against the put option exercised on Fully Convertible

Debentures (FCDs) of Treasure World Developers Private Limited (TWDPL). For the reason stated in aforesaid note, the provision of ₹912,500,000/- made for diminution of the above investments is considered adequate at this stage.

- (b) We refer to note no. 41 of the accompanying consolidated financial statements towards the provision made for doubtful debts of ₹ 368,823,715/- by the management in one subsidiary based on the ongoing negotiations with the licensees.
- (c) We refer to note no. 42 of the accompanying consolidated financial statements relating to trade receivables aggregating to ₹22,521,000/- in two subsidiaries, which, in the opinion of the management of the respective subsidiaries, are considered as fully recoverable.
- (d) We refer to note no. 48 of the accompanying consolidated financial statements related to the arbitration proceedings between the company and the erstwhile hotel operator. The accounting treatment for the settlement thereof including termination fees payable (if any) as per the Hotel Management Agreement (HMA) would be determined based on the final award of the arbitration tribunal. The management, based on its own assessment, is of the view that the arbitration award would be in its favour and hence does not expect any material outflow on the conclusion of the arbitration proceedings.

Our opinion is not qualified in respect of these matters.

#### Other Matters

- (a) Financial statements of fifteen subsidiaries, which reflect total assets of ₹47,115,039,845/- as at 31<sup>st</sup> March, 2015, total revenue of ₹11,423,456,976/- and net cash inflow of ₹26,330,285/- for the year then ended on that date and financial statements of three associates in which the total share of profit of the Group is ₹34,958,791/- have been audited by one of us.
- (b) We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets of ₹16,721,969,082/- as at 31<sup>st</sup> March, 2015, total revenues of ₹2,372,929,142/- and net cash inflows amounting to ₹48,544,551/- for the year then ended and the financial statements of one associate in which the share of profit of the Group is ₹1,891/- as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the accompanying consolidated financial statements and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- (c) We have relied upon unaudited financial statements of four Associates wherein the Group's total share of profit is ₹8,272,320/- for the year ended 31<sup>st</sup> March, 2015. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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 the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, Subsidiaries and Associate companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 accounts 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 accounts maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Group except in respect of the arbitration proceedings briefly described above in paragraph (d) of Matter of Emphasis and in detail in Note 48 of accompanying consolidated financial statements.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of the subsidiary companies incorporated in India, none of the director is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (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 financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as referred to in Note 33(ii) to (iv) to the consolidated 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 **A. M. Ghelani & Company**

Chartered Accountants  
Registration No : 103173W

**Chintan A. Ghelani**

Partner  
Membership No. 104391

Place: Mumbai  
Date: 28<sup>th</sup> May, 2015

For **Chatuvedi & Shah**

Chartered Accountants  
Registration No : 101720W

**Amit Chaturvedi**

Partner

Membership No. : 103141

# Annexure to Independent Auditors' Report

## Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

- i) In respect of the fixed assets of the Group and its associate companies incorporated in India:
- The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a phased periodical programme of verification which, in our opinion and the opinion of the other auditors, is reasonable. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- ii) In respect of inventories of the Group and its associate companies incorporated in India wherever applicable:
- As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
  - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Group and the nature of its business. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- iii) In respect of the loans secured or unsecured, granted by the Group to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013:
- The receipts of principal amounts and interest where applicable are regular/as per stipulations.
  - There are no overdue amounts as per stipulated terms.
- iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Group and its associates and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audits as well as the audit by the other auditors, there haven't been observations of any continuing failure to correct major weaknesses in the internal control systems in respect of the above areas.
- v) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Group and its associates has not accepted any deposit within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Group.
- vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Group and associate companies incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, wherever applicable. Neither we, nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) According to the records of the Company and the information and explanations given to us, in respect of statutory dues of the Group and associate companies incorporated in India:
- The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities. There were no material undisputed amounts payable by the respective entities in respect of such dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
  - The Details of statutory dues of the Group and its associates aggregating to ₹ 540,496,728/- which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

### The Phoenix Mills Limited (The Holding Company)

Sr. No.	Name of Statute	Nature of Dues	Amount in (₹)	Period to Which the amount relates	Forum where the dispute is pending
1	Income Tax Act 1961	Income Tax	193,911,510	2007-08 to 2012-13	CIT (Appeals)
2	Income Tax Act 1961	Income Tax	42,817,917	2004-05 to 2011-12	ITAT
3	Service Tax (Finance Act 1994)	Service tax	40,615,864	2006-07	CESTAT

### Pallazzio Hotels & Leisure Limited (Subsidiary Company)

1	Income Tax Act, 1961	Income Tax	207,333	A.Y. 2009-10	CIT (Appeals)
2	Income Tax Act, 1961	Income Tax	756,592	A.Y. 2010-11	
3	Income Tax Act, 1961	Income Tax	23,750	A.Y. 2011-12	
4	Mumbai Municipal Corporation Act, 1988	Property Tax	120,590,254	F.Y. 2012-13 to F.Y. 2014-15	Assistant Assessor and Collector

**Offbeat Developers Private Limited (Subsidiary Company)**

1	Income Tax Act, 1961	Income Tax	3,392,787	A.Y. 2007-08	CIT (Appeals)
2	Income Tax Act, 1961	Income Tax	2,147,983	A.Y. 2008-09	ITAT
3	Income Tax Act, 1961	Income Tax	580,636	A.Y. 2009-10	CIT (Appeals)
4	Income Tax Act, 1961	Income Tax	1,034,753	A.Y. 2010-11	ITAT
5	Income Tax Act, 1961	Income Tax	43,430	A.Y. 2011-12	CIT (Appeals)

**Vamona Developers Private Limited (Subsidiary Company)**

1	Central Excise Act, 1944	Service Tax	8,34,74,601	2007 to 2011	Commissioner of Central Excise, Service Tax(Appeals) - Pune
2	Income Tax Act, 1961	Tax Deducted at Source	8,91,523	2010 to 2012	Commissioner of Income Tax (Appeals)

**Palladium Constructions Private Limited (Subsidiary Company)**

1	KVAT Act, 2003	VAT	5,921,244	A.Y. 2012-13	Joint Commissioner (Appeals) of Karnataka VAT (Bangalore).
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**Alliance Spaces Private Limited (Subsidiary Company)**

1	Income Tax Act, 1961	Income Tax (Including Interest)	64,550	A.Y. 2011-12	Commissioner of Income Tax [CIT Appeals (Mumbai)].
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**Island Star Mall Developers Private Limited (Subsidiary Company)**

1	Income Tax Act, 1961	Income Tax	51,93,415	A.Y. 2010-11	CIT (Appeals)
2	KVAT Act, 2003	VAT	14,06,996	A.Y. 2009-10	Commissioner of commercial Taxes (Karnataka)

**Big Apple Real Estate Private Limited (Subsidiary Company)**

1	Income Tax Act, 1961	Income Tax	11,000	A.Y. 2010-11	CIT(Appeal), Lucknow
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**Upal Developers Private Limited (Subsidiary Company)**

1	Income Tax Act 1961	Income Tax	85,000	A.Y. 2011-12	CIT(Appeal), Lucknow
2	Income Tax Act 1961	Income Tax	448,000	A.Y. 2012-13	CIT(Appeal), Lucknow
3	Service Tax (Finance Act 1974)	Service tax	36,473,000	October, 2009 to March, 2014	Commissioner (Central Excise), Lucknow

**Blackwood Developers Private Limited**

1	Income Tax Act, 1961	Income Tax	404,590	A.Y. 2012-13	CIT(Appeal), New Delhi
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- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
- viii) The Group and its associates have no accumulated losses at the end of the financial year as per the consolidated financial statements and the Group and its associates have not incurred cash losses, on consolidated basis, during the current financial year as well as in the immediately preceding financial year.
- ix) According to the records examined by us and other auditors and the information and explanations given to us and other auditors, in our opinion and in the opinion of other auditors, the Group and its associates have not defaulted in re-payment of dues to financial institution, banks and to debenture holders except in case of one subsidiary, where the subsidiary has delayed in repayment of principal aggregating to ₹ 389,741,140/-, payment of interest of ₹ 617,389,375/- and payment of penal interest aggregating to ₹ 16,149,792/- on term loans from banks and financial institutions ranging from 8 weeks to 22 weeks, up to 18 weeks and up to 52 weeks respectively. The unpaid amount of principal, interest and penal interest to bank and financial institution is ₹ 97,925,610/-, ₹ 144,331,152/- and ₹ 1,980,831/- for the quarter ended March 2015, for the period January 2015 to March 2015. All the unpaid amounts have been paid by the subsidiary subsequently.
- x) According to information and explanations given to us and other auditors, the Group and its associates have not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause (x) of paragraph 3 of the Order are not applicable to the Group and its associates.
- xi) As per the information and explanation given to us and other auditors, in our opinion and in the opinion of other auditors, the term loans raised during the year were applied for the purpose for which the loans were raised by the Group and its associates.
- xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Group and its associate companies incorporated in India and no material fraud on the Group and its associate companies incorporated in India has been noticed or reported during the year.

For **A. M. Ghelani & Company**  
Chartered Accountants  
Registration No : 103173W

**Chintan A. Ghelani**  
Partner  
Membership No. 104391

Place: Mumbai  
Date: 28<sup>th</sup> May, 2015

For **Chatuvedi & Shah**  
Chartered Accountants  
Registration No : 101720W

**Amit Chaturvedi**  
Partner

Membership No. : 103141

# Consolidated Balance Sheet

as at 31st March, 2015

Particulars	Notes	As at	
		31st March, 2015 ₹	31st March, 2014 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital	2	289,913,390	289,690,890
Reserves & Surplus	3	16,446,992,411	16,947,716,949
<b>MINORITY INTEREST</b>		<b>6,212,159,951</b>	<b>7,215,912,797</b>
<b>NON- CURRENT LIABILITIES</b>			
Long - Term Borrowings	4	28,190,321,136	28,328,487,658
Deferred Tax Liabilities (Net)		-	-
Trade Payables	5	-	-
Other Long Term Liabilities	5	3,003,660,321	2,760,669,112
Long - Term Provisions	6	221,437,928	131,189,847
<b>CURRENT LIABILITIES</b>			
Short- Term Borrowings	7	2,271,229,214	2,511,133,434
Trade Payables	8	1,050,183,008	1,535,887,700
Other Current Liabilities	9	8,186,765,525	7,488,537,076
Short Term Provisions	6	540,192,400	392,146,107
		<b>66,412,855,284</b>	<b>67,601,371,570</b>
<b>II. ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Fixed Assets	10		
Tangible Assets		41,277,789,289	41,671,065,708
Intangible Assets		25,348,855	25,568,450
Capital Work in Progress		2,137,772,709	2,350,494,622
Non- Current Investments	11	1,807,163,896	2,275,579,497
Deferred Tax Assets (Net)	12	1,047,326,546	858,060,748
Long Term Loans & Advances	13	2,356,230,058	3,194,638,526
Other Non- Current Assets	14	528,042,360	64,854,769
<b>CURRENT ASSETS</b>			
Current Investments	15	190,000,000	1,268,591,468
Inventories	16	11,783,085,843	11,416,522,563
Trade Receivables	17	2,192,053,467	1,968,184,144
Cash and Cash Equivalents	18	920,090,232	851,061,391
Short-Term Loans and Advances	13	1,967,054,559	1,395,004,734
Other Current Assets	19	180,897,470	261,744,949
		<b>66,412,855,284</b>	<b>67,601,371,570</b>
Significant Accounting Policies and Notes on Financial Statements	1 to 52		

As per our report of even date

**For A.M.Ghelani & Company**  
Chartered Accountants  
FRN : 103173W

**For Chaturvedi & Shah**  
Chartered Accountants  
FRN : 101720W

For and on behalf of the Board of Directors

**Chintan A. Ghelani**  
Partner  
M. No.:104391

**Amit Chaturvedi**  
Partner  
M. No.:103141

**Ashokkumar Ruia**  
(Chairman & Managing Director)

**Shishir Shrivastava**  
(Jt. Managing Director)

**Atul Ruia**  
(Jt. Managing Director)

**Pradumna Kanodia**  
(Director - Finance)

Place : Mumbai  
Date: 28<sup>th</sup> May, 2015

**Puja Tandon**  
(Company Secretary)



# Consolidated Statement of Profit and Loss

for the year ended 31st March, 2015

	Notes	2014-2015 ₹	2013-2014 ₹
<b>INCOME</b>			
Revenue from Operations	20	16,533,238,718	14,485,151,373
Other Income	21	312,337,755	390,610,178
<b>Total</b>		<b>16,845,576,473</b>	14,875,761,551
<b>EXPENDITURE</b>			
Cost of Materials/Construction	22	3,116,226,474	4,787,620,353
Change in Inventory	23	(302,963,606)	(1,287,795,502)
Employee Benefits Expense	24	914,550,098	730,526,505
Depreciation and Amortisation	25	1,680,650,234	1,054,773,266
Finance Costs	26	3,956,092,799	3,450,941,856
Other Expenses	27	5,185,820,067	3,470,546,466
<b>Total</b>		<b>14,550,376,066</b>	12,206,612,946
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>2,295,200,407</b>	2,669,148,605
Add: Exceptional Item	28	(938,031,366)	84,405,163
<b>PROFIT BEFORE TAX</b>		<b>1,357,169,041</b>	2,753,553,768
Less : Provision for Taxation			
Current Income Tax		974,549,770	871,108,924
Deferred Tax		(180,950,612)	37,335,418
Minimum Alternate Tax (including ₹12,92,90,039 for earlier years)		(268,539,039)	
Tax Adjustments of earlier years		(31,872,961)	722,760
<b>PROFIT AFTER TAX</b>		<b>863,981,883</b>	1,844,386,666
Add : Share of Profit/(Loss) in Associates		43,231,806	(28,843,659)
Less : Share of Minority		552,922,725	530,925,780
<b>PROFIT AFTER TAX AND MINORITY INTEREST</b>		<b>354,290,964</b>	1,284,617,229
<b>Basic and Diluted EPS (Face Value of ₹2 each)</b>			
<b>Basic EPS (Face Value of ₹2 each )</b>		<b>2.45</b>	8.87
<b>Diluted EPS (Face Value of ₹2 each)</b>		<b>2.44</b>	8.87
Significant Accounting Policies and Notes on 1 to 52 Financials Statements			

As per our report of even date

**For A.M.Ghelani & Company**  
Chartered Accountants  
FRN : 103173W

**Chintan A. Ghelani**  
Partner  
M. No.:104391

**For Chaturvedi & Shah**  
Chartered Accountants  
FRN : 101720W

**Amit Chaturvedi**  
Partner  
M. No.:103141

For and on behalf of the Board of Directors

**Ashokkumar Ruia**  
(Chairman & Managing Director)

**Atul Ruia**  
(Jt. Managing Director)

**Puja Tandon**  
(Company Secretary)

**Shishir Shrivastava**  
(Jt. Managing Director)

**Pradumna Kanodia**  
(Director - Finance)

Place : Mumbai  
Date: 28<sup>th</sup> May, 2015

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# Consolidated Cash Flow Statement

for the year ended on 31st march 2015

	2014-2015		2013-2014	
	₹	₹	₹	₹
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Profit before tax as per the Profit and Loss Account		1,357,169,041		2,753,553,768
Adjustments for :				
Depreciation	1,680,650,234		1,054,773,266	
(Profit)/Loss on Assets sold/discarded	(18,407,894)		(15,606,448)	
Balances in Debtors/Advances written off	71,705,913		72,523,037	
Provision for Doubtful Debts and Advances	231,961,537		90,454,976	
Interest & Finance Cost	3,956,092,799		3,450,941,856	
Interest Income	(178,786,659)		(209,749,239)	
Dividend Income	(24,993,651)		(41,407,113)	
Profit on sale of Investments	(69,585,890)		(89,218,407)	
Investments Impairment [Exceptional]	938,031,365			
Miscellaneous Expense written off	5,280,319			
Balances written back	(2,917,289)			
		6,589,030,784		4,312,711,928
Operating Cash flow before working capital changes		7,946,199,826		7,066,265,695
Adjustment for Working Capital changes :				
Trade and other Receivables	(1,594,499,373)		(1,308,004,094)	
Inventories	(366,563,280)		(3,646,926,675)	
Trade and other Payables	541,992,630		2,768,157,604	
		(1,419,070,023)		(2,186,773,165)
Cash generated from Operations		6,527,129,803		4,879,492,530
Direct Taxes Paid		(890,931,110)		(1,111,295,702)
Net Cash from Operating Activities		5,636,198,692		3,768,196,828
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of Fixed Assets	(1,200,380,892)		(15,514,712,563)	
Advance for Fixed Assets (Given) / Refunded	808,005,754		676,537,238	
Sale of Fixed Assets	126,134,549		17,875,284	
Inter Corporate Deposits & Loans (placed)/refunded (Net)	40,779,049		(154,767,850)	
Purchase of Investments	(2,473,675,820)		(57,300,282)	
Sale of Investments	1,148,177,358		2,143,091,631	
Debenture / Share Application Money (Given) / Refunded	326,362,544		10,270,451	
Interest Received	178,786,855		208,620,357	
		-		
Dividend Received	24,993,651		41,407,113	
Net Cash generated from/(used in) Investing Activities		(1,020,816,952)		(12,628,978,622)
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from long term borrowings	13,010,555,286		15,045,072,158	
Repayment of long term borrowings	(12,808,709,739)		(3,861,777,123)	
Short term loans availed / (repaid) (Net)	(239,904,220)		921,528,943	
Interest and Finance Cost paid	(4,016,623,991)		(3,493,238,852)	
Application Money received/(refunded) NET	(149,800,000)		149,800,000	
Proceeds from Issue of Share Capital to Minorities	-		465,326,573	
Issue of Equity shares	30,056,114			
Dividend paid (including tax on Dividend)	(371,926,348)		(371,411,231)	
Net Cash generated from/(used in) Financing Activities		(4,546,352,899)		8,855,300,468
<b>D Net Increase/(Decrease) in Cash and Cash Equivalents</b>		69,028,840		(5,481,326)
Cash and Cash equivalents at the beginning of the year		851,061,391		683,484,778
Add : on Amalgamation / Acquisition of New Subsidiaries		-		173,057,939
Cash and Cash equivalents at the end of the year (Refer Note 18)		920,090,232		851,061,391

Note :The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements"

**For A.M.Ghelani & Company**  
Chartered Accountants  
FRN : 103173W

**For Chaturvedi & Shah**  
Chartered Accountants  
FRN : 101720W

For and on behalf of the Board of Directors

**Chintan A. Ghelani**  
Partner  
M. No.:104391

**Amit Chaturvedi**  
Partner  
M. No.:103141

**Ashokkumar Ruia**  
(Chairman & Managing Director)

**Shishir Shrivastava**  
(Jt. Managing Director)

**Atul Ruia**  
(Jt. Managing Director )

**Pradumna Kanodia**  
(Director - Finance)

Place : Mumbai  
Date: 28<sup>th</sup> May, 2015

**Puja Tandon**  
(Company Secretary)

# Consolidated Notes

on financial statements for the year ended 31st March, 2015

## NOTE "1":

### SIGNIFICANT ACCOUNTING POLICIES

#### I. Principles of consolidation

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- c) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- d) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- e) In case of associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, Investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for investments in associates in consolidated financial statements".
- f) The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its 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 the available information.
- g) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- h) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

#### II. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

#### III. Other significant accounting policies

##### a) Use of estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses for the reporting period. The difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

##### b) Classification of Assets and Liabilities as Current and Non - Current

All assets and liabilities are classified as current or non-current as per Company's normal operating cycle, and other criteria set out in Schedule II to the Companies Act, 2013 and accordingly, 12 months period has been considered by the Company as its normal operating cycle for the purpose of classification of assets and liabilities as current and non- current.

##### c) Fixed Assets:

- i) Fixed Assets are stated at cost net of cenvat credit and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any.
- ii) Expenditure incurred on construction/erection of assets, which are incomplete as at balance sheet date, are included in Capital work in progress.

# Consolidated Notes

on financial statements for the year ended 31st March, 2015

- iii) Assets Taken on Finance Leases: Present value of future Lease Rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Statement of Profit and Loss.

## **d) Depreciation:**

- i) Leasehold land is amortized over the period of lease.
- ii) 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. 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.
- iii) In respect of certain revalued assets of holding company, (land, buildings and plant & machinery) depreciation has been calculated on the revalued figures as per the rates and in the manner specified by the valuers in their Revaluation Report. The difference between the depreciation so computed and that computed as per (i) and (ii) above has been charged to the Revaluation Reserve.
- iv) High end operating supplies forming part of hotel opening supplies are depreciated over a period of three years on straight line method.
- v) Software and Goodwill arising on acquisition are amortized over a period of five years.

## **e) Impairment of Assets:**

In accordance with AS 28 on "Impairment of Assets", where there is any indication of impairment of the company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of such assets exceeds its recoverable amount. Impairment Loss, if any, is recognised in the Statement of Profit and Loss.

## **f) Investments:**

Long term investments are valued at cost of acquisition less diminution if any, of a permanent nature. Current Investments are stated at cost or market/fair value whichever is lower.

## **g) Inventories:**

- i) Inventories are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.
- ii) 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).
- iii) Stock of food, beverages, stores and operating supplies are valued at lower of cost (computed on weighted average basis) and net realizable value.

## **h) Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

## **i) Revenue recognition:**

- i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. License fees, rental income and service charges are recognised based on contractual rights. Interest is recognised on time proportion basis. Dividend income is recognised when the right to receive the same is established.
- ii) 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

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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.

- iii) Revenue from sale of completed properties (Finished Realty Stock) is recognised upon the transfer of significant risks and rewards to the buyer.
- iv) Revenues from hotel component of Sale of rooms, banquets, foods and beverages, allied services relating to hotel operations are recognised upon rendering of the service.

## **j) Employee Benefits:**

- i) Short term employee benefits are recognised as expenses at the undiscounted amounts in the Statement of Profit & Loss of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expenses are recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits [net of expected return on plan assets] are charged to the Statement of Profit & Loss.
- iii) As per the policy of erstwhile hotel operator Shangri-La International Pte Limited, In Pallazzo Hotels & Leisure Limited, certain employees (expatriates) of the Company are eligible for death benefit plan wherein defined amount would be paid to the survivors of the employees on death of the employee whilst in service with the Company. To fulfill this obligation, an insurance policy has been taken by the Shangri-La International Hotel Management Pte Limited, the annual premium attributable to the Company is recovered by Shangri - La International Hotel Management Pte Limited and the said amount is debited to the Statement of Profit and Loss.

## **k) Foreign Currency transactions:**

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the Balance Sheet date are restated at the year-end rates. Non monetary foreign currency items are carried at cost.
- b) Exchange differences arising as a result of the subsequent settlements or on translations are recognised as income or expense in the Statement of Profit and Loss.
- c) In accordance with option given by the Ministry of Corporate Affairs vide Notification No F. No 17/133/2008/CL-V dated 29<sup>th</sup> December 2011, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, in so far as they relate to acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and will be depreciated over the balance life of the asset, and in other cases are accumulated in "Foreign Currency Monetary Item Translation Difference Account" in the Company's financial statements and amortized over the balance period of such long-term asset / liability by recognition as income or expense in each of the periods. In accordance with circular no 25/2012 dated 9th August 2012 issued by Ministry of Corporate Affairs, no portion of exchange difference adjusted to capital assets in accordance with paragraph 46A of Accounting Standard 11 is regarded as an adjustment to interest costs in terms of paragraph 4(e) of Accounting Standard AS 16 Borrowing costs.

## **l) Securities issue expenses:**

Expenses in connection with issue of securities are adjusted against securities premium account.

## **m) Taxes on Income:**

- i) Provision for income tax (current tax) is determined on the basis of the taxable income of the current year in accordance with the Income Tax Act, 1961.

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- ii) Deferred tax is recognised in respect of deferred tax assets (subject to the consideration of prudence) and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.
- iii) Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement".

The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will be able to utilise the MAT Credit Entitlement within the period specified under the Income-tax Act, 1961

## n) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes on Accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

## o) Loyalty Program:

Contribution to loyalty programs, if any calculated as per agreed percentages of qualifying revenues that are accounted on a monthly basis.

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>NOTE "2"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
225,000,000 ( P.Y. 225,000,000) Equity Shares of ₹. 2/- each	450,000,000	450,000,000
Issued, subscribed and paid up		
144,956,695 ( P.Y. 144,845,445) Equity Shares of ₹ 2 each fully paid up	289,913,390	289,690,890
	<b>289,913,390</b>	289,690,890
	<b>Nos.</b>	Nos.
a) Equity Shares have been reserved for allotment under The Phoenix Mills Employees' Stock Option Plan 2007.	<b>3,390,000</b>	
b) Equity Options granted under 'The Phoenix Mills Employees' Stock Option Plan 2007 :		3,390,000
As at beginning of the year (on cumulative basis)	<b>650,000</b>	650,000
Options Granted during the year	<b>105,556</b>	
Options Exercised during the year	<b>111,250</b>	-
Options Lapsed till date, available for regrant	<b>644,306</b>	650,000
	<b>425,000</b>	406,250
	<b>219,306</b>	243,750
c) Reconciliation of number of shares outstanding is set out below:-		
Equity Shares		
Shares outstanding at the beginning the year	<b>144,845,445</b>	144,845,445
Add : Issued during the year on exercise of employee options	<b>111,250</b>	-

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Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Shares outstanding at the end of the year	144,956,695	144,845,445
d) 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 shares holder 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 holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all Preferential amounts which shall be in proportionate to the number of shares held by the share holders.		

Name of Shareholder	31st March, 2015		31st March, 2014	
	Number of shares	% of Holdings	Number of shares	% of Holdings
Ruia International Holding Company Private Limited	49,207,037	33.95	49,163,237	33.94
Senior Holdings Private Limited.	15,142,550	10.45	15,142,550	10.45
Radhakrishna Ramnarain Private Limited.	11,617,930	8.01	11,617,930	8.02
Ashok Apparels Private Limited.	9,670,665	6.67	9,670,665	6.68
Government of Singapore	-		7,521,801	5.19
f) 111,250 equity shares (P.Y Nil) issued during the year on account of Option exercised as per The Phoenix Mills Limited Employee Stock Option Plan 2007				

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
<b>NOTE "3"</b>		
<b>RESERVE AND SURPLUS</b>		
<b>CAPITAL RESERVES</b>		
As per Last Balance Sheet	18,413,824	18,413,824
Add:- Capital Reserve on Assets acquired	111,475	
	18,525,299	
Securities Premium Account		
As per Last Balance Sheet	10,659,263,354	10,659,263,354
Add: On issue of shares	29,815,000	-
	10,689,078,354	10,659,263,354
Revaluation Reserve		
As per Last Balance Sheet	103,886,842	104,876,687
Less: Additional Depreciation on Revaluation of Assets transferred to Profit & Loss Account (Refer to Note No.37)	997,921	989,845
	102,888,921	103,886,842

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Particulars	As at 31st March, 2015		As at 31st March, 2014	
	₹		₹	
Share Options Outstanding Account	-	-	-	-
As per last Balance Sheet	-	-	-	-
Add: On ESOPs Granted	18,614	-	-	-
		18,614		-
General Reserve				
As per Last Balance Sheet	2,091,836,233	1,891,836,234		
Add: Transfer from Profit & Loss Account	200,000,000	200,000,000		
		2,291,836,233		2,091,836,234
Capital Reserve (on Consolidation)		1,201,506,082		1,683,807,187
Surplus/(deficit) in the statement of profit and loss				
As per Last Balance Sheet	2,390,509,508	1,678,708,524		
Net Profit/(Net Loss) For current year	354,290,964	1,284,617,227		
Less : Appropriations				
Proposed Dividends (Dividend Per Share ₹ 2.2 (P.Y. ₹ 2.2))	318,904,729	318,659,979		
Tax on Proposed Dividends	65,421,352	54,156,263		
Transfer to General Reserves	200,000,000	200,000,000		
Adjustment of depreciation as per transitional provision of Part C paragraph 7 (b) of Schedule II of the Companies Act , 2013 (Refer note no 10)	(17,335,484)	-		
		2,143,138,908		2,390,509,508
<b>Total</b>		<b>16,446,992,411</b>		<b>16,947,716,949</b>

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	₹		₹	
<b>NOTE "4"</b>				
<b>LONG TERM BORROWINGS</b>	<b>Non Current</b>	<b>Current</b>	Non Current	Current
<b>SECURED</b>				
Loan From Financial Institution	1,694,600,479	431,530,500	5,015,869,929	334,210,043
Loan From Banks				
Term Loan - Indian Rupees	24,859,203,667	2,946,301,166	21,605,524,871	2,752,978,279
Term Loan - Foreign Currency	1,204,872,900	164,301,476	1,292,145,700	112,687,125
Vehicle Loans	3,752,090	1,920,080	2,151,919	1,268,466
<b>UNSECURED</b>				
Debentures issued by subsidiaries				
635,294 (P.Y. 635,294) Zero Coupon Compulsory Convertible Debentures Series "A" of ₹ 100 each	63,529,400	-	63,529,400	-
769,440 (P.Y. 769,440) Zero Coupon Compulsory Convertible Debentures Series "B" of ₹ 100 each	76,944,000	-	76,944,000	-
407,703 (407,703) Zero Coupon Compulsory Convertible Debentures Series "D" of ₹ 100 each	40,770,300	-	40,770,300	-



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Particulars	As at		As at	
	31st March, 2015		31st March, 2014	
		₹		₹
176,600 (P.Y. 176,600) 0.0001% Series A Optionally Convertible Debentures of ₹ 100 each	-	17,660,000	-	17,660,000
1 (P.Y. 1) Zero Coupon Non Convertible Fully Redeemable Non Transferrable Debentures series "F"	230,000,000	-	230,000,000	-
166,483 (P.Y. Nil) Zero Coupon Compulsory Convertible Debentures Series "G" of ₹ 100 each (Refer note 5.4.6)	16,648,300	-	-	-
Finance Lease Obligation	-	-	1,551,539	2,897,241
Less: Amount disclosed under the head "Other Current Liabilities" (Note 9)		(3,561,713,222)		(3,221,701,154)
	<b>28,190,321,136</b>	-	28,328,487,658	-

- a**
- i) Loans of ₹ 5,753,099,996 of The Phoenix Mills Limited are Secured by Equitable Mortgage of deposit of title deeds in respect of immovable properties situated at High Street Phoenix, Senapati Bapat Marg, Lower Parel, Mumbai and by hypothecation of rentals receivable from licencees.
  - ii) Term Loan of ₹ 3,56,70,00,000 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.
  - iii) Loans of ₹ 5,718,745,047 for Pallazzo 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.
  - iv) Loans of ₹ 1,85,98,39,074/- of Upal Developers Private Limited and Blackwood Developers Private Limited are secured by Equitable mortgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, Bareilly and assignment of future rental and personal guarantees of the Promoter Directors of the company.
  - v) Loans of ₹ 1,220,000,000 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.
  - vi) Loans of ₹ 3,29,98,24,661 for Island Star Mall Developers Private Limited, are secured on pari passu 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.
  - vii) Loans of ₹ 6,693,766,500 for Offbeat Developers Private Limited 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, Loans of ₹ 1,091,000,000 is secured by exclusive charge by way of registered mortgage on entire land of phase II (Orion Park) 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 Orion Park project.
  - viii) Out of total Loans of ₹ 2,996,545,700 for Classic Mall Development Company Private Limited, Loans of ₹ 2,796,545,752 is secured by undivided share of 34,136.72 sq. mtr. out of larger extent of Land admeasuring 66,915.10 sq. mtr. situated at 142, Velachery Road, Chennai. Further the loan is secured by way of hypothecation of the company's movable tangible & intangible assets (both present & future) with respect to Mall Building, receivables, insurance policy, and charge on company's ESCROW account for the facility and the balance Loan

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of ₹ 199,999,948 (P.Y. NIL) is secured by unsold units with carpet area of 48,456 sq. ft. & saleable area 60,012 Sq. ft. in Tower C Residential project along with proportionate land admeasuring total area 1,950 sq. mtrs. Further, the loan is secured by first and exclusive charge by way of hypothecation of future receivables of mortgaged property through Escrow mechanism.

- ix) Loans of ₹ 120,000,000 for Alliance Spaces Private Limited is Secured by future receivables against sale consideration and property being an aggregate area admeasuring 3,28,106 sq. ft. saleable area which will comprise of two buildings constructed/to be constructed along with un-demarcated and undivided pieces or parcels of non-agricultural freehold land admeasuring 10,322.27 square meters.

## **b Vehicle Loans are secured by the hypothecation of vehicles.**

### **c Maturity Profile of Long Term Borrowings are as under:**

#### **1) Repayment of Loans from Financial Institutions will be as under:**

- i) Pallazzo Hotels & Leisure Limited will repay loans of ₹ 1,312,500,000 as follows, FY 2015-16 ₹ 135,000,000, FY 2016-17 ₹ 165,000,000, FY 2017-18 ₹ 165,000,000, FY 2018-19 ₹ 165,000,000, FY 2019-2020 ₹ 195,000,000, FY 2020-21 ₹ 225,000,000, FY 2021-22 ₹ 240,000,000.
- ii) Classic Mall Development Company Private Limited will repay the loans of ₹ 199,999,948 in FY 2015-16.
- iii) Island Star Mall Developers Private Limited will repay loans of ₹ 613,631,023 as follows, for 1-2 Years ₹ 160,399,530, for 3-4 Years ₹ 453,231,493.

#### **2) Repayment of Loans from Banks will be as under:**

- i) Phoenix Mills Limited will repay the loans of ₹ 5,753,099,996 as follows FY 2015 - 16 ₹ 434,100,000, 2016 - 17 ₹ 486,600,000, FY 2017 - 2018 ₹ 545,400,000, FY 2018-19 ₹ 612,000,000, FY 2019-20 ₹ 686,100,000 and FY 2020-2024 2,988,900,000
- ii) Pallazzo Hotels & Leisure Limited will repay loans of ₹ 4,406,245,048 as follows FY 2015-16 ₹ 529,213,452, FY 2016-17 ₹ 554,413,396, FY 2017-18 ₹ 553,769,700, FY 2018-19 ₹ 553,769,700, FY 2019-2020 ₹ 654,455,100, FY 2020-21 ₹ 755,140,500, FY 2021-22 ₹ 805,483,200.
- iii) Vamona Developers Private Limited will repay loans of ₹ 3,576,000,000 in eight years starting from FY 2013 - 14 in the ratio of 1.24%, 4.18%, 5.60%, 7.11%, 8.67%, 10.77%, 13.07% & 49.37%
- iv) Upal Developers Private Limited will repay loans of ₹ 83,50,01,111 in 107 accelerated monthly instalments from Oct, 2010 to August, 2019; Rate of interest as on 31-03-2015 is 11.75% p.a. and Loan of ₹ 5 Crore is repayable in 84 accelerated monthly instalments from July, 2013 to June, 2020; Rate of interest as on 31-03-2015 is 11.75% p.a. Loan of ₹ 4 Crore is repayable in 74 accelerated monthly instalments from Sept, 2013 to Oct, 2019; Rate of interest as on 31-03-2015 is 11.75% p.a.
- v) Blackwood Developers Private Limited will repay loans of ₹ 1,024,837,963 in 120 accelerated equated monthly instalments from April, 2012 to March, 2022 and loan of ₹ 8 Crores carries interest @ 1.50% above Base Rate (Presently 11.75% p.a.), Repayable in 120 accelerated equated monthly instalments from July, 2013 to June, 2023)
- vi) Classic Mall Development Company Private Limited will repay loans of ₹ 2,796,545,752 as follows FY 2015 - 16 ₹ 579,500,000, FY 2016 - 17 ₹ 612,000,000, FY 2017 - 18 ₹ 612,000,000, FY 2018 - 19 ₹ 703,000,000, FY 2019-20 ₹ 290,045,752.
- vii) Island Star Mall Developers Private Limited will repay loans of ₹ 2,68,61,93,638 as follows, for 1-2 Years ₹ 71,18,69,407, for 3-4 Years ₹ 1,82,55,74,229 and beyond 4 Years ₹ 14,87,50,002.
- viii) Alliance Spaces Private Limited will repay loans of ₹ 120,000,000 in eight quarterly instalments starting from May 2015, ₹ 5 Crores in first 2 Instalments, ₹ 10 Crores in next 2 Instalments & ₹ 15 Crores in the last 4 Instalments.
- ix) Offbeat Developers Private Limited will repay loans of ₹ 6,693,766,500 as follows, for FY 2015 - 16 ₹ 601,065,000, FY 2016 - 17 ₹ 389,171,668, FY 2017 - 18 ₹ 340,453,336, and beyond 3 years ₹ 5,363,076,496.
- x) Graceworks Realty & Leisure Private Limited will repay loans of ₹ 1,220,000,000 as follows, for FY 2015 - 16 ₹ 110,000,000, FY 2016 - 17 ₹ 740,000,000, FY 2017 - 18 ₹ 370,000,000.

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### 3) Vehicle Loans are repayable within 3 to 5 years.

### 4) Repayment of Finance Lease Obligations:

- i) Finance Lease of ₹ 1,551,539 is for Classic Mall Development Company Private Limited the same will be payable FY 2015-16 ₹ 1,551,539.

### d Terms & Conditions of Debentures are as under :

- i) Pallazzio Hotels & Leisure Limited has issued zero coupon fully redeemable non convertible unsecured debentures "Series F" to body corporate of ₹230,000,000 each 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 annualised 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 annualised rate equivalent to the average interest rate by the lenders for that year plus 2%, quarterly compounded.
- ii) Pallazzio Hotels & Leisure Limited has issued 769,440 in various tranches, Non Cumulative Unsecured Compulsory Convertible Debentures "Series B" of face value of ₹ 100 each at a premium of ₹ 1,721.66 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of ₹ 100 each at any time on or after 1st April 2015. The debenture shall carry zero Coupon till 31<sup>st</sup> March 2015 and for the period of non conversion after 31<sup>st</sup> March 2015 the instrument may be entitled to coupon rate of not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. On 1st April 2017 each debenture will compulsorily convert into one equity share of ₹ 100 of the Company.
- iii) Pallazzio Hotels & Leisure Limited has issued 407,703 Non Cumulative Unsecured Compulsory Convertible Debentures "Series D" of face value of ₹ 100 each at a premium of ₹ 664.26 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of ₹ 100 at any time on or after 1<sup>st</sup> April 2016. The debenture shall carry zero coupon till 31<sup>st</sup> March 2016 and for the period of non conversion after 31<sup>st</sup> March 2016 the instrument may be entitled to coupon rate of not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. At the end of the 7<sup>th</sup> year from the date of the issue, each debenture will compulsorily convert into one equity share of ₹ 100 each of the Company.
- iv) Pallazzio Hotels & Leisure Limited has issued 635,294 Non Cumulative Unsecured Compulsory Convertible Debentures "Series A" of face value of ₹ 100 each at a premium of ₹ 664.26 per debenture. As per debenture certificate, the investors have the option to convert each Debenture into one equity share of the Company of ₹ 100 at any time on or after 1<sup>st</sup> April 2016. The debenture shall carry zero coupon till 31<sup>st</sup> March 2016 and for the period of non conversion after 31<sup>st</sup> March 2016, not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. At the end of the 10<sup>th</sup> year from the date of the issue, each debenture will compulsorily convert into one equity share of ₹ 100 of the Company.
- v) Pallazzio Hotels & Leisure Limited has issued 166,483 Non Cumulative Unsecured Compulsory Convertible Debentures "Series G" of face value of ₹ 100 each at a premium of ₹ 1,312 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of

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₹ 100 at any time on or after 1<sup>st</sup> April 2015. The Company shall not declare any dividend or other distribution to be paid to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. In the event investors does not convert the debentures prior to 31<sup>st</sup> March 2017, all the debentures shall automatically be converted into one equity share of the Company on 1<sup>st</sup> April 2017.

- vi) Graceworks Realty & Leisure Private Limited has issued 176,600, 0.0001% Series A Optionally Convertible Debentures, Debenture holders have an option to convert the debentures into equity shares on or after February, 2015. Each debenture is convertible into equity shares of ₹ 10 each fully paid at price not less than fair market value as on the date of conversion. The company has an option to redeem the shares in one or more tranches at the redemption premium not exceeding ₹ 10/- per Optionally Convertible Debenture.

## 5) Others

- i) As at 31<sup>st</sup> March, 2015, Pallazzio Hotels & Leisure Limited has unpaid principal of ₹ 97,925,610 for the quarter ended 31<sup>st</sup> March, 2015 and interest of ₹ 146,311,982 (including penal interest of ₹ 1,980,831 from January 2015 onwards) for the month of January 2015 to March 2015 to consortium of banks and financial institutions. The same has been subsequently repaid by the Company.

Particulars	As at		As at	
	31st March, 2015		31st March, 2014	
	₹		₹	
<b>NOTE "5"</b>				
<b>OTHER LONG - TERM LIABILITIES</b>				
Trade Payables				
Micro and Small Enterprises (Refer Note 47)	-		-	
Others	<b>68,472,068</b>		49,083,311	
	<b>68,472,068</b>		49,083,311	
Security Deposit from Licencees	<b>2,783,440,315</b>		2,563,110,410	
Other Deposit	<b>128,484,394</b>		128,484,394	
Income Received in Advance	<b>15,909,561</b>		11,619,721	
Creditors for Capital Expenditure	<b>7,353,983</b>		8,371,275	
	<b>3,003,660,321</b>		2,760,669,112	

Particulars	As at		As at 31st March	
	31st March, 2015		2014	
	₹		₹	
<b>NOTE "6"</b>				
<b>PROVISIONS:</b>	<b>Non Current</b>	<b>Current</b>	Non Current	Current
Provision for Employee Benefits				
Gratuity	<b>16,062,658</b>	<b>17,110,507</b>	15,631,417	3,766,148
Leave Encashment	<b>21,028,127</b>	<b>23,589,586</b>	13,341,182	9,951,352
Other Provisions	-	<b>97,500,000</b>	-	99,675
Provision for Income Tax (Net of Advance Tax)	-	<b>18,166,079</b>	-	5,512,690
Proposed Dividend	-	<b>318,904,729</b>	-	318,659,979
Tax on Proposed Dividend	-	<b>64,921,499</b>	-	54,156,263
Provision for premium on redemption of zero coupon non convertible debentures series "F"				
**	<b>184,347,143</b>	-	102,217,248	-
	<b>221,437,928</b>	<b>540,192,400</b>	131,189,847	392,146,107

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\*\* The Subsidiary company Pallazzo Hotels & Leisure Ltd 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 is being adjusted against the securities premium account in accordance with section 78 of the Companies Act, 1956.

Particulars	As at 31st March 2015 ₹	As at 31st March 2014 ₹
<b>NOTE "7"</b>		
<b>SHORT TERM BORROWINGS:</b>		
<b>SECURED</b>		
Loan from Financial Institution	-	50,000,000
Loan from Bank	1,226,626,184	1,981,382,372
<b>UNSECURED</b>		
Commercial Papers	550,000,000	
Loan from Bank	-	100,000,000
Loans and Advances from related parties	33,037,236	33,037,235
Loan from Others	461,565,794	346,713,826
	<b>2,271,229,214</b>	<b>2,511,133,434</b>

Out of total secured loan, Overdraft Loan of ₹ 238,249,934 held by Phoenix Mills Limited are Secured by Equitable Mortgage of deposit of Title deeds in respect of immovable properties situated at High Street Phoenix, Senapati Bapat Marg, Lower Parel, Mumbai and by hypothecation of rentals receivable from licencees. ₹ 20,625,651 against the land held by Palladium Constructions Private Limited and receivables of the Bangalore Property, loan of ₹ 569,803,404 is secured by future Lease Rent Receivables and a pari passu mortgage charge over the land and building of the project of Phoenix Marketcity at Viman Nagar, loan of ₹ 254,377,350 is against the land held by Alliance Spaces Private Limited and receivables of the Viman Nagar Property, loan of ₹ 68,971,554 is cash credit from Bank are secured on paripassu basis by equitable mortgage of immovable properties situated at Bengaluru and hypothecation of lease rental/ sales receivable from retailers and in lien on the DSRA/ escrow account of Island Star Mall Developers Private Limited and the balance loans of ₹ 74,598,290 for Offbeat Developers Private Limited is secured against assets stated in Note 4 (a) (vii).

Particulars	As at 31st March 2015 ₹	As at 31st March 2014 ₹
<b>NOTE "8"</b>		
<b>TRADE PAYABLES</b>		
Micro and Small Enterprises (Refer Note 47)	1,587,137	2,247,087
Others	1,048,595,871	1,533,640,613
	<b>1,050,183,008</b>	<b>1,535,887,700</b>

Particulars	As at 31st March, 2015 ₹	As at 31st March 2014 ₹
<b>NOTE "9"</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term borrowings	3,561,713,222	3,221,701,154

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Particulars	As at	As at 31st March
	31st March, 2015	2014
	₹	₹
Interest accrued but not due on borrowings	126,922,762	138,708,857
Interest accrued and due on borrowings	146,915,381	207,446,573
Application money received for allotment of securities	-	149,800,000
Other payables		-
Statutory Dues	272,817,011	309,124,205
Deposit/Advance received from Customers	3,078,686,994	2,417,387,188
Other Payable #	565,638,763	531,066,982
Creditors for Capital Goods	411,520,668	481,956,675
Income received in advances	6,362,918	16,547,383
Unpaid Dividends*	16,187,805	14,798,058
	<b>8,186,765,525</b>	<b>7,488,537,076</b>

# Other payables include advance received against the sale/redemption of investments ₹191,880,000 (P.Y. ₹191,880,000)

\*These figures do not include any amounts, due and outstanding to be credited to Investor Education & Protection Fund.

## Note 10 Fixed Assets

(Amount in ₹)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2014	Additions	Deductions/ Adjustments	As at 31.03.2015	As at 01.04.2014	For the year	Transfer to Retained Earning	Deductions Adjustments	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>Tangible Assets</b>											
Freehold Land	6,093,134,944	2,133,785	364,648,885	5,730,619,844	-	-	-	-	-	5,730,619,844	6,093,134,944
Right on Leasehold Land	69,761,432	-	-	69,761,432	4,860,736	42,359	-	-	4,903,095	64,858,337	64,900,696
Buildings	28,873,744,925	1,247,096,837	115,025,825	30,005,815,937	1,908,270,987	648,836,290	469,650	4,570,141	2,553,006,786	27,452,809,151	26,965,473,938
Plant & Machinery	6,158,906,847	159,101,277	19,488,797	6,298,519,327	655,968,725	479,930,016	-	1,768,234	1,134,130,507	5,164,388,819	5,502,938,122
Leased -Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	83,439,519	3,888,990	3,634,533	83,693,976	20,473,648	6,423,846	-	913,524	25,983,970	57,710,006	62,965,871
Leased- Office Equipment	9,090,970	-	-	9,090,970	458,436	704,169	-	-	1,162,605	7,928,365	8,632,534
Motor Car, Lorries & Vehicles	63,234,306	14,425,103	3,992,646	73,666,763	33,362,034	9,251,323	-	3,388,945	39,224,412	34,442,351	29,872,272
<b>Total</b>	<b>45,019,401,454</b>	<b>1,814,305,581</b>	<b>517,883,068</b>	<b>46,315,823,968</b>	<b>3,348,747,347</b>	<b>1,673,097,398</b>	<b>28,010,866</b>	<b>11,820,933</b>	<b>5,038,034,678</b>	<b>41,277,789,289</b>	<b>41,670,654,108</b>
<b>Intangible Assets</b>											
Software	40,781,774	6,146,113	-	46,927,887	14,801,724	8,138,689	2,751	-	22,943,164	23,984,723	25,980,050
Goodwill	-	1,705,166	-	1,705,166	-	341,033	-	-	341,033	1,364,133	-
<b>Total</b>	<b>40,781,774</b>	<b>7,851,279</b>	<b>-</b>	<b>48,633,053</b>	<b>14,801,724</b>	<b>8,479,722</b>	<b>2,751</b>	<b>-</b>	<b>23,284,197</b>	<b>25,348,856</b>	<b>25,980,050</b>
<b>Total (A+B)</b>	<b>45,060,183,228</b>	<b>1,822,156,860</b>	<b>517,883,068</b>	<b>46,364,457,020</b>	<b>3,363,549,071</b>	<b>1,681,577,120</b>	<b>28,013,617</b>	<b>11,820,933</b>	<b>5,061,318,875</b>	<b>41,303,138,145</b>	<b>41,696,634,158</b>
Previous Year	45,010,366,015	3,290,378,142	3,240,560,929	45,060,183,228	2,301,253,293	1,174,238,280	-	111,942,504	3,363,549,070	41,696,634,158	-
Capital Work In progress										2,137,772,709	2,350,494,622

Notes:

- \* Amount added on Revaluation ( as at 31.03.1985) ₹18,48,43,610 (Net of Depreciation). Refer to Note No. 36
- Depreciation on Right on Lease Hold Land represents write off on the basis of the period of the lease.
- Lease Hold Land

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- a) Includes land leased for period of 999 years as from 1951 renewal at the option for further like period.  
 b) Includes ₹2,66,38,617 (as revalued) leased in perpetuity against which there is no writeoff required.
- 4) Capital Work in Progress includes pre-operative expenses of ₹ 184,019,610 (P. Y. ₹ 183,671,345). Refer to Note No. 33.  
 5) Depreciation of ₹ Nil (P.Y. 38,462) capitalised during the year.  
 6) Depreciation of ₹ Nil (P.Y. Nil) transferred to Profit & Loss Account from pre-operative expenses.  
 7) In respect of Fixed Assets acquired by Classic Mall Development Company Private Limited and Island Star Mall Developers Private Limited on finance lease, the minimum lease rentals outstanding as on 31<sup>st</sup> March, 2015 are as follows:

	Total Minimum lease Payments outstanding		Future interest on outstanding Payemnts		Present Value of Minimum Lease Payments	
	As 31st March		As 31st March		As 31st March	
	2015	2014	2015	2014	2015	2014
Not Later than one year	1,630,146	3,060,546	78,598	348,113	1,551,548	2,712,433
Later than one year but not later than five years	-	1,630,146	-	78,607	-	1,551,539
Later than five years	-	-	-	-	-	-
Total	1,630,146	2,888,952	78,598	244,329	1,551,548	2,644,623

- 8) In Pallazzio Hotels & Leisure Limited, the company had during the year exchange loss aggregating to ₹ 60,605,013 (P.Y ₹ 190,487,565) has been added to the cost of fixed assets (including transfer from opening Capital work in progress) in accordance with the option given by the ministry of corporate affairs vide notification number F.No 17/133/2008/CL-V dated 29th December 2011. The aggregate exchange loss capitalised is ₹ 402,644,607 (Previous year ₹342,039,594). The exchange loss is being depreciated over the balance useful life of the asset and the unamortised amount of the said exchange loss is ₹ 369,107,901 (Previous year ₹ 330,497,455).
- 9) \*In Classic Mall Development Company Private Limited, land admeasuring 1,01,693 Sq. ft. aggregating of ₹ 26,28,63,433 relating to residential complex has been inventorised during the year.
- 10) \* Land admeasuring 35,253.40 sq. mtrs (Cost ₹ 63,91,63,155) is jointly owned with Classic Housing Projects Private Limited and Starboard Hotels Private Limited representing approx. 60% of the undivided share of land. Out of the above, 1117 sq. mtrs of land has been leased to Tamil Nadu Generation and Distribution Corporation Ltd. for setting up an electrical sub-station for a period of 99 years on an annual lease of ₹ 100/-.
- 11) Balance Useful Life of Intangible Assets of Pallazzio Hotels & Leisure Limited

Balance useful life of Intangible assets		As at 31st March, 2015
Useful Life		
Software		Ranging from 3-5 Years
		16,895,343

- 12) In accordance with the arrangements entered into by Pallazzio Hotels & Leisure Limited, the company has accounted for license fees of ₹ 50,833,245 (Previous year ₹ 14,641,577) [including amortization of non-refundable security deposit of ₹ 6,666,672 (Previous year ₹ 2,391,577) and contingent rent of ₹ 9,166,573 (Previous year ₹ Nil)]. The minimum license fees receivable in next one year is ₹48,666,672 (Previous year ₹48,666,667) and later than one year and not later than five years is ₹ 180,194,444 (Previous year ₹ 228,861,111) and later than five years Nil. The gross carrying amount and accumulated depreciation at the balance sheet date of the said premises is ₹ 142,056,992 and ₹ 1,458,851 respectively. Depreciation recognized in Statement of Profit and loss for the said premises during the year is ₹ 19
- 13) In respect of Land purchased by Blackwood Developers Private Limited in 2008-09 for ₹ 31.05 lacs sale deed is pending for execution. However, pursuant to an 'Agreement for sale with possession' the land is in company's possession.
- 14) Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated/ amortised over the revised/ remaining useful lives. The written down value of fixed Assets whose lives have expired as at 1st April 2014 of ₹ 28,013,617/-(Gross figure) have been adjusted net of tax of ₹17,335,484/-, in the opening balance of the Profit and Loss Account.

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Particulars	As at 31st March, 2015 ₹	As at 31st March 2014 ₹
<b>NOTE "11"</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>A) Trade Investments</b>		
<b>(i) Investment in Equity instruments</b>		
<b>Investment in Associates : Equity shares of ₹ 10/- each fully Paid up, unless otherwise stated.</b>		
<b>Unquoted</b>		
5,417 (P.Y. 5,417 ) Classic Housing Projects Pvt. Ltd.	77,787,760	42,813,009
2,500,000 (P.Y.2,500,000 ) Galaxy Entertainment (India) Pvt. Ltd.	24,958,248	24,961,001
2,070,800 (P.Y. 2,070,800) Gangetic Hotels Pvt. Ltd.	104,170,000	104,170,000
2,500,626 (P.Y. 2,500,626) Star Board Hotels Pvt. Ltd.	24,933,921	25,099,273
5,000 (P.Y. 5,000) Mirabel Entertainment Pvt Ltd.	1,842,630	1,533,728
25,000 (P.Y. 25,000) Savannah Phoenix Pvt Ltd	-	-
25,000 (P.Y. 25,000 ) Escort Developers Pvt. Ltd.	15,934,586	15,950,000
	<b>249,627,144</b>	214,527,012
<b>Quoted</b>		
36,86,484 (P.Y. 36,86,484) Equity shares of ₹ 10/- each fully paid up of Galaxy Entertainment Corporation Ltd.	60,351,363	39,501,834
<b>Others</b>		
10 (P.Y. 10) Equity shares of ₹ 10/- each fully paid up of Treasure World Developers Pvt. Ltd.	8,500	8,500
25,356,940 (P.Y. 25,356,940 ) Entertainment World Developers Ltd #	579,270,269	471,858,774
5,000 (P.Y. 5000) Bartraya Mall Development Co. Pvt. Ltd #	50,000	-
	<b>579,328,769</b>	471,867,274
<b>(ii) Investment in Preference shares</b>		
Investment in Associates, ₹ 10 each fully paid up, unless otherwise stated.		



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Particulars	As at 31st March, 2015 ₹	As at 31st March 2014 ₹
1,000,000 (P.Y. 1,000,000) 7% Cumulative Optionally Convertible Preference Shares fully paid up of Galaxy Entertainment (India) Pvt. Ltd.	10,000,000	10,000,000
250,000 (P.Y. 250,000) 7% Cumulative Optionally Convertible Preference Shares each Re. 0.50 paid up of Galaxy Entertainment (India) Pvt. Ltd.	125,000	125,000
	<b>10,125,000</b>	10,125,000
<b>(iii) Investment in Debentures</b>		
Investment in Associates:		
Compulsorily Fully Convertible Debentures (CCD)		
7,000 ( P.Y. NIL ) CCD's in Mirabel Entertainment Pvt Ltd. Face value ₹100 each.	700,000	
35,1564 ( P.Y. NIL ) CCD's in Star Board Hotels Pvt Ltd. - Face value ₹100 each.	35,156,410	
34,000 (P.Y Nil) 0.0001% - Escort Developers Pvt Limited - Face value ₹100 each.	3,400,000	-
224,000 (P.Y Nil) 0.0001% - Savannah Phoenix (P) Limited - Face value ₹100 each.	22,400,000	-
1,383,999 (P.Y Nil) 0.0001% - Star Board Hotels (P) Limited - Face value ₹100 each.	138,399,900	-
<b>Optionally Convertible Debentures</b>		
325,000 (P.Y. 325,000), 0.001% Series B Optionally Convertible Debentures of ₹ 100 each fully paid in Classic Housing Projects Pvt. Ltd.	30,000,000	32,500,000
130,000 (P.Y. 130,000) 0.001% Series C Optionally Convertible Debentures of ₹ 100 each Fully paid in Classic Housing Projects Pvt. Ltd.	12,000,000	13,000,000
<b>Others:</b>		
<b>Compulsorily Fully Convertible Debentures</b>		
66,500 (P.Y Nil) 0.0001% - Phoenix Retail Pvt. Limited - Face value ₹100 each.	6,650,000	-

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Particulars	As at	
	31st March, 2015	As at 31st March 2014
	₹	₹
38,545 (P.Y Nil) 0.0001% - Vigilant Developers Pvt. Limited - Face value ₹100 each.	3,854,540	-
7,25,0000 ( P.Y. NIL ) Padmashil Hospitality Face Value of 10 Each	72,500,000	-
4,000 ( P.Y. NIL ) CCD's in ACME Hospitality Services Pvt Ltd. - Face value ₹100 each.	400,000	-
7,000 ( P.Y NIL ) Insight Hotels & Leisure Pvt. LTD. - Face value ₹100 each.	700,000	-
100,000,000 (P.Y. 100,000,000) Treasure World Developers Pvt. Ltd. - Face value ₹10 each.	1,000,000,000	1,000,000,000
	1,326,160,850	1,045,500,000
(iv) Investment in Capital of Partnership Firm		
Phoenix Construction Company	19,424,433	19,936,930
<b>B) Others</b>		
<b>(i) Unquoted</b>		
7 years - National Savings Certificates	75,000	75,000
(Deposited with State Government and other authorities as security)		-
10 (P.Y. 10) ordinary shares of ₹ 50/-each -fully paid of Sukhsagar Premises Co-op. Society Ltd.	500	500
80 (P.Y. 80) ordinary shares of ₹ 25/- each -fully paid of Rashtriya Mazdoor Madhyavarti Sahakari Grahak Sangh (Maryadit)	2,000	2,000
50,000 (PY Nil) 10.50% Perpetual Non-cumulative Preference shares of ₹ 10 each in The Saraswat Co-Operative Bank Limited	500,000	
2500 (P.Y. 2,500) shares of ₹ 10/- each in The Saraswat Co-op Bank Ltd	50,000	25,000
	627,500	102,500
<b>(ii) Quoted</b>		
(Equity Shares of face value of ₹ 10/- each fully paid-up, unless otherwise stated)		
36,325 (P.Y. 7,265) I.C.I.C.I. Bank Limited */***	260,250	260,250

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Particulars	As at 31st March, 2015 ₹	As at 31st March 2014 ₹
20 (P.Y. 20) Clariant Chemicals (India) Ltd.	200	200
1,949,090 (P.Y. 1,949,090) Graphite India Limited face value of ₹ 2 each **	417,427,843	417,427,843
584,726 (P.Y. 584,726) GKW Limited	56,330,545	56,330,654
	474,018,838	474,018,947
	2,719,663,896	2,275,579,497
Less: Aggregate provision for diminution in value of investments (Refer Note No. 40)	(912,500,000)	
<b>Total Non- Current Investments</b>	<b>1,807,163,896</b>	<b>2,275,579,497</b>
1 Aggregate value of Quoted Investments:		
Book Value	534,370,200	513,520,781
Market Value	561,889,267	455,457,660
2. Aggregate book value of other Unquoted Investments:	2,185,293,696	1,762,058,716
* Out of 7,265 shares, 1,995 shares are held by a Bank in their name as security		
** Shares have been pledged against loan taken from Financial Institutions.		
*** During the year 7,265 shares of ₹10 each have been split into 36,325 shares of ₹2 each		
# until previous year, these investments were categorised as Associates		

Particulars	As at 31st March, 2015 ₹	As at 31st March 2014 ₹
<b>NOTE "12"</b>		
<b>DEFERRED TAX ASSETS (NET)</b>		
Deferred Tax Assets		
Disallowance under the Income Tax Act. 1961	70,486,164	17,033,768
Carry Forward of Losses & Depreciation	1,838,876,516	1,729,350,858
	1,909,362,681	1,746,384,626
<b>DEFERRED TAX LIABILITY</b>		
Related to Fixed Assets	862,036,135	888,323,878
	862,036,135	888,323,878
	1,047,326,546	858,060,748

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Particulars	As at 31st March, 2015		As at 31st March 2014	
	₹		₹	
<b>NOTE "13"</b>				
<b>LOANS AND ADVANCES</b>	<b>Non Current</b>	<b>Current</b>	Non Current	Current
Unsecured and considered Good				
Capital Advances				
Considered Good	1,167,421,617	-	1,975,427,371	-
Considered Doubtful	659,262	-	659,262	-
Less: Provision for Doubtful Capital Advance	(659,262)	-	(659,262)	-
Deposits				
Deposits to related parties#	479,275,000	-	479,275,000	-
Security Deposits	138,833,656	1,100,000	172,093,105	4,792,640
Other Deposits	40,344,028	-	38,878,777	-
Loans to related parties#	-	-	-	379,570,453
Share/Debenture Application Money Pending Allotment				
With Related Parties#	-	-	248,638,004	-
Others	2,600,000	-	80,324,540	-
Inter Corporate Deposits to				
Related Parties #	109,321,171	265,683,555	-	5,695,899
Others	32,000,000	160,073,601	2,000,000	220,591,024
Other				
Advances recoverable in cash or kind	209,526,613	454,908,026	127,613,681	336,132,893
Prepaid Expenses	2,848	42,386,202	243,127	37,055,191
Advance to Vendors	-	232,296,673	-	-
Advance income tax (net of provision for taxation)	97,074,749	406,673,616	14,779,344	259,522,292
Balance with statutory/ government authorities	79,830,377	403,932,885	55,365,577	151,644,343
	<b>2,356,230,058</b>	<b>1,967,054,559</b>	3,194,638,526	1,395,004,734

# Refer Note No 31 for details

Loans & Advances include ₹ 560,475,000/- (Previous year: ₹ 305,925,000/-) to private limited companies in which any director is a director/member.

Particulars	As at 31st March 2015	As at 31st March 2014
	₹	₹
<b>NOTE "14"</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Non Current Portion of Cash & Cash Equivalents	504,143,597	59,298,397
Others		
Miscellaneous Expenditure (to the extent not written off / adjusted)	15,597,960	-
Interest Accrued but not due on Fixed Deposits	8,300,803	5,556,372
	<b>528,042,360</b>	64,854,769

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Particulars	As at 31st March, 2015 ₹	As at 31st March 2014 ₹
<b>NOTE "15"</b>		
<b>CURRENT INVESTMENTS (QUOTED)</b>		
Investments in Mutual Funds units of ₹100/- each, Growth unless otherwise stated		
85,194 (P.Y. Nil) DSP BlackRock Liquidity Fund - Int'nal Plan-Growth, units of ₹ 1,000/- each	<b>170,000,000</b>	
Nil (P.Y. 3,654) - Reliance Liquidity Plan, units of face value ₹ 1000 each (DDR)	-	3,656,572
Nil (P.Y. 13,499) Kotak Liquid Sheme Plan A, units of ₹ 1,000/- each	-	35,007,746
Nil (P.Y. 33,962) Baroda Pioneer Treasury Advantage Fund , units of face value of ₹ 1,000/- each	-	49,445,725
Nil (P.Y. 34,67,512) DWS Money Plus Fund - Institutional Plan, units of face value of ₹ 10/- each	-	46,121,044
Nil (P.Y. 333,845) ICICI Prudential Banking & PSU Debt Fund, units of face value of ₹ 10/- each	-	4,686,690
Nil (P.Y. 333,845) ICICI Prudential Banking & PSU Debt Fund, units of face value of ₹ 10/- each	-	18,250,000
Nil (P.Y. 257,114) ICICI Prudential Liquid - Regular Plan units of face value ₹ 100 each	-	48,736,087
Nil (P.Y. 18,38,177) Kotak Banking & PSU Debt Fund, units of face value of ₹ 10/- each	-	52,305,706
Nil (P.Y. 169,78,955) Kotak Flexi Debt Fund - Plan A, units of face value of ₹ 10/- each	-	268,100,000
Nil (P.Y. 62,45,937) Peerless Liquid Fund - Super Inst (Growth), units of face value of ₹ 10/- each	-	87,751,054
Nil (P.Y. 34,382) Religare Invesco Ultra Short Term Fund (Growth), units of face value of ₹ 1,000/- each	-	60,761,374
Nil (P.Y. 2,87,96,945) Sundaram Ultra Short Term Fund Regular, units of face value of ₹ 10/- each	-	506,000,000
5,877 (P.Y. 14,275) Reliance Liquid Fund - Treasury Plan (Growth), units of ₹ 1,000/- each	<b>20,000,000</b>	44,530,561
Nil (P.Y. 2,125,347) Kotak Floater Long Term - Fund, units of face value of ₹ 10/- each	-	43,238,910
	<b>190,000,000</b>	1,268,591,468
	<b>190,000,000</b>	1,268,591,468

Particulars	As at 31st March, 2015 ₹	As at 31st March 2014 ₹
Aggregate value of Quoted Investment:	<b>190,000,000</b>	1,268,591,468
Market value of Quoted Investments:	<b>190,359,235</b>	1,269,720,479

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Particulars	As at 31st	As at 31st
	March 2015	March 2014
	₹	₹
<b>NOTE "16"</b>		
<b>INVENTORIES</b>		
Realty Work- In- Progress	11,727,439,289	11,373,455,726
Food & Beverages	38,396,342	38,163,286
Stores and spares	17,250,212	4,903,552
	<b>11,783,085,843</b>	11,416,522,563

Particulars	As at 31st	As at 31st
	March 2015	March 2014
	₹	₹
<b>NOTE "17"</b>		
<b>TRADE RECEIVABLES</b>		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	969,022,034	710,253,641
Unsecured, considered doubtful	646,476,412	421,834,932
Less : Provision for Doubtful Debt	(646,476,412)	(421,834,932)
	<b>969,022,034</b>	710,253,641
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	1,223,031,432	1,257,930,504
	<b>1,223,031,432</b>	1,257,930,504
	<b>2,192,053,467</b>	1,968,184,144

Debtors include ₹1,173,914 (Previous Year ₹1,173,914) from private companies in which a director is a director / member

Particulars	As at 31st		As at 31st	
	March 2015		March 2014	
		₹		₹
<b>NOTE "18"</b>	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
<b>CASH AND CASH EQUIVALENTS</b>				
Balances with banks				
In current accounts	-	607,763,065	-	418,999,859
In Fixed Deposits Account				
Deposits with original maturity of less than three months	-	-	-	117,134,009
Deposits with original maturity of less than One Year **	504,143,597	288,905,131	59,298,397	293,026,002
In unpaid dividend account	-	16,187,803	-	14,798,056
Cash on hand	-	5,241,366	-	6,131,735
Cheques on hand	-	1,992,866	-	506,729
Others - (Stamp Paper)	-	-	-	465,000

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Particulars	As at 31st March 2015		As at 31st March 2014	
	₹		₹	
			0	-
Less: Non current portin transferred to Non Current assets (Note 14)	(504,143,597)	-	(59,298,397)	-
	-	<b>920,090,232</b>	-	851,061,391

\*\* Includes Fixed Deposits of The Phoenix Mills Ltd of ₹ Nil (P.Y ₹112,500,000 ) earmarked towards maintenance of DSRA as per loan agreement.

Fixed deposits of The Phoenix Mills Ltd of ₹1,484,448 (P.Y ₹Nil ) is given as security for bank guarantee.

Fixed Deposits of The Phoenix Mills Ltd of ₹ 27,69,969 (P.Y ₹27,69,969) is pledged as security against Bank guarantee.

Deposits of Island Star Mall Developers Private Limited of ₹100,000,000 (P.Y ₹ 100,000,000) earmarked toward maintenance of DSRA.

Deposits of Offbeat Developers Private Limited of ₹ Nil (PY ₹ 66,414,000) given as security for Bank Gurantee.

Deposits of Offbeat Developers Private Limited of ₹203,929,068 (PY ₹ 3,631,097) earmarked toward maininting of DSRA as per loan agreement.

Deposits of Graceworks Realty & Leisure Private Limited of ₹ 40,250,000 (PY ₹ 57,350,000) earmarked towards maintaining of DSRA as per loan agreement.

Particulars	As at 31st March 2015	As at 31st March 2014
	₹	₹
<b>NOTE "19"</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued but not due on Fixed Deposit	7,735,089	20,953,623
Interest accrued on Investments	143,251,111	143,251,307
Interest accrued on ICD's with related parties	565,533	-
Short term Deposits	250,000	250,000
Other receivables	2,000,000	3,407,104
Miscellaneous Expenditure (to the extent not written off / adjusted)	4,915,820	-
Unbilled revenue	22,179,916	93,882,915
	<b>180,897,470</b>	261,744,949

Particulars	2014 -2015		2013 -2014	
	₹		₹	
<b>NOTE "20"</b>				
<b>REVENUE FROM OPERATIONS</b>				
Sales				
From Reality Sales	4,569,655,182	-	5,527,557,677	
From Cloth Sales	5,316,432	4,574,971,614	6,515,890	
License Fees and Rental Income	6,515,043,451		5,051,521,452	
Service Charges	3,053,506,957		2,308,717,083	
Room Rent Income	635,273,691		335,485,136	
Food, Beverages and Banquet Income	955,040,385		481,031,374	
Other Operating Income	799,402,620		774,322,760	
	<b>16,533,238,718</b>		14,485,151,373	

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Particulars	2014 -2015	2013 -2014
	₹	₹
<b>NOTE "21"</b>		
<b>OTHER INCOME</b>		
Interest	178,786,659	209,749,239
Dividend Income		
Current	16,171,599	34,342,796
Long Term	8,822,053	7,064,317
	24,993,651	41,407,113
Profit on sale of Investments	69,585,890	89,218,407
Profit on sale of Assets	19,145,924	16,697,966
Others		
Compensation on Relinquishment of rights	-	2,573,854
Miscellaneous Receipts	16,908,342	6,832,572
Balance/(Provisions) Written Back	2,917,289	24,131,026
	312,337,755	390,610,178

Particulars	2014 -2015	2013 -2014
	₹	₹
<b>NOTE "22"</b>		
<b>COST OF MATERIALS/CONSTRUCTION</b>		
Cloth Trading		
Purchase for resale	5,127,578	6,288,964
Food and Beverage Consumed		
Purchases	254,342,657	133,533,898
Realty Sales		
Land Cost - transferred from Fixed Assets		406,614,829
Construction & Other related costs	2,856,756,239	4,241,182,662
		4,647,797,491
	3,116,226,474	4,787,620,353

Particulars	2014 -2015	2013 -2014
	₹	₹
<b>NOTE "23"</b>		
<b>CHANGE IN INVENTORY</b>		
Food and Beverage Consumed		
Stocks at commencement	29,855,628	20,387,377
Stocks at close	38,396,342	29,855,628
	(8,540,713)	(9,468,251)
Realty Sales		
Opening Work In Progress	11,373,455,725	9,738,669,027
Closing work in progress	11,667,878,618	11,016,996,277
Net (Increase)/Decrease	(294,422,893)	(1,278,327,251)
	(302,963,606)	(1,287,795,502)



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Particulars	2014 -2015	2013 -2014
	₹	₹
<b>NOTE "24"</b>	<b>2014-15</b>	2013-14
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages & Bonus	830,986,346	688,256,872
Contribution to Provident Fund & Other Funds	23,894,651	16,732,113
Gratuity and Leave encashment	37,248,899	7,756,879
Staff Welfare Expenses	22,420,202	17,780,641
	<b>914,550,098</b>	730,526,505

Particulars	2014 -2015	2013 -2014
	₹	₹
<b>NOTE "25"</b>		
<b>DEPRECIATION AND AMORTISATION</b>		
Depreciation and Amortisation	1,681,577,120	1,061,240,988
Add/(Less) : Transferred from revaluation reserve (Refer Note No 37)	(997,921)	(989,845)
Add/(Less) : Prior Period Adjustments	71,035	(5,477,877)
	<b>1,680,650,234</b>	1,054,773,266

Particulars	2014 -2015	2013 -2014
	₹	₹
<b>NOTE "26"</b>		
<b>FINANCE COSTS</b>		
Interest Expenses		
Interest on fixed loans	3,814,186,993	3,265,243,767
Interest on other loans	111,003,468	53,454,243
Other Costs	30,902,339	132,243,847
	<b>3,956,092,799</b>	3,450,941,856

Particulars	2014 -2015	2013 -2014
	₹	₹
<b>NOTE "27"</b>		
<b>OTHER EXPENSES</b>		
Electricity	1,682,907,226	1,348,925,623
Repairs and Maintenance:-		
Buildings	105,997,030	83,065,386
Machinery & Vehicles	233,909,875	147,294,565
Others	54,670,613	30,519,159
	<b>394,577,518</b>	260,879,110
Foreign Exchange (Gain)/Loss	(700,035)	2,054,374
Insurance	35,232,882	22,569,971
Stores and Operating Supplies	84,005,417	50,749,504
Rent	9,115,494	10,485,752
Rates & Taxes	72,353,170	36,724,254
Property Tax	525,375,301	258,468,424
Water Charges	107,475,646	77,152,762
Communication expenses	20,614,230	19,262,805
Postage & Courier	1,849,705	442,744

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Particulars	2014 -2015	2013 -2014
	₹	₹
Printing & stationary expenses	7,977,976	7,461,039
Legal and Professional charges	298,270,410	127,374,063
Travelling Expenses	49,685,618	42,839,457
Auditors' Remuneration	13,125,294	11,316,408
Car Hire charges	26,896,569	26,214,282
Directors' sitting fees & Commission	11,193,347	1,610,339
Compensation	14,429,182	71,020,645
Donation	12,187,339	4,778,908
Loss on Assets Sold/Discarded	738,030	1,091,518
Prior Period Expenses	10,308,969	7,250,123
Advertisement & Sales Promotion	660,732,859	371,801,908
Bank charges	3,549,625	2,335,638
Brokerage	35,205,390	14,085,413
Rebate & Settlement	141,365,414	72,523,037
Bad debts & Sundry balances written off	71,705,913	66,970,450
Provision for Doubtful Debts & Advances/(written back)	231,961,537	303,667,450
Parking Expenses	7,302,077	32,623,492
Office Expenses	15,514,506	1,517,441
Management Fee	-	1,031,065
Security Charges	239,184,202	159,209,625
Housekeeping Expenses	240,200,214	223,125,664
General Expenses	43,919,547	72,953,287
Other Miscellaneous Expenses	112,279,175	40,212,456
Miscellaneous/Preliminary Expenditure written off	5,280,319	361
	<b>5,185,820,067</b>	<b>3,470,546,466</b>

## NOTE "27.1"

Out of ₹35,012,702/- to be expended towards CSR activities as per Sec 135 of the Companies Act , 2013, company has incurred an expenditure of ₹6,000,000/- in the year.

## 28. Details of the Exceptional Items

### 28.1

Particulars	2014-15	2013-14
Provision for the diminution in the value of investment	912,500,000	-
Project Development Expenditure transferred (Refer Note 28.2)	132,992,860	-
Amount credited on reclassification of investment in Entertainment World Developers Ltd & Bartraya Mall Development Co. Pvt from equity method to cost as per AS-13.	(107,461,494)	-
Excess Depreciation charged in earlier years	-	(84,405,163)
Net Exceptional Expenses	938,031,366	(84,405,163)

**28.2** The business plan of Gangetic Developers Private Limited incorporated in the Articles of Association (AOA) has become unworkable due to decision of the management to modify the plan as mentioned in the AOA and planning to combine Mall, Multiplex project with other commercial structure for ensuring viability of the project.

**29) a)** Disclosure regarding derivative instruments and un-hedged foreign currency exposure  
The Company does not enter into any forward exchange contracts being derivative instruments for trading or speculative purposes. The Company did not enter into any forward exchange contracts being derivative instruments for hedging purposes during the year.

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- b) In Pallazzo Hotels & Leisure Limited, the Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Foreign Currency	2014-15		2013-14	
		Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Trade Payables	USD	349,124	21,851,977	240,301	14,442,018
	AED	9,332	158,399	9,332	152,584
	SGD	502,969	22,851,202	502,969	24,006,975
	HKD	241,375	1,940,534	215,556	1,884,592
Capital Advance	USD	555,854	31,767,434	298,523	15,936,428
	EURO	27,636	2,098,393	65,853	4,835,215
	SGD	2,218	101,318	-	-
	HKD	12,063	103,510	73,283	588,466
Long Term Borrowings	USD	21,875,010	1,369,174,376	23,375,000	1,404,832,825
Interest Accrued and Due	USD	249,900	15,641,412	311,955	18,748,460
Balances with bank	USD	1,195	74,808	1,214	72,973
Cash in Hand	USD	-	-	651	39,095
	YEN	-	-	12,000	6,515
	SA Rand	-	-	2,050	9,840

- c) In Classic Mall Development Company Private Limited, foreign currency exposure that are not hedged by derivative instruments or Forward Contracts as at March 31, 2015 comprises of dues to creditors ₹ NIL (Previous Year ₹ 1,757,484).

30. The Company has disclosed Business Segment as the primary Segment. In the opinion of the Management, the Company is organised into two main business segments namely, Property & Related Services and Hospitality Services. These segments have been identified in line with AS-17 on segment reporting. The accounting policies adopted for segment reporting are in line with accounting policy of the Company.

Sr no.	Particulars	Property & Related Services		Hospitality Services		Unallocated		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
<b>A</b>	<b>Revenue</b>								
	income From Operations & sales	14,942,924,641	13,601,318,086	1,590,314,076	883,833,287			16,533,238,718	14,485,151,373
	Other Income					312,337,755	390,610,178	312,337,755	39,0610,178
	Total	14,942,924,641	13,601,318,086	1,590,314,076	883,833,287	312,337,755	390,610,178	16,845,576,473	14,875,761,551
<b>B</b>	<b>Results</b>								
1	Profit Before Tax & Interest	7,040,450,833	6,000,169,394	(1,101,495,382)	(270,689,111)	312,337,755	390,610,178	6,251,293,206	6,120,090,461
2	Less: Interest					(3,956,092,799)	(3,450,941,856)	(3,956,092,799)	(3,450,941,856)
	Profit Before Tax & Exceptional Item	7,040,450,833	6,000,169,394	(1,101,495,382)	(270,689,111)	(3,643,755,044)	(3,060,331,678)	2,295,200,407	2,669,148,605
	Add/(less) Exceptional Item				84,405,163	(938,031,365)		(938,031,365)	84,405,163
	Less: Provision for Tax					(493,187,158)	(909,167,102)	(493,187,158)	(909,167,102)
	Net Profit after Tax (Before Adjustment of Minority Interest and share of associates)	7,040,450,833	6,000,169,394	(1,101,495,382)	(186,283,948)	(5,074,973,568)	(3,969,498,780)	863,981,883	1,844,386,666
	Add/(less) Share of Profit/(loss) from Associates					43,231,806	(28,843,659)	43,231,806	(28,843,659)
	Less : Minority Interest					552,922,725	530,925,780	552,922,725	530,925,780
	Profit After Tax and Minority	7,040,450,833	6,000,169,394	(1,101,495,382)	(186,283,948)	(5,584,664,487)	(4,529,268,219)	354,290,964	1,284,617,227
<b>C</b>	<b>Other Information</b>								
	Segment Assets	49,890,349,288	50,302,400,344	11,440,714,307	114,648,58,925	5,081,791,689	5,818,162,301	66,412,855,284	67,585,421,570
	Segment Liabilities	10,635,265,463	9,720,411,711	2,348,807,640	2,582,505,287	30,461,550,350	30,845,133,781	43,445,623,453	43,148,050,779
	Capital Expenditure	1,228,238,329	407,668,264	593,474,304	2,882,709,878			1,821,712,633	3,290,378,142
	Depreciation	1,171,633,224	789,958,177	509,017,010	264,815,089			1,680,650,234	1,054,773,266

All the activities of the Company and its subsidiaries are located in India. There are no secondary reportable segments.

31. In view of the Accounting Standard : AS 18 on Related Parties Disclosures in respect of related party transactions for the year ended on 31st March 2014 is as under:

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a) RELATIONSHIPS

**Category I: Associates**

Classic Housing Projects Private Limited  
Escort Developers Private Limited  
Galaxy Entertainment Corporation Limited  
Galaxy Entertainment (India) Private Limited  
Gangetic Hotels Private Limited  
Mirabel Entertainment Private Limited  
Savannah Phoenix Private Limited  
Starboard Hotels Private Limited

**Category II: Key Managerial Personnel**

Key Person	Designation
Ashokkumar R Ruia	Chairman & Managing Director
Atul Ruia	Jt. Managing Director
Kiran B Gandhi	Whole-time 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  
Winston Hotel Private Limited  
Ashok Apparels Private Limited  
Vigilant Developers Private Limited  
Padmshil Hospitality & Lesiure Private Limited

**Category IV : Relatives of Key Managerial Personnel**

Gayatri A Ruia  
B. R. International.

b) The following transactions were carried out with the Related Parties in the ordinary course of business in the financial year under report:

Sr. No.	TRANSACTIONS	Category I	Category II	Category III	Category IV	Total
1	Rent, Compensation & Other recoveries	1,68,70,384	-	-	18,09,953	1,86,80,337
		(7,24,05,949)		(45,164)	(18,13,440)	(7,42,64,553)
2	Interest Received	1,32,66,933	-	-	-	1,32,66,933
		(10,89,43,685)				(10,89,43,685)
3	Remuneration/Salaries/ Other Expense	-	3,57,84,668	-	-	3,57,84,668
			(3,57,69,615)			(3,57,69,615)
4	Administrative & Other Charges paid ( Excluding Service Tax)	3,99,450	1,90,502	59,78,454	-	65,68,406
		(4,70,000)		(55,64,378)		(60,34,378)
5	Interest Paid	-	-	-	-	-
					(89,72,730)	(89,72,730)
6	Purchase of Goods / Materials	50,95,078	-	-	-	50,95,078

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Sr. No.	TRANSACTIONS	Category I	Category II	Category III	Category IV	Total
7	Loans returned by Parties					-
		(10,00,71,639)				(10,00,71,639)
8	ICD Given	39,07,00,000	-	-	-	39,07,00,000
		(4,05,00,000)				(4,05,00,000)
9	ICD returned by Parties	-	-	-	-	-
		(6,65,00,000)				(6,65,00,000)
10	Investment in Shares/ application money pending allotment	-	-	-	-	-
		(6,00,000)		(1,80,31,694)		(1,86,31,694)
11	Sale of (Loss) from partnership firm	-	-	5,12,497	-	5,12,497
				(12,42,368)		(6,65,783)
12	Capital Investment in Firm					-
13	Advances Given	3,00,00,000	-	-	-	3,00,00,000
		(7,00,00,000)				(7,00,00,000)
14	Redemption of OCD/CCD	-	-	-	-	-
		(12,48,00,000)				(12,48,00,000)
15	Investment in OCD/CCD	20,00,56,310	-	1,05,04,540	-	21,05,60,850
16	Application money Refund Received	18,80,99,900	-	2,46,81,694	-	21,27,81,594
				(60,00,000)		(60,00,000)
17	Advances Refunded by party	3,00,00,000	-	-	-	3,00,00,000
18	Purchase of Equity / Preference Shares	-	-	-	-	-
19	Conversion Of Debentures into Equity	-	-	-	-	-
		(2,48,43,590)				(2,48,43,590)

c) The following balances were due from / to the related parties as on 31-03-2015

Sr. No.	TRANSACTIONS	Category I	Category II	Category III	Category IV	Total
1	Investment in Equity Shares / pref shares	25,49,01,670	-	-	-	25,49,01,670
		(81,82,72,739)		(1,00,00,000)		(82,82,72,739)
2	Investment in OCD/CCD	24,20,56,310	-	1,05,04,540	-	25,25,60,850
		(4,20,00,000)				(4,20,00,000)
3	Investment in Capital of Partnership Firm	-	-	1,94,24,433	-	1,94,24,433
				(1,99,36,930)		(1,99,36,930)
4	Loans and Advances Given	-	-	-	-	-
		(3,00,00,000)				(3,00,00,000)
5	Loans Taken	3,30,37,235	-	-	-	3,30,37,235
		(3,30,37,235)				(3,30,37,235)
6	Inter Corporate Deposits Given	37,46,11,551	-	-	-	37,46,11,551

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Sr. No.	TRANSACTIONS	Category I	Category II	Category III	Category IV	Total
		(6,20,898)				(6,20,898)
7	Advances Received	-	-	1,50,000	-	1,50,000
8	Trade receivables	2,79,55,462	-	11,73,914	4,84,277	2,96,13,653
		(86,05,932)		(11,73,914)	(4,67,610)	(1,02,47,456)
9	Trade Payables	1,56,957	-	-	-	1,56,957
		(32,45,911)				(32,45,911)
10	Deposits received	-	-	-	-	-
		(1,25,00,000)				(1,25,00,000)
11	Deposits Given	-	-	47,92,75,000	-	47,92,75,000
		(50,75,000)		(47,92,75,000)		(48,43,50,000)
12	Share/ Debenture Application money pending allotment	-	-	-	-	-
		(22,05,56,310)		(2,46,81,694)		(24,52,38,004)

\*Figures in brackets are of previous year

#### d. Disclosure in Respect of Material Related Party Transactions during the year:

- i. Rent & other recoveries include received from Classic Mall Development Company (P) Limited ₹ Nil (P.Y. ₹ 7,895,000), Classic Housing Projects (P) Limited ₹5,038,000 (P.Y. ₹ 37,160,876), Starboard Hotels Private Ltd ₹ 11,791,433 (P.Y. ₹ 4,413,000) and Offbeat Developers (P) Limited ₹ Nil (P.Y. ₹ 16,428,000).
- ii. Interest received include received from Classic Mall Development Company (P) Limited ₹ Nil (P.Y. ₹ 11,210,907), Gangetic Hotels Private Limited ₹ 1,660,203 (P.Y. ₹ 9,249,575), Starboard Hotels Private Limited ₹ 1,09,31,701 (P.Y. ₹ 6,89,887) and Offbeat Developers (P) Limited ₹ Nil (P.Y. ₹ 86,923,657).
- iii. Remuneration paid to Ashok Ruia ₹6,000,000 (P.Y. ₹ 60,00,000), Atul Ruia ₹6,000,000 (P.Y. ₹ 60,00,000 ), Kiran Gandhi ₹ 2,792,168 (P.Y. 3,769,615), Shishir Shrivastava ₹ 20,992,500 (P.Y. ₹ 20,000,000).
- iv. Administrative & other expenses include paid to R.R.Hosiery ₹ Nil (P.Y. ₹ 1,953,600) and R.R.Hosiery (P) Limited ₹ 5,972,710 (P.Y. ₹ 3,610,778).
- v. Interest paid includes interest paid B.R. International ₹ Nil (P.Y. ₹ 8,972,730)
- vi. Purchase of Goods/Materials include purchase from Classic Housing Projects Private Ltd. ₹ 5,095,078/- (P.Y. Nil).
- vii. ICD given includes Starboard Hotels (P) limited ₹ 99,500,000(P.Y. ₹ 12,500,000), Gangetic Hotels Private Limited ₹ 2,61,200,000 (P.Y. ₹ Nil) Classic Housing Projects (P) Limited ₹ Nil (P.Y. ₹ 28,000,000).
- viii. ICD returned by parties includes Starboard Hotels (P) limited ₹ Nil (P.Y. ₹ 12,500,000), and Gangetic Hotels (P) Limited ₹ Nil (P.Y. ₹ 52,500,000).
- ix. Investment in Shares/Application Money pending allotment includes Savannah Phoenix (P) Limited ₹ Nil (P.Y. ₹ 600,000), and Winston Hotels (P) Limited ₹ Nil (P.Y. ₹ 18,031,694).
- x. Loss from investment in Phoenix Construction partnership firm ₹5,12,497(P.Y. ₹ 1,242,368).
- xi. Capital introduced/(withdrawn) from Partnership firm includes capital withdrawn from Phoenix Construction Company ₹ Nil (P.Y. ₹ -113,150).
- xii. Advances given includes advances given to Offbeat Developers (P) Limited ₹ Nil (P.Y. ₹ 7,00,00,000) and Classic Housing Projects Private Limited ₹30,000,000 (P.Y Nil).
- xiii. Advances refunded by parties includes Classic Housing Projects Private Limited ₹30,000,000 (P.Y ₹ Nil).
- xiv. Optionally Convertible Debentures Redeemed of Classic Housing Projects (P) Limited ₹ (P.Y. ₹ 124,800,000).
- xv. Application Money Refund received includes refund received from Savannah Phoenix (P) Limited ₹ 1,63,00,000 (P.Y. ₹ Nil) Starboard Hotels (P) Limited ₹ 13,83,99,900 (P.Y. ₹ Nil).
- xvi. Conversion of Debentures into equity of Starboard Hotels (P) Limited ₹ Nil (P.Y. ₹ 24,843,590).

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xvii. Investment in OCD/CCD include investment in Starboard Hotels (P) Limited of ₹ 17,35,56,310 (P.Y. ₹ Nil), Savannah Phoenix (P) Limited ₹ 2,24,00,000 (P.Y. ₹ Nil).

## 32. Earnings per share (EPS):

Basic as well as Diluted EPS	2014-15	2013-14
	₹	₹
Net Profit after Tax	35,42,90,964	1,28,46,17,227
Weighted Average No. of Equity Shares for Basic EPS	14,48,81,603	14,48,45,445
Dilution due to ESOPs	1,63,912	-
Weighted Average No. of Equity Shares for Diluted EPS	14,50,45,515	-
Nominal Value of Equity Shares	2	2
Basic Earning Per Share	2.45	8.87
Diluted Earning Per Share	2.44	8.87

## 33. Contingent liabilities not provided for in respect of:-

- Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts is ₹1,199,511,397 (P.Y. ₹ 1,162,749,468) net of advance paid.
- Disputed Statutory demands on account of :

Sr No.	Particulars	31-03-2015	31-03-2014
1	Income Tax (Including TDS)	25,20,14,769	20,99,07,232
2	Service Tax	140,255,533	10,37,82,533
3	Entry Tax	-	1,02,44,297
4	VAT	1,04,68,913	-
5	Property Tax	10,85,90,254	34,000

- Demand notices received on account of arrears of Provident Fund dues ₹ 2,471,962 (P.Y. ₹ 2,471,962) are disputed by the Company. The Company has paid ₹ 1,000,000 and has also furnished a Bank Guarantee for ₹ 1,471,165 against P.F. demands to the P.F. authorities.
- Other Claims against the company not acknowledge of ₹ 8,395,942/- (P.Y. 8,395,942)
- Outstanding guarantees given by Banks ₹ 2,18,50,549 (P.Y. ₹ 12,635,951).
- Guarantees given by the company for EPCG Licence ₹ 1,66,50,75,455(P.Y. 2,007,646,924).
- The above litigations are not expected to have any material adverse effect on the financial position of the company.

## 34. 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.

a.) The details of Project Development Expenditure as on the date of Balance sheet are as under:

Particulars	2014-15	2013-14
	₹	₹
<b>Opening Balance (A)</b>	<b>183,671,345</b>	78,669,543
<b>Expenditure</b>		
Salary and Allowances	-	174,459
Rates and Taxes	5,267,998	7,195
Legal, Professional & Consultancy Fees	-	23,314

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Particulars	2014-15	2013-14
	₹	₹
Travelling Expenses	-	9,171
Bank Charges	-	1,050
Auditors' Remuneration	-	28,090
Depreciation	-	38,462
Interest	74,550,411	83,639,912
Other expenses	-	21,080,149
<b>Total (B)</b>	<b>79,818,439</b>	<b>105,001,802</b>
<b>Less : Project Development Expenses Transferred to profit and loss account as exceptional item (C)</b>	<b>79,470,144</b>	-
<b>Closing Balance (A+B-C)</b>	<b>184,019,610</b>	<b>183,671,345</b>

b.) Project Development Expenditure in Pallazzio Hotels & Leisure Limited as under :

- 1) Aggregate interest and other borrowing costs (net of service tax credit in the current year) allocated to CWIP (net of interest income of ₹ 1,446,000 [Previous year ₹ 3,627,682]) during the year is ₹ 60,404,319 (Previous year ₹ 154,923,892). In accordance with circular no 25/2012 dated 9th August 2012 issued by Ministry of Corporate Affairs, no portion of exchange difference adjusted to capital assets in accordance with paragraph 46A of Accounting Standard 11 is regarded as an adjustment to interest costs in terms of paragraph 4(e) of Accounting Standard - 16 "Borrowing Costs".
- 2) During the year exchange loss (net) aggregating to ₹ 57,914,497 (Previous year ₹ 135,080,155) has been added to the cost of capital work in progress (including amount transferred to fixed assets on capitalization) in accordance with the option given by the ministry of corporate affairs vide notification number F.No 17/133/2008/CL-V dated 29<sup>th</sup> December 2011.

## 35. The Subsidiary companies considered in these consolidated financial statements are:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest	Proportion of ownership interest
		2014-15	2013-14
Pallazzio Hotels & Leisure Limited	India	100%	100%
Bellona Hospitality Services Limited	India	100%	100%
Marketcity Resources Private Limited	India	100%	100%
Pinnacle Real Estate Development Private Limited	India	100%	100%
Palladium Constructions Private Limited	India	73.25	70%
Enhance Holdings Private Limited	India	100%	100%
Plutocrat Assets and Capital Management Private Limited	India	100%	100%
Big Apple Real Estate Private Limited (BAREPL)	India	76.59%	77.20%
Butala Farm Lands Private Limited	India	100%	100%
Vamona Developers Private Limited	India	62.55%	58.55%
Upal Developers Private Limited (Subsidiary of BAREPL)	India	76.59%	71.41%
Blackwood Developers Private Limited (Subsidiary of BAREPL)	India	76.59%	77.20%
Gangetic Developers Private Limited (Subsidiary of BAREPL)	India	44.89%	45.25%
Market City Management Private Limited	India	100%	100%
Phoenix Hospitality Company Private Limited (PHCPL)	India	56.92%	56.92%
Graceworks Realty & Leisure Private Limited (Subsidiary of PHCPL)	India	44.02%	44.02%
Alliance Spaces Private Limited (Subsidiary of PHCPL)	India	33.01%	33.01%
Mugwort Land Holdings Private Limited	India	94.86%	94.86%
Sangam Infrabuild Corporation Private Ltd. (Subsidiary of BAREPL)	India	77.19%	76.94%
Island Star Mall Developers Private Limited	India	75.34%	68.05%



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Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest	Proportion of ownership interest
		2014-15	2013-14
Classic Mall Development Company Private Limited (including 1.82% indirect holding through Escort Developers Private Limited)	India	50.01%	50.01%
Offbeat Developers Private Limited	India	56.26%	53.23%

### 36. The associate companies considered in the consolidated financial statements are:

Name of Associate companies	Country of Incorporation	Proportion of ownership interest	Proportion of ownership interest
		2014-15	2013-14
Bartraya Mall Development Company Private Limited	India	-	50.00%
Classic Housing Projects Private Limited	India	50.00%	50.00%
Entertainment World Developers Limited	India	-	40.21%
Escort Developers Private Limited	India	50.00%	50.00%
Galaxy Entertainment Corporation Ltd.	India	23.56%	23.56%
Galaxy Entertainment (India) Private Limited	India	49.02%	49.02%
Starboard Hotels Private Limited	India	28.47%	28.47%
Mirable Entertainment Private Limited (Associate through PHCPL)	India	28.46%	28.46%
Gangetic Hotels Private Limited	India	23.61%	23.61%
Savannah Phoenix Private Limited	India	50.00%	50.00%

For year ended 31<sup>st</sup> March, 2015, ₹ 107,461,495 credit on reclassification of investments under equity method to cost method as per Accounting Standard 13.

Investments in Associates include:

Name of Associates	Cost of Acquisition	Goodwill/ (Capital Reserve) included in cost of acquisition	Cost of Acquisition	Goodwill/ (Capital Reserve) included in cost of acquisition
	2014-15	2014-15	2013-14	2013-14
	₹	₹	₹	₹
Classic Housing Projects Pvt. Limited	52,215	(4,735,357)	52,215	(4,735,357)
Escort Developers Pvt. Ltd.	15,950,000	2,143	15,950,000	2,143
Galaxy Entertainment Corporation Ltd.	74,309,402	47,479,617	74,309,402	47,479,617
Galaxy Entertainment (India) Pvt. Ltd.	25,000,000	(205,058)	25,000,000	(205,058)
Savannah Phoenix Private Limited	250,000	-	250,000	-
Starboard Hotels Private Limited (Formerly Classic Software Technology Park Developers Private Limited)	14,232,697	190,577	14,232,697	190,577
Mirable Entertainment Private Limited	30,468	(306,839)	30,468	(306,839)
Gangetic Hotels Private Limited	59,293,564	(41,655,277)	59,293,564	(41,655,277)

37. Based on the valuation reports of the Government approved valuers, the Holding Company had revalued the assets consisting of land including leasehold land and land leased in perpetuity, Buildings and Plants and Machinery as on 31<sup>st</sup> March 1985. Depreciation on revalued land, building and plant and machinery has been calculated as per the rates specified by the valuers, which includes an additional charge amounting to ₹ 997,921 (P.Y. ₹ 989,845/) in comparison to depreciation provided under the Companies Act, 2013, and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Statment of Profit and Loss.

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38. Capital work in progress includes ₹ 933,834,120 (P.Y. ₹ 878,084,120) 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.
39. The Company has created a charge, by way of mortgage, on 17,853 square meters of its land for the loan taken by its wholly owned subsidiary, Pallazzio Hotels & Leisure Limited (PHLL) from the banks. The Company has developed a mixed use retail structure on the said land. The Company has transferred the rights of development of 2/3rd portion of 17,853 square meters of the said land to PHLL for the construction of a hotel, vide a Land Development Agreement dated 30th March 2007. The conveyance of the said portion of Land, in favour of PHLL is pending.
40. The Investments of ₹ 57,92,70,269/- (including through wholly owned subsidiary) in the equity shares of Entertainment World Developers Limited (EWDL) and ₹ 100,00,00,000 in FCDs of Treasure world Developers Pvt. Ltd. (TWDPL), subsidiary of EWDL, which were considered as strategic and long term in nature, have been hitherto carried at cost in the Financial Statements. Interest income aggregating to ₹ 14,32,51,068 (net of TDS) was accrued on the said debentures upto 31st March 2012 and is outstanding as on 31st March, 2015. The company had exercised the put option available as per the Share & Debenture Subscription Deed for the said FCDs and EWDL has paid a part amount of ₹ 19,18,80,000 in November 2013 towards the same. Pending receipt of the balance consideration and the settlement of the matter, the amount received has not been adjusted against the investments/accrued Interest and has been shown under other current liability. The Company has been making all efforts towards settlement of the matter and for recovery of the balance dues against the above put option. There has been limited progress in the matter. The Company is exploring various options, including contractual remedies, for the recovery of its dues. However, the Company's Board has, out of abundant caution and as a prudent practice in line with the standard accounting practices, decided to provide ₹ 91,25,00,000 for the impairment of these investments, which is considered adequate at this stage. The Company will continue its efforts for the recovery of the dues against the put option exercised by it and would endeavor to ascertain the realizable values of these Investments. The adequacy of the impairment provision would be reviewed annually based on the future developments.
41. In Offbeat Developer Private Limited, Trade Receivables as at 31st March, 2015 includes receivables of ₹ 559,728,876/- in respect of mall operations, which are due for more than six months and subject to confirmations. The company is in the process of recovering these through ongoing negotiations. Pending final outcome of such negotiations, a provision of ₹ 368,823,715/- has been made as at 31st March, 2015 towards doubtful debts which in the opinion of the Management is adequate.
42. The management has identified unsecured Trade Receivables in Upal Developers Private Limited of ₹ 193 lacs and Blackwood Developers Private Limited of ₹ 32.21 Lacs which are outstanding for recovery from various parties. No provision against the same has been made in the financial statements since the management considers the same as fully recoverable.
43. During the previous year, Pallazzio Hotels & Leisure Limited has changed its accounting policy with respect to method of charging depreciation on fixed tangible assets from 'Written Down Value' to 'Straight Line Method' at the rates prescribed in Schedule XIV of the Companies Act, 1956. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefit will flow to the Company. Accordingly the company has recognized a surplus of ₹ 84,405,163 arising from retrospective change as an exceptional item. Had the company followed written down value method of providing depreciation, the depreciation charge for the year would have been higher by ₹ 389,380,497, exceptional income would have been lower by 84,405,163 and the loss of the year would also have been higher by ₹ 473,785,660.
44. 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.

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## 45. Operating Leases – in the books of Pallazzo Hotels and Leisure Limited

### As lessee

- a. The Company has taken vehicles under operating lease. The minimum future lease rentals payable under non-cancellable operating lease are as under:-

Particulars	2014-15	2013-14
	₹	₹
Not later than one year	12,468,840	20,880,000
Later than one year and not later than five years	-	12,468,840
Later than five years	-	-
Total	12,468,840	33,348,840
Total contingent rent ₹ Nil (Previous year ₹ Nil).		

- b. In accordance with the terms of the issue of non-convertible debentures, the company has given the debenture holders a right to occupy certain premises of the building which is under construction. No separate/additional consideration is receivable for the above.

### As lessor

- c. In accordance with the arrangements entered into by the company, the company has accounted for license fees of ₹ 50,833,245 (Previous year ₹ 14,641,577) [including amortization of non-refundable security deposit of ₹ 6,666,672 (Previous year ₹ 2,391,577) and contingent rent of ₹ 9,166,573 (Previous year ₹ Nil)]. The minimum license fees receivable in next one year is ₹ 48,666,672 (Previous year ₹ 48,666,667) and later than one year and not later than five years is ₹ 180,194,444 (Previous year ₹ 228,861,111) and later than five years Nil.

The gross carrying amount and accumulated depreciation at the balance sheet date of the said premises is ₹ 154,598,901 (Previous year ₹ 142,056,992) and ₹ 7,152,467 (Previous year ₹ 1,458,851) respectively. Depreciation recognized in Statement of Profit and loss for the said premises during the year is ₹ 5,693,616 (Previous year ₹ 199,222)

46. 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 2013-2014. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:-

Sr.No.	Name of the Partners	Profit Sharing ratio	Total Capital on	
			31/03/2014	31/03/2013
1.	The Phoenix Mills Ltd.	50%	16,522,764	17,040,878
2.	Gold Seal Holding Pvt. Ltd.	50%	11,666,962	12,185,076

The Company has accounted for its share of loss amounting to ₹ 512,497/- (P.Y. ₹ (1,242,368/-) pertaining to the financial year 2013-2014 in the current 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.

47. Disclosure under the Micro, Small and Medium Enterprise Development Act, 2006 is tabled below.

Particulars	31st March, 2015	31st March, 2014
Principal amount payable to micro and small enterprises at year end	1,587,137	2,247,087
Interest accrued and unpaid to suppliers at year end	-	-
Interest paid to suppliers during the year	-	-

48. The Hotel Management Agreement (HMA) between the Pallazzo Hotels & Leisure Limited and Shangri-La International Hotel Management Pte Ltd for the operation of the Company's hotel in Lower Parel, Mumbai has been terminated effective 5<sup>th</sup> September, 2013. In accordance with the provisions of the HMA, the Parties have referred their mutual disputes to arbitration tribunal. Currently the arbitration proceeding are at the preliminary stage, i.e.

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the tribunal is in the process of determining jurisdictional issues raised by the parties. The management, based on its own assessment, is of the view that the arbitration award would be in its favour and hence does not expect any material outflow on the conclusion of the arbitration proceedings. The accounting treatment for the outcome (including termination fees payable (if any)) of this arbitration will be based on the final award of the tribunal.

49. The material difference in the accounting policies of the company and it's subsidiaries are as under:

Item	Name of Subsidiary	₹	Percentage of proportion of Item
Depreciation	Pallazio Hotels & Leisure Ltd.	509,017,010	30.29
Depreciation	Offbeat Developers Pvt. Ltd.	229,157,787	13.64
Depreciation	Vamona Developers Pvt. Ltd.	196,525,291	11.69
Depreciation	Island Star Mall Developers Pvt. Ltd.	159,327,338	9.48
Depreciation	Classic Mall Development Company Private Limited	151,136,823	8.99
Depreciation	Upal Developers Pvt. Ltd.	52,029,964	3.10
Depreciation	Blackwood Developers Pvt. Ltd.	49,949,416	2.97
Depreciation	Big Apple Rea Estate Pvt. Ltd.	1,175,643	.07

50. Additional information as required under Section 186 (4) of the Companies Act, 2013 during the year:

- No investment is made in Body Corporate other than those mentioned in Note 11.
- No Guarantee is given by the Company.
- Loans given by the Company to Body Corporate or person are as under :

Name		Amount	Purpose
Anushikha Investments Pvt. Ltd.	Others	28,133,466	General Corporate Purpose
Bartraya Mall Development Co. Pvt. Ltd	Others	30,000,000	General Corporate Purpose
Gangetic Hotels Private Limited	Associate	261,200,000	General Corporate Purpose
Kalani Industries Pvt Ltd	Others	94,198,077	General Corporate Purpose
Starboard Hotels Private Limited	Associate	109,321,170	General Corporate Purpose
Swaran Financial Pvt Ltd	Others	16,883,742	General Corporate Purpose
Treasure World Developers Pvt.Ltd.	Others	5,725,000	General Corporate Purpose
York Financial Services Pvt. Ltd.	Others	10,378,106	General Corporate Purpose
		<b>555,839,561</b>	

51. Details required as per Schedule III of the Companies Act 2013 as below:-

- Details of Net Assets & share in profit or loss

SR No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated Profit	Amount
	<b>1. Parent</b>	33.40%	7,665,859,277	174.58%	618,521,350
	<b>Subsidiaries</b>				
	<b>A) Indian</b>				
1	Alliance Spaces Private Limited	4.27%	980,626,316	(10.86%)	(38,467,600)
2	Blackwood Developers Private Limited	1.17%	267,503,628	(4.72%)	(16,717,997)
3	Bellona Hospitality Services Limited	0.36%	82,378,007	(2.25%)	(7,973,595)
4	Big Apple Real Estate Private Limited	5.16%	1,184,255,275	(3.78%)	(13,406,223)
5	Butala Farm Lands Private Limited	0.22%	49,836,348	0.00%	(8,161)
6	Classic Mall Development Company Private Limited	10.80%	2,478,210,280	159.70%	565,788,826

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SR No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated Profit	Amount
7	Enhance Holdings Private Limited	(0.31%)	(70,165,942)	(19.76%)	(70,023,547)
8	Gangetic Developers Private Limited	1.41%	324,654,801	(15.45%)	(54,724,616)
9	Grace Works Realty & Leisure Private Limited	0.69%	158,474,152	44.85%	158,911,375
10	Island Star Mall Developers Private Limited	10.63%	2,439,336,494	79.73%	282,492,447
11	Market City Resources Private Limited	0.37%	85,648,549	2.37%	8,384,847
12	Market City Management Private Limited	0.00%	1,010,200	0.20%	698,993
13	Mugwort Land Holdings Private Limited	0.00%	939,673	(0.01%)	(21,679)
14	Offbeat Developers Private Limited	13.80%	3,167,028,287	(67.10%)	(237,713,182)
15	Palladium Constructions Private Limited	19.66%	4,511,097,476	175.61%	622,163,478
16	Pallazio Hotels & Leisure Limited	3.40%	779,374,425	(310.90%)	(1,101,495,382)
17	Phoenix Hospitality Company Private Limited	0.00%	(117,622)	0.13%	475,408
18	Pinnacle Real Estate Development Private Limited	(0.23%)	(51,947,055)	0.00%	(3,081)
19	Plutocrat Assets And Capital Management Private Limited	0.00%	5,502	(0.01%)	(19,459)
20	Sangam Infrabuild Corporation Private Limited	0.14%	31,984,089	(0.03%)	(104,724)
21	Upal Developers Private Limited	0.51%	118,115,037	0.12%	423,922
22	Vamona Developers Private Limited	6.66%	1,528,086,044	27.15%	96,204,832
<b>Associates (investment as per Equity Method)</b>					
1	Classic Housing Projects Private Limited	0.34%	77,787,760	9.82%	34,801,525
2	Mirabel Entertainment Private Limited	0.01%	1,842,630	0.09%	308,901
3	Savannah Phoenix Pvt. Ltd.	0.00%		(0.61%)	(2,152,436)
4	Starboard Hotels Private Limited	0.11%	24,933,921	(0.04%)	(152,831)
5	Galaxy Entertainment Corporation Ltd	0.26%	60,351,363	2.94%	10,424,756
6	Galaxy Entertainment (India) Private Limited	0.11%	24,958,248	(0.00%)	(2,753)
7	Escort Developers Private Limited	(0.03%)	(6,564,183)	0.00%	545

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## ii) Details of Subsidiaries and Associates

Sr No.	Name of Subsidiary Company	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
1	Alliance Spaces Private Limited	INR	19,986,940	960,639,376	1,476,815,422	496,189,106	-	1,564,344	(60,076,374)	(21,608,774)	(38,467,600)	-	33.00%
2	Blackwood Developers Limited	INR	187,316,750	80,186,878	1,588,536,778	1,321,033,151	-	278,650,301	(16,717,997)	-	(16,717,997)	-	76.59%
3	Bellona Hospitality Services Private Limited	INR	43,871,200	38,506,807	652,713,296	570,335,289	552,510,032	15,624,922	(7,966,973)	6,622	(7,973,595)	-	100.00%
4	Big Apple Real Estate Private Limited	INR	251,267,930	932,987,345	1,738,520,237	554,264,962	845,226,138	74,943,962	(14,316,524)	(910,301)	(13,406,223)	-	76.59%
5	Butalja Farm Lands Private Limited	INR	125,000	49,711,348	50,149,566	313,218	50,000,000	-	(8,161)	-	(8,161)	-	100.00%
6	Classic Mall Development Company Private Limited	INR	76,981,160	2,401,229,120	6,539,635,873	4,061,425,593	5,000	2,121,941,051	639,334,077	73,545,251	565,788,826	-	50.01%
7	Enhance Holdings Private Limited	INR	100,000	(70,265,942)	59,169,643	129,335,585	59,145,715	-	(70,023,547)	-	(70,023,547)	-	100.00%
8	Gangetic Developers Private Limited	INR	89,860,100	234,794,701	425,037,417	100,382,616	-	-	(54,724,616)	-	(54,724,616)	-	44.89%
9	Grace Works Realty & Leisure Private Limited	INR	675,680	157,798,472	3,025,516,691	2,867,042,539	-	1,202,507,835	209,169,515	50,258,141	158,911,375	-	44.02%
10	Island Star Mall Developers Private Limited	INR	286,764,730	2,152,571,764	6,516,264,194	4,076,927,700	-	1,413,047,828	312,223,149	29,730,702	282,492,447	-	75.34%
11	Market City Resources Private Limited	INR	100,000	85,548,549	208,171,663	122,523,114	72,500,000	183,682,446	12,802,500	4,417,653	8,384,847	-	100.00%
12	Market City Management Private Limited	INR	1,000,000	10,200	1,676,989	666,789	800	909,893	873,860	174,867	698,993	-	100.00%
13	Mugwort Land Holdings Private Limited	INR	100,000	839,673	10,206,333	9,266,660	-	1,905,000	(21,679)	-	(21,679)	-	94.86%
14	Offbeat Developers Private Limited	INR	315,798,410	2,851,254,877	13,714,038,143	10,547,009,856	25,000	2,397,492,229	(503,168,462)	(265,455,280)	(237,713,182)	-	56.26%
15	Palladium Constructions Private Limited	INR	327,785,740	4,183,311,736	5,754,279,200	1,243,181,725	190,000,000	2,354,496,950	809,705,781	(187,542,304)	622,163,478	-	73.24%
16	Pallazzo Hotels & Leisure Limited	INR	120,000,000	659,374,424	11,517,899,548	10,738,525,124	595,000	1,719,776,361	(1,101,495,382)	-	(1,101,495,382)	-	100.00%
17	Phoenix Hospitality Company Private Limited	INR	23,214,000	1,540,658,160	1,619,530,735	55,658,575	1,611,709,656	2,335,324	595,392	119,984	475,408	-	56.92%
18	Pinnacle Real Estate Development Private Limited	INR	100,000	(217,622)	52,049,123	52,166,745	51,829,433	20,000	(3,081)	-	(3,081)	-	100.00%
19	Plutocrat Assets And Capital Management Private Limited	INR	100,000	(94,498)	55,300	49,798	-	(19,459)	(19,459)	-	(19,459)	-	100.00%
20	Sangam Infrabuild Corporation Private Limited	INR	33,460,000	(1,475,911)	51,360,030	19,375,941	-	(104,724)	-	-	(104,724)	-	76.58%
21	Upal Developers Private Limited	INR	196,000,000	(77,884,963)	1,348,565,949	1,230,450,912	-	299,538,517	423,922	-	423,922	-	76.58%
22	Vamona Developers Private Limited	INR	250,000,000	1,278,086,044	7,416,785,173	5,888,699,129	-	1,727,660,356	11,370,073	-18,834,759	96,204,832	-	62.55%

### Notes:

- There are no subsidiaries for which the reporting period is different from the holding Company's reporting period.
- There were no foreign subsidiaries of the Company during the financial year 2014-15.
- Sangam Infrabuild Corporation Private Limited, subsidiary of the Company, is yet to commence its operations.
- There are no subsidiaries which have been liquidated or sold during the year.

# Consolidated Notes

on financial statements for the year ended 31st March, 2015

## Associates and Joint Ventures:

Sl. No.	1	2	3	4	5	6	7	8	9	10
<b>Name of Associates / Joint Ventures</b>	Classic Housing Projects Private Limited	Mirabel Entertainment Private Limited	Savannah Phoenix Pvt. Ltd.	Starboard Hotels Private Limited	Galaxy Entertainment Corporation Ltd	Galaxy Entertainment (India) Private Limited	Escort Developers Private Limited	Bartraya Mall Development Company Private Limited	Entertainment World Developers Limited	Gangeetic Hotels Private Limited
<b>Latest Audited Balancesheet Date</b>	31.3.2015	31.3.2015	31.3.2014	31.3.2015	31.3.2014	31.3.2014	31.3.2015	31.3.2014	31.3.2014	31.3.2014
<b>Shares of Associates/Joint Ventures held by the Company/ Subsidiary Companies on the year end</b>										
(i) No.	5,000	2,846	25,000	1,423,270	3,686,484	2,500,000	25,000	5,000	25,356,940	1,178,699
(ii) Amount of investment in Associates / Joint Venture	50,000	30,468	250,000	14,232,697	74,309,402	25,000,000	15,950,000	50,000	450,124,554	59,293,564
(iii) Extend of Holding	48.00%	28.46%	50.00%	28.47%	23.56%	49.02%	50.00%	50.00%	40.21%	23.61%
<b>Description of how there is significant influence</b>	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3	Refer Note 3	NA	NA	Refer Note 3
<b>Reason why the associate/joint venture is not consolidated</b>	NA	NA	NA	NA	NA	NA	NA	Refer Note 4	Refer Note 4	NA
<b>Networth attributable to Shareholding as per latest audited Balancesheet</b>	171,933,278	7,471,570	(15,185,581)	49,120,350	7,218,359	72,189,577	31,867,507	(86,186)	576,768,053	427,536,001
<b>Profit/Loss for the Year</b>										
(i) Considered in Consolidation	34,801,525	308,902	(2,149,096)	(152,832)	10,424,757	(2,754)	1,304	-	-	-
(ii) Not Considered in Consolidation	-	-	-	-	-	-	-	-	-	-

## Notes:

- There were no associates or joint ventures which are yet to commence operations
- There were no associates or joint venture which have been liquidated or sold during the year
- There is a significant influence due to percentage (%) of shareholding.
- The Company does not exercise any control and does not have significant influence over Entertainment World Developers Limited and Bartraya Mall Development Company Private Limited. Hence these entities are not considered as associates of the Company for the purpose of consolidation as per AS- 23 "Accounting for Investments in Associates in Consolidated Financial Statements". The Investments have been accounted for as per AS-13 "Accounting for Investments".

52. 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

As per our report of even date

**For A.M.Ghelani & Company**  
Chartered Accountants  
FRN : 103173W

**For Chaturvedi & Shah**  
Chartered Accountants  
FRN : 101720W

For and on behalf of the Board of Directors

**Chintan A. Ghelani**  
Partner  
M. No.:104391

**Amit Chaturvedi**  
Partner  
M. No.:103141

**Ashokkumar Ruia**  
(Chairman & Managing Director)

**Shishir Shrivastava**  
(Jt. Managing Director)

**Atul Ruia**  
(Jt. Managing Director )

**Pradumna Kanodia**  
(Director Finance)

**Puja Tandon**  
(Company Secretary)

Place : Mumbai  
Date: 28<sup>th</sup> May, 2015

# Notice

## The Phoenix Mills Limited

462, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400013,  
CIN: L17100MH1905PLC000200  
Tel: (022) 2496 4307 / 8 / 9 Fax: (022) 2493 8388  
Email: info@thephoenixmills.com  
www.thephoenixmills.com

NOTICE is hereby given that the 110<sup>th</sup> Annual General Meeting of the Shareholders of The Phoenix Mills Limited will be held on Wednesday, the 9<sup>th</sup> day of September, 2015 at 3.30 P.M. at Indian Merchants' Chamber, 4th Floor, Walchand Hirachand Hall, Churchgate, Mumbai - 400020 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2015 and Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended March 31, 2015.
3. To appoint a Director in place of Mr. Shishir Shrivastava, who retires by rotation and being eligible, has offered himself for re-appointment.
4. To appoint M/s A. M. Ghelani & Company, Chartered Accountants (Firm Regn. No. 103173W) and M/s Chaturvedi & Shah, Chartered Accountants (Firm Regn. No. 101720W) as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"Resolved that** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Shweta Vyas (DIN 06996110), who was appointed as an Additional Director of the Company w.e.f. October 14, 2014 and who holds office till the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with necessary deposit from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office up to October 13, 2019 and that she shall not be liable to retire by rotation as stipulated under Section 149(13) of the Companies Act, 2013.

**Resolved further that** the Board of Directors of the Company and Ms. Puja Tandon, Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as are necessary to give effect to this Resolution."

6. To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a **Ordinary Resolution**:

**"Resolved that** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), a sum not exceeding 1% p.a. (one percent) of the net profits of the Company computed in the manner prescribed under Section 198 of the Companies Act, 2013, in respect of the profits for each of the five financial years commencing from April 1, 2015 be determined and distributed as Commission to the Directors of the Company, other than Managing, Whole Time and Executive Directors, hereinafter referred to as the "Independent Directors", who are not in the whole time employment of the Company, in such amounts and proportions and in such manner as may be directed by the Board of Directors (or any committee thereof for the time being).

**Resolved further that** the commission paid to the Independent Directors of the Company pursuant to this Resolution shall be in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings which each of the Independent Director may be entitled to receive."

On behalf of the Board of Directors

Place: Mumbai  
Date: June 20, 2015

**Ashokkumar Ruia**  
Chairman & Managing Director  
DIN:00086762



**NOTES:**

1. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 with respect to the Special Business as set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital carrying voting rights may appoint a single person as Proxy and such person cannot act as proxy for any other member.

3. The instrument of Proxy, if any, in order to be valid and effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours (forty-eight hours) before the time fixed for the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.
4. As per Clause 49 of the Listing Agreement, information regarding appointment / re-appointment of Director (Item no. 3 and 5) is annexed hereto.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Registered Office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
6. The Register of Members and Share Transfer Books will remain closed from Friday, September 4, 2015 to Wednesday, September 9, 2015 (both days inclusive) for the annual closing and for the purpose of determining the entitlement for payment of dividend.
7. Dividend for the year ended March 31, 2015, if declared at the Annual General Meeting, shall be paid on or before 30<sup>th</sup> day from the date of declaration to those shareholders, whose names appear:-
  - a) As beneficial owners at the end of business day on Thursday, September 3, 2015 as per lists furnished by NSDL and CDSL in respect of shares held in dematerialised form.
  - b) On the register of members of the Company at the end of business day on Thursday, September 3, 2015 in respect of shares held in physical form.
8. In order to enable the Company to remit dividend through National Electronic Clearing Services (NECS), shareholders are requested to provide details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code (as appearing on the cheque). It is advisable to attach a photocopy of the cheque leaf / cancelled cheque leaf. The said information should be submitted on or before Thursday, September 3, 2015 to the Company, if the shares are held in physical form and to the concerned Depository Participant (DP), if the same are held in electronic form. Payment through NECS shall be subject to availability of NECS Centres and timely furnishing of complete and correct information by members.
9. Shareholders are requested to:
  - a) Intimate the Company of changes, if any, in their registered address at an early date for shares held in physical form. For shares held in electronic form, changes, if any may kindly be communicated to respective DPs.
  - b) Quote ledger folio numbers / DP ID and Client ID numbers in all their correspondence.
  - c) Approach the Company for consolidation of various ledger folios into one.

# Notice

- d) Get the shares transferred in joint names, if they are held in a single name and / or appoint a nominee.
- e) Bring with them to the meeting, their copy of the Annual Report and Attendance Slip.

## 10. Green Initiative in Corporate Governance

As a measure towards Green Initiative, it is proposed that documents like Notices of Meetings / Postal Ballot, Annual Reports, Directors Report and Auditors' Report and other shareholder communications will be sent electronically to the email address provided by the shareholders and / or made available to the Company by the Depositories viz., NSDL / CDSL. Shareholders holding the shares in dematerialized form are requested to keep their Depository Participant (DP) informed and updated of any change in their email address.

For shares held in physical form, shareholders can register their email address by sending a duly signed letter mentioning their name(s), folio no(s). and email address to the Company's Registrar & Transfer Agent, M/s Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078 or by sending an email to phoenixmills@gogreen@linkintime.co.in or alternatively can register their email address on the website of the Company at <http://www.thephoenixmills.com/green/greenadd.asp>

11. Pursuant to Sections 205A and 205C of the Companies Act, 1956 and Sections 124 and 125 of the Companies Act, 2013, any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of Seven years from the date of such transfer, is required to be transferred to the Investor Education and Protection Fund set up by the Central Government. Accordingly, the unpaid / unclaimed dividend for the years 2007-2008 onwards will become transferrable at the end of respective seven years to the said Fund. Shareholders are requested to send their claims, if any, for the financial year 2007-2008 onwards before the amount becomes due for transfer to the above Fund. Shareholders are requested to encash the dividend warrants immediately on their receipt by them.
12. Please note that in terms of SEBI Circulars No.MRD/DoP/Cir-05/2009 dated May 20, 2009 and No. SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated January 7, 2010, it is mandatory for the shareholders holding shares in physical form to submit self-attested copy of PAN card in the following cases:
- a) Transferees' PAN Cards for transfer of shares,
  - b) Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,
  - c) Legal heirs' PAN Cards for transmission of shares,
  - d) Joint holders' PAN Cards for transposition of shares.

In compliance with the aforesaid circulars, requests without attaching copies of PAN card, for transfer / deletion / transmission and transposition of shares of the Company in physical form will be returned under objection.

13. Members may also note that the Notice of the 110<sup>th</sup> Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website [www.thephoenixmills.com](http://www.thephoenixmills.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investorrelations@highstreetphoenix.com](mailto:investorrelations@highstreetphoenix.com).

## 14. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide its members, facility to exercise their right to vote at the 110<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through E-voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

**I. In case of shareholders receiving the Notice by e-mail:**

- i. The E-voting period commences on Sunday, September 06, 2015 (9:00 A.M. (IST)) and ends on Tuesday, September 08, 2015 (05:00 P.M.(IST)). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. Thursday, September 03, 2015, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast, the shareholder shall not be allowed to change it subsequently.
- ii. Launch internet browser by typing the URL: [www.evotingindia.com](http://www.evotingindia.com)
- iii. Click on 'Shareholders'
- iv. Enter your Login credentials:
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID
  - c. Shareholders holding shares in physical form should enter Folio Number registered with the Company.
- v. Next enter the image verification as displayed and Click on 'Login'
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any other company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	For Shareholders holding shares in both, Demat Form and Physical Form
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
<b>DOB</b>	Enter the Date of birth as recorded in your demat account or in the Company's records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on 'Submit' tab.
- ix. Shareholders holding shares in physical form will then directly reach the company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For shareholders holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for 'The Phoenix Mills Limited'.

# Notice

- xii. On the voting page, you will see 'Resolution Description' and against the same the option 'Yes / No' for voting. Select the option as desired. The option 'Yes' implies that you assent to the Resolution and the option 'No' implies that you dissent to the Resolution.
- xiii. On the voting page enter the number of shares (which represents no. of votes) as on the cut-off date under 'For / Against'.
- xiv. Click on the 'Resolutions File Link' if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Ok', else to change your vote, click on 'Cancel' and accordingly modify your vote.
- xvi. Once you 'Confirm' your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xvii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- xviii. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- xix. During the voting period, shareholders can login any number of times till they have voted on the resolution(s).
- xx. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- xxi. If demat account holder has forgotten the same password then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.
- xxii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- xxiii. They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the system for the Scrutinizer to verify the same. They may also send across a hard copy of the document to the Scrutinizer.

## II. In case of shareholders receiving the Notice by post:

For shareholders whose email IDs are not registered with the Company / depository participant(s) and who receives the physical copy of the AGM Notice, the following instructions may be noted:

- i. The User ID and initial password is provided at the bottom of the AGM Notice.
- ii. Please follow all the steps from i to xxiii mentioned above to cast your vote successfully.

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

## IV. Details of person to be contacted for issues relating to voting through physical Ballot and E-voting:

Mr. Mangesh Satvilkar  
Investor Relations Officer,  
The Phoenix Mills Limited,  
462, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel No.: 022-30016600  
Fax No.: 022-30016818  
Email: [evoting@highstreetphoenix.com](mailto:evoting@highstreetphoenix.com)

- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of September 3, 2015. The facility for voting through ballot shall also

be made available at the meeting and shareholders attending the meeting who have not already cast their vote by remote E-voting / ballot shall be able to exercise their voting right at the meeting. The shareholders who have casted their votes by remote E-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

- VI. Mr. Himanshu S. Kamdar, Company Secretary (Membership No.F5171) - Partner M/s. Rathi and Associates, Company Secretaries in practice has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
- VII. The Scrutinizer will, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote E-voting in the presence of at least two (2) witnesses not in the employment of the Company and within a period not exceeding three (3) working days from the conclusion of the meeting, make a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company.
- VIII. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to E-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is annexed. A member desiring to exercise vote by Ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Mr. Himanshu S. Kamdar, Scrutinizer, C/o Link Intime India Private Limited, Unit: The Phoenix Mills Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, Tel. No: 022-25946970, Fax No: 022- 25946969, E-mail: rnt.helpdesk@linkintime.co.in so as to reach him on or before September 8, 2015 by 5.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.thephoenixmills.com](http://www.thephoenixmills.com) and on the website of CDSL, immediately after the result is declared and communicated to the National Stock Exchange of India Ltd and BSE Limited, who are required to place them on their website.
15. The certificate from the Statutory Auditors of the Company certifying that the Company's Employee Stock Option Scheme - 2007 is being implemented in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolutions passed by the members of the Company will be available for inspection by the members at the Annual General Meeting.
16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
17. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 A.M. to 6.00 P.M.) on all working days up to and including the date of the Annual General Meeting of the Company.

On behalf of the Board of Directors

Place: Mumbai  
Date: June 20, 2015

**Ashokkumar Ruia**  
Chairman & Managing Director  
DIN:00086762

# Notice

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 5

Ms. Shweta Vyas was appointed as an additional director in the category of an Independent Director w.e.f. October 14, 2014 to hold office upto the date of the ensuing annual general meeting. As per the provisions of Section 149 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder, an Independent Director shall hold office for a term of upto five consecutive years. In the opinion of the Board, Ms. Shweta Vyas qualifies to be an independent director in accordance with the conditions specified under Section 149(6) of the Companies Act, 2013 for such appointment.

The Company has received notice in writing from a member of the Company alongwith the deposit of ₹ 100,000/-, as per the provisions of Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Ms. Shweta Vyas for the office of Director of the Company.

The copy of notice as aforesaid would be available for inspection at the Registered Office of the Company on all working days during the business hours till the date of the Annual General Meeting and the said documents shall also be placed at the meeting.

Profile of Ms. Shweta Vyas is given in the Annexure to this Notice.

The Board recommends the Resolution to the Members for their approval.

Save and except Ms. Shweta Vyas, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

### ITEM NO. 6

In view of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and considering the time and attention devoted by the Independent Directors to the affairs of the Company and the contribution that they make to the business and operations of the Company, it is proposed that a sum not exceeding 1% of the net profit of the Company computed in accordance to Section 198 of the Companies Act, 2013 be determined and distributed among the Independent Directors of the Company for each of the five financial years commencing from April 1, 2015. The said amount of commission to be determined by the Board will be distributed amongst the Independent Directors in such manner as the Board may decide from time to time. The proposed payment of commission to the Independent Directors requires consent of the shareholders pursuant to Section 197 of the Companies Act, 2013. The said Resolution is therefore, recommended for your approval.

Save and except the Independent Directors namely, Mr. Amit Dalal, Mr. Amit Kumar Dabriwala, Mr. Sivaramkrishnan Iyer, Mr. Suhail Nathani, and Ms. Shweta Vyas, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

On behalf of the Board of Directors

Place: Mumbai  
Date: June 20, 2015

**Ashokkumar Ruia**  
Chairman & Managing Director  
DIN:00086762

# Notice

## ANNEXURE

<b>Name</b>	Ms. Shweta Vyas	Mr. Shishir Shrivastava
<b>DIN</b>	06996110	01266095
<b>Age</b>	34 years	39 Years
<b>Qualification</b>	Post Graduate from K. J. Somaiya Institute of Management Studies and Research	Graduate from IHM Bengaluru
<b>Profile and Experience</b>	<p>Ms. Shweta Vyas is the Assistant Vice President of the W&amp;IM division of Barclays in India. She joined Barclays W&amp;IM in year 2008.</p> <p>She has over 10 years of experience in the financial sector. She is an IRDA certified and holds various certifications of BSE.</p> <p>Shweta started her career in 2004 in insurance and distribution with Birla Sun Life as an Agency Manager and was responsible for developing business and agents in Mumbai. Prior to Barclays Wealth, she was with Standard Chartered wholesale Banking where she moved within the organization and worked in numerous functions.</p> <p>Shweta is a teacher with The Art of Living foundation, for more than 7 years. She is actively involved with the corporate training arm called APEX and MSME of the Art of Living foundation.</p>	<p>Mr. Shishir Shrivastava has been with the 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 and in establishing the Phoenix MarketCity projects across India.</p>
<b>Details of Directorships held in other companies*</b>		<p>Pallazio Hotels &amp; Leisure Limited – Managing Director</p> <p>Alliance Spaces Private Limited – Director</p> <p>Phoenix Hospitality Company Private Limited – Director</p> <p>Big Apple Real Estate Private Limited - Nominee Director</p> <p>Blackwood Developers Private Limited - Nominee Director</p> <p>Vamona Developers Private Limited - Nominee Director</p> <p>Palladium Constructions Private Limited – Director</p> <p>Upal Developers Private Limited – Director</p> <p>Gangetic Developers Private Limited – Director</p>
<b>Details of Chairmanship/ Membership held in Committees**</b>	Audit Committee - Member	Nil
<b>Shareholding in the Company as on the date of Notice</b>	Nil	47,200 equity shares

\*Directorships held by the Directors, as mentioned above; (i) do not include directorships held in the Company, foreign companies, private limited companies and companies under Section 8 of the Companies Act, 2013 (ii) include directorship in private limited companies, which are considered as public limited companies in terms of Sec 2(71) of the Companies Act, 2013.

\*\*Committees considered for the purpose are those prescribed under Clause 49(II)(D)(2) of the Listing Agreement(s) viz; Audit Committee and Stake Holders' Relationship Committee of the Indian public limited companies (including private limited companies, which are considered as public limited companies in terms of Section 2(71) of the Companies Act, 2013)

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# THE PHOENIX MILLS LIMITED

## Registered Office:

462, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, CIN: L17100MH1905PLC000200  
Tel: (022) 2496 4307 / 8 / 9 Fax: (022) 2493 8388 Email: info@thephoenixmills.com Website: www.thephoenixmills.com

## Form No. MGT-11

### PROXY FORM

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

CIN: L17100MH1905PLC000200

Name of the Company: The Phoenix Mills Limited

Registered office: 462, Senapati Bapat Marg, Lower Parel, Mumbai-400013

Name of the Member(s)	
Address	
Email ID	
DP ID Client Id/ Folio No.	

I/We, being the member(s) of ..... shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mailId: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her \_\_\_\_\_

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mailId: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her \_\_\_\_\_

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mailId: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 110th Annual General Meeting of the Company, to be held on Wednesday, September 9, 2015 at 3.30 P.M. at Indian Merchants' Chamber, 4th Floor, Walchand Hirachand Hall, Churchgate, Mumbai - 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

#### Resolutions:

- 1 Adoption of financial statement for the year ended March 31, 2015.
- 2 Approval of dividend on equity shares.
- 3 To appoint a Director in place of Mr. Shishir Shrivastava who retires by rotation and being eligible, has offered himself for re-appointment.
- 4 Appointment of M/s. A.M. Ghelani & Company, Chartered Accountants and M/s. Chaturvedi & Shah, Chartered Accountants as Statutory Auditors.
- 5 Appointment of Ms. Shweta Vyas as an Independent Director.
- 6 Payment of commission to Independent Directors.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix Re.  
1 revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





ANNUAL REPORT 2014-15



Shree Laxmi Woollen Mills Estate,  
2nd Floor, R. R. Hosiery Bldg.,  
Off Dr. E. Moses Road,  
Mahalaxmi, Mumbai - 400 011.

[www.thephoenixmills.com](http://www.thephoenixmills.com)