THE PHOENIX
MILLS LIMITED

Corp. Office : Shree Laxmi Woolen Mills Estate, 2nd Floor,
R.R. Hosiery, Off Dr. E. Moses Rd. Mahalaxmi, Mumbai - 400 011
Tel : (022) 3001 6500 Fax : (022) 3001 6601
CIN No. : L17100MH1905PLC000200

September 20, 2018

The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

The Corporate Relationship Department
National Stock Exchange of India Ltd
Bandra-Kurla Complex, Mumbai – 400 051.

Ref: The Phoenix Mills Limited (503100/ PHOENIXLTD)
Sub: Adoption of Annual Report for the Financial Year 2017-18 by shareholders in the 113th Annual General Meeting of the Company held on Tuesday, September 18, 2018

Dear Sir/ Madam,

In accordance with Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year 2017-18 as approved and adopted by the shareholders of the Company in its 113th Annual General Meeting held on Tuesday, September 18, 2018.

Kindly take the above on record.

Thanking you.

For **The Phoenix Mills Limited**

Puja Tandon
Company Secretary

The Phoenix Mills Limited

Encl.: As above

THE PHOENIX MILLS LIMITED

THE NAUTILUS.

CONVICTION.
CREATION.
EXCELLENCE.
CONTINUITY.

ANNUAL REPORT 2018

THE CHAMBERED NAUTILUS

The Chambered Nautilus has continuous curves of growing spirals, where the ratios between each of the chambers reveal the eternal 'sacred geometry' of growth. We too are entering into larger chambers of abundant opportunities, where our growth is also linked to the time-tested foundations of our strong value system and past achievements.

CONVICTION.

Through a decade of bold decisions, strong convictions and steadfast commitment, we have steadily built and successfully delivered more than 17.5 million sq. ft. Our unique, retail-led mixed-use development model focusses on extracting long-term value from land, uncovering urban demand and creating a superlative experience for shoppers. Our unmatched portfolio of difficult to replicate retail assets in multiple Tier 1 cities has been supported by strong opportunistic and accretive plays in commercial, residential and hospitality estates. The scale, size and multiplicity of our ambition for simultaneously building out these assets is unprecedented, which establishes our firm foundation for expanding our frontiers.

CREATION.

During FY2018, we completed the buyout of our private equity investors across assets, thus completing the cycle started in 2007. With this, we set our sight on increasing our operational retail portfolio from the current 6msft to 11-12 million sq. ft. over the next 5 years. We formed a strategic retail alliance with CPPIB to acquire 3 new development opportunities under this alliance. We have further deployed our surplus free cash flows to add another two development opportunities.

EXCELLENCE.

Our retail-led mixed-use assets, with an eclectic mix of international, national and local brands, are consistently delighting and engaging the Indian consumer. We have set a track record of creating matured mall assets, which are registering wholesome growth in consumption and rental incomes. We are leveraging our operational excellence to build greater scale, strength and market position in more cities of India.

CONTINUITY.

We have reached this position of solidity through responsible capital budgeting and planning, building a robust platform of financial strength to further prosper from. Our operating 'annuity' and 'for sale' assets have universally reached a mature point of secular and steady performance. Our existing assets have substantial further potential for development, which will further bolster finer returns and organic growth. From this vantage point of strength, we look forward to robust and free operational cash-flow generation for years to come.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ashokkumar Radhakrishna Ruia
Chairman (Retired w.e.f. Aug 08, 2018)

Mr. Atul Ashokkumar Ruia
Joint Managing Director
(Re-designated as Chairman & Managing Director w.e.f. Aug 08, 2018)

Mr. Shishir Shrivastava
Joint Managing Director

Mr. Pradumna Kanodia
Director - Finance

Mr. Amit Kumar Dabriwala
Independent Non-Executive Director

Mr. Amit Dalal
Independent Non-Executive Director

Mr. Sivaramakrishnan Iyer
Independent Non-Executive Director

Ms. Shweta Vyas
Independent Non-Executive Director

COMPANY SECRETARY

Ms. Puja Tandon

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited,
C-101, 247 Park,
L.B.S. Marg,
Vikhroli (West),
Mumbai - 400 083.
Tel. No.: 022-4918 6000
Fax No.: 022-4918 6060

BANKERS

Standard Chartered Bank
HongKong & Shanghai Banking Corporation
Kotak Mahindra Bank Limited
HDFC Bank
IndusInd Bank
YES Bank
Corporation Bank
Punjab National Bank
Tata Capital Limited
Saraswat Co-op Bank Limited
South Indian Bank

AUDITORS

DTS & Associates
Chartered Accountants

REGISTERED OFFICE

462, Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013.
Tel: 022 - 2496 4307
Fax: 022 - 2493 8388
Website: www.thephoenixmills.com
Email: investorrelations@highstreetphoenix.com

CORPORATE OFFICE

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

Our vision of the future is not limited to our actions on display today. We are continuously evaluating the consumption strengths of India's key cities and micro-markets for new opportunities.

We are continuously exploring new ways and means to establish new channels of growth and value creation. Once committed, our value system dictates that we progress forward with conviction and excellence, to deliver on our promises.

In this way, we continue to be an **"unusual business"** in yielding superior returns.

In this way, it's **"business as usual",** as we journey forward to new milestones of scale and value creation.

ABOUT US

OUR STRATEGIC PRIORITIES

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIALS

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 8 irreplaceable large scale retail assets – making up close to 6.0 million 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. Additionally, we have a retail portfolio of over 4.6 million sq. ft. currently under development in 5 cities.

Snapshot of FY2018

₹63.2 Billion
Retail Consumption

₹8.7 Billion
Rental Income

Assets Overview

17.5 Million Sq. Ft.
In Retail, Hospitality, Commercial and Residential Assets developed

Retail

8 Malls
In 6 Cities with an operational portfolio of 6.0 Million Sq. Ft.

5 Malls
Over 4.6 Million Sq. Ft. under development

Commercial & Hospitality

5
Operational Commercial Centers in 2 Cities

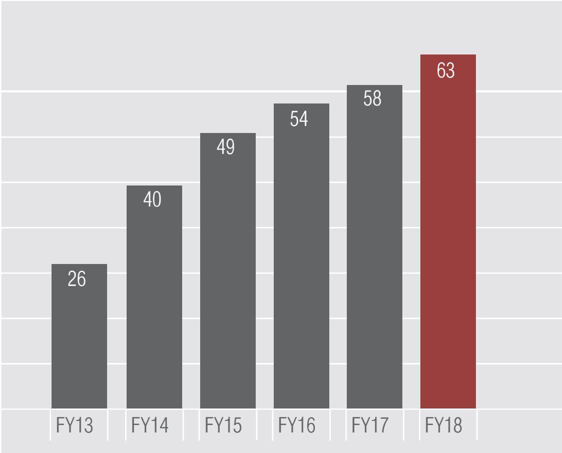
2
Commercial centers under development

2
Operational Hotels

Residential

2
Residential Projects under Development 3.2 Million Sq. Ft.

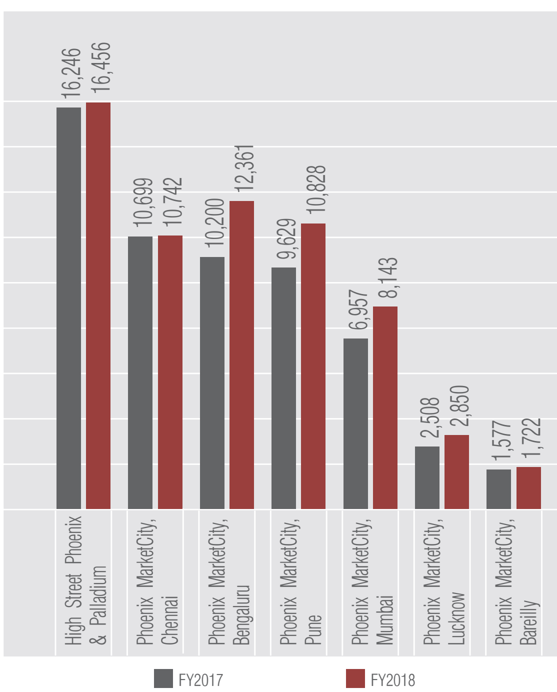
Rising Aggregate Consumption in Retail Assets (₹ Billion)



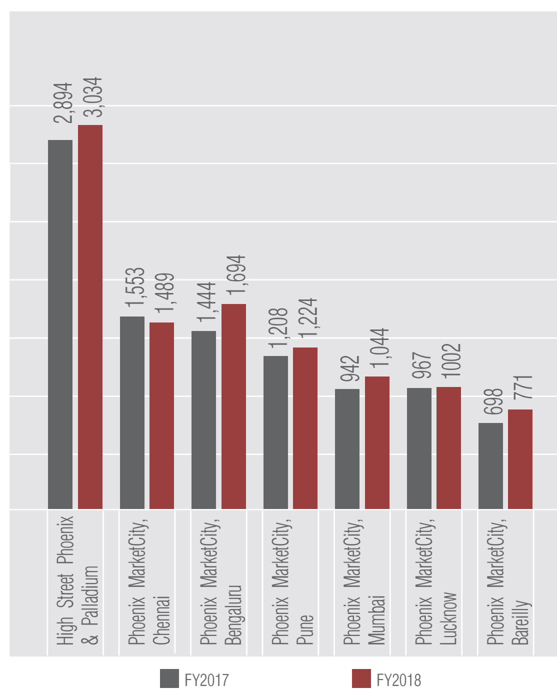
OUR VISION

To create shareholder value by generating exceptional yields from the capital growth, sale and lease of architecturally superior and 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.

Consumption across Malls (₹ Million)

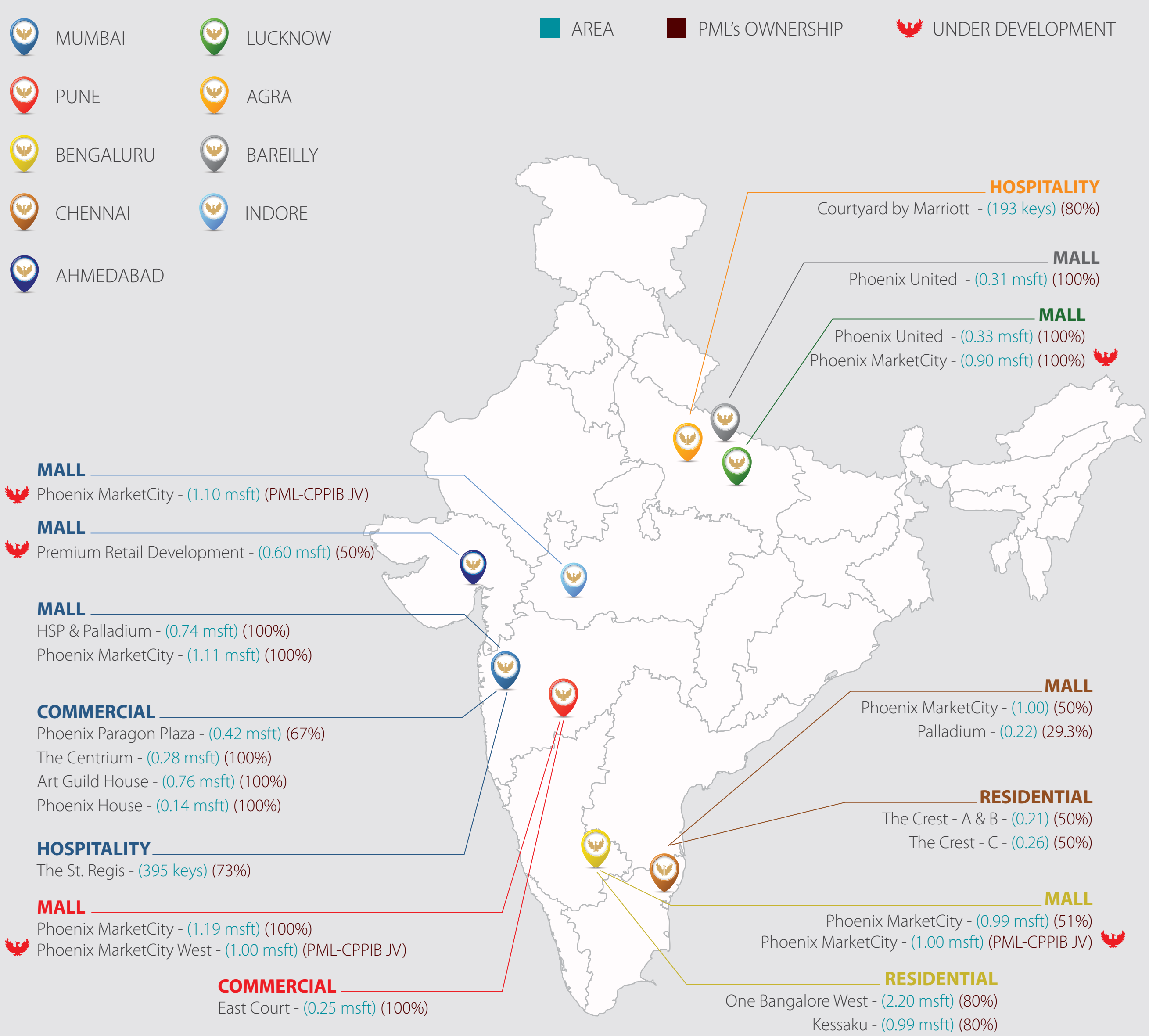


Trading Density across Malls (₹ /Sq. Ft./Month))



OUR PAN INDIA PRESENCE

We have 8 malls in 6 gateway cities, with leasable area of 6 million sq. ft., with additional 5 malls with 4.6 million sq. ft. area under development. Our aim is to develop, own and operate retail-led mixed-use assets across the key cities in India. Leveraging our operational excellence, growth pipeline and financial strength, we are building greater scale, strength and market position in more cities.
In building this retail infrastructure, our focus has always been to create ascendant assets, and nothing less.



Msft = Million Sq. Ft.

OUR BUSINESS MODEL

RETAIL
Own, Develop and Manage Retail Assets

COMMERCIAL
Develop and own Commercial Assets in Tier-1 Cities

RESIDENTIAL
Develop and Sell Residential Assets in Tier-1 Cities

HOSPITALITY
Own and Develop Hospitality Assets

- Developing new properties for long-term investment
- Superior designs and architecture 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 and good growth potential
- Profound understanding of India's urban markets and its consumers
- Capitalising on existing client relationships
- Excellence in work ethics and corporate governance

OUR ASSET SUMMARY

We have steadily built and successfully delivered more than 6.0 million sq. ft. through our unique, retail-led mixed-use development model. We are continuously exploring alternative ways to establish new channels of growth and value creation, thus extracting long-term value from land, uncovering urban demand and creating a superlative shopping experience.

Projects Delivered So Far

MUMBAI

PUNE

BENGALURU

CHENNAI

LUCKNOW

BAREILLY

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, Lucknow, Bareilly and Agra.

Projects Under Construction

PUNE

BENGALURU

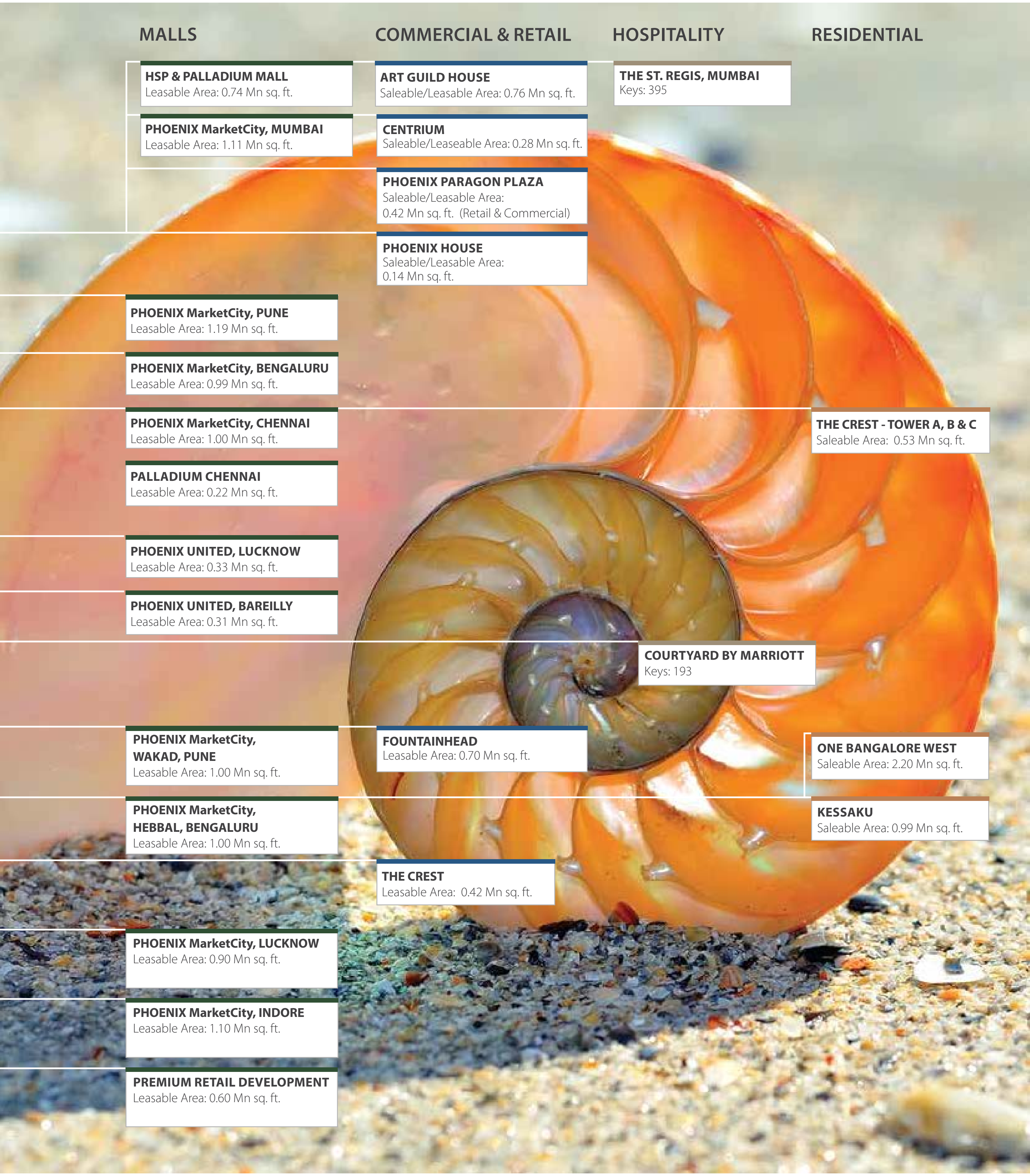
CHENNAI

LUCKNOW

INDORE

AHMEDABAD

We have embarked on a new journey to grow our retail portfolio from 6 million sq. ft. to 11-12 million sq. ft. Our new projects are in key cities like Pune, Bengaluru, Indore, Lucknow and Ahmedabad.



MALLS

HSP & PALLADIUM MALL
Leasable Area: 0.74 Mn sq. ft.

PHOENIX MarketCity, MUMBAI
Leasable Area: 1.11 Mn sq. ft.

PHOENIX MarketCity, PUNE
Leasable Area: 1.19 Mn sq. ft.

PHOENIX MarketCity, BENGALURU
Leasable Area: 0.99 Mn sq. ft.

PHOENIX MarketCity, CHENNAI
Leasable Area: 1.00 Mn sq. ft.

PALLADIUM CHENNAI
Leasable Area: 0.22 Mn sq. ft.

PHOENIX UNITED, LUCKNOW
Leasable Area: 0.33 Mn sq. ft.

PHOENIX UNITED, BAREILLY
Leasable Area: 0.31 Mn sq. ft.

PHOENIX MarketCity, WAKAD, PUNE
Leasable Area: 1.00 Mn sq. ft.

PHOENIX MarketCity, HEBBAL, BENGALURU
Leasable Area: 1.00 Mn sq. ft.

PHOENIX MarketCity, LUCKNOW
Leasable Area: 0.90 Mn sq. ft.

PHOENIX MarketCity, INDORE
Leasable Area: 1.10 Mn sq. ft.

PREMIUM RETAIL DEVELOPMENT
Leasable Area: 0.60 Mn sq. ft.

COMMERCIAL & RETAIL

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

CENTRIUM
Saleable/Leaseable Area: 0.28 Mn sq. ft.

PHOENIX PARAGON PLAZA
Saleable/Leasable Area:
0.42 Mn sq. ft. (Retail & Commercial)

PHOENIX HOUSE
Saleable/Leasable Area:
0.14 Mn sq. ft.

FOUNTAINHEAD
Leasable Area: 0.70 Mn sq. ft.

THE CREST
Leasable Area: 0.42 Mn sq. ft.

HOSPITALITY

THE ST. REGIS, MUMBAI
Keys: 395

COURTYARD BY MARRIOTT
Keys: 193

RESIDENTIAL

THE CREST - TOWER A, B & C
Saleable Area: 0.53 Mn sq. ft.

ONE BANGALORE WEST
Saleable Area: 2.20 Mn sq. ft.

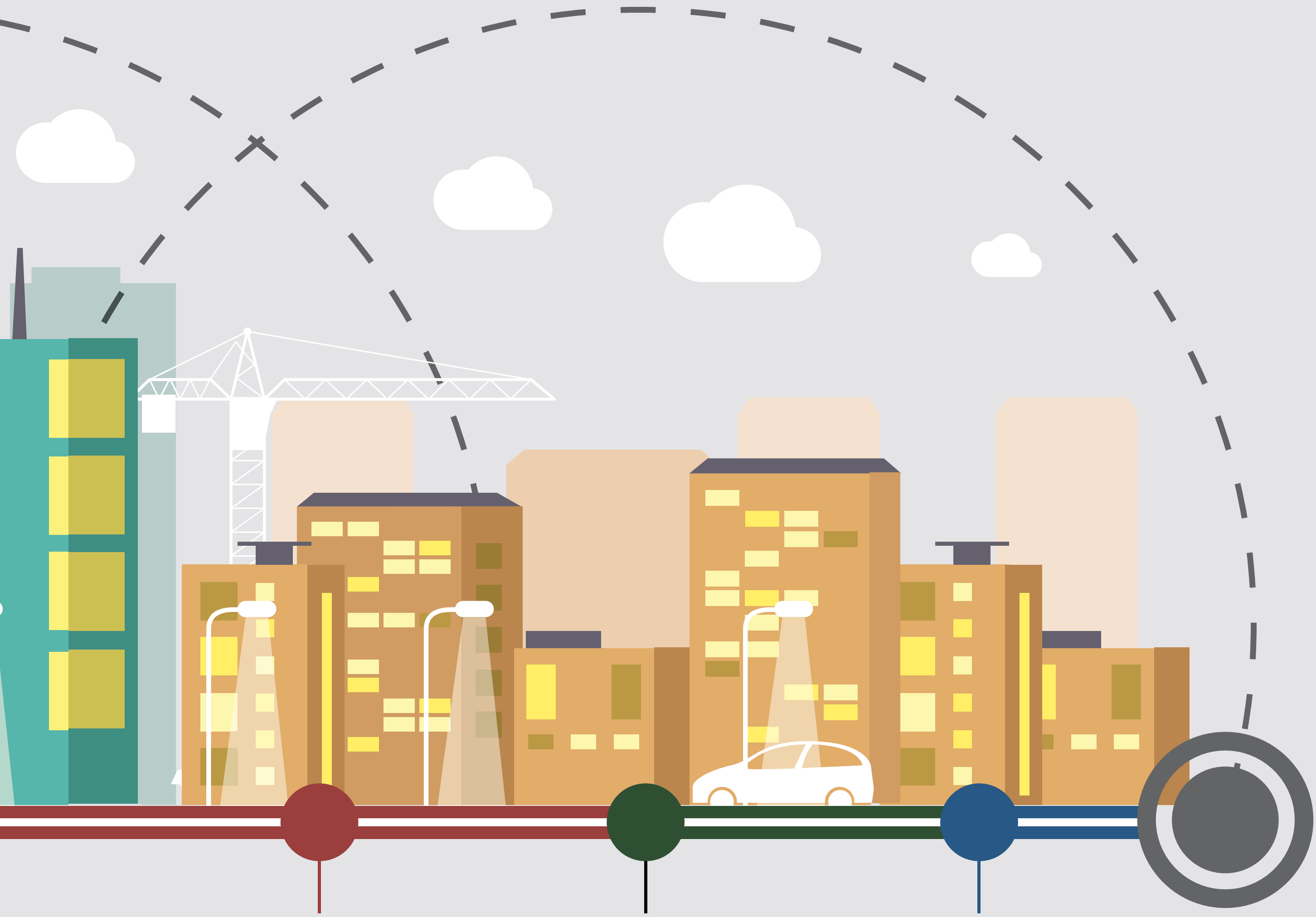
KESSAKU
Saleable Area: 0.99 Mn sq. ft.

OUR TWO-DECADE DYNAMIC EVOLUTION

We have established ourselves as the hub of organised retail as we go about revitalising urban retailing downtown with modern-day urban sanctuaries of joy. Over the years, we have operationalised several other asset classes, which besides complementing our retail development, has also facilitated us in reporting strong consumption growth and sustained rental income over the years.

1999-2005
CONCEPT THROUGH REALITY

- Evolution of HSP from a textile mill into an entertainment hub into a shopping and entertainment destination
- Blue-print for the concept of creating urban consumption hubs



2006-2012
SCALED UP

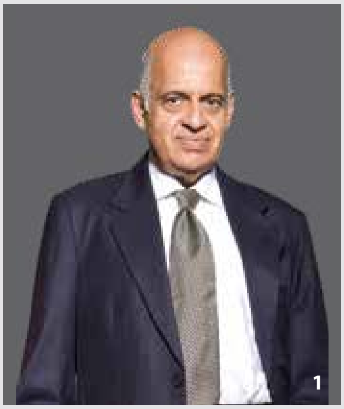
- Large-city centric land parcels acquired for creating integrated, retail-led mixed use destination
- In Phase 1 of development, operationalised Phoenix MarketCity malls in Pune, Bengaluru, Mumbai and Chennai

2013-2017
EXCELLED

- Established market leadership of malls in respective cities
- Operationalised asset classes of Residential, Commercial and Hospitality, complementing the existing retail development
- Progressively consolidated our equity stakes across assets

CURRENT
CYCLE CONTINUED

- Strong consumption growth = Sustained rental income growth
- Grow retail portfolio from 6 million sq. ft. to 11-12 million sq. ft.
- Established alliance with CPPIB for retail-led, mixed-use development:
  - Acquired land parcel at Wakad, Pune
  - Acquired land parcel at Hebbal, Bengaluru
  - Acquired under construction retail asset in Indore
- Acquired under construction retail asset in Lucknow
- Acquired a land parcel in Ahmedabad in a 50:50 JV



1. MR. ASHOKKUMAR RUIA

Chairman

(Retired w.e.f. Aug 08, 2018)

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.

2. MR. ATUL RUIA

Jt. Managing Director (Re-designated as Chairman & Managing Director w.e.f. Aug 08, 2018)

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'.

3. MR. SHISHIR SHRIVASTAVA

Jt. Managing Director

Mr. Shishir Shrivastava graduated from IHM, Bengaluru and has been associated with the Phoenix Group since 1999 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 saw through the successful culmination of the hotel The St. Regis, Mumbai and Phoenix MarketCity projects, launched in phases. As PML's Joint Managing Director, he continues to drive strategy, business development, fund raising and also oversees several critical functions of the Company.

4. MR. PRADUMNA KANODIA

Director - Finance

Mr. Pradumna Kanodia is a qualified Chartered Accountant and Company Secretary. He has over 28 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 liaisoning with banks for debt funding.

5. 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.

6. 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.

7. 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 specialises 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.

8. 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 later 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.

CORPORATE

MR. RAJESH KULKARNI

Group Director - Projects Delivery

Rajesh has over 25 years of experience in driving development, planning and implementation of the project from an architectural perspective. He is the Group Director - Projects Delivery and is responsible for driving all the projects of the Phoenix Group. He receives a steadfast support from experienced architects, engineers and other technical personnel in the design, project co-ordination and delivery to ensure that the projects are completed within time, cost and quality.

MR. HARESH MORAJKAR

Group Director & CHRO

Haresh has over 30 years of experience with strong business management skills and profound experience in the field of human resource management and general management. He is the Group Director & CHRO playing a key role in strategic HR planning, organizational development, building a high-performance culture aligned to business strategy, training, performance management, cost management and overseeing the IT infrastructure of the group. He is also entrusted with other key responsibilities, such as insurance and fire life safety of the group.

MR. P. VIDYA SAGAR

Senior Vice President - Corporate Affairs & Legal

Vidya has over 27 years of experience across various industries in the areas of Corporate Law, M&A, Legal, Compliance, and Corporate Governance. He is the Senior Vice President – Corporate Affairs & Legal and is responsible for identifying, anticipating and mitigating legal risk, ensuring total compliance with relevant company laws, legislations and statutory requirements, effective arbitration and litigation management for the group.

RETAIL & COMMERCIAL

MS. RASHMI SEN

COO - Malls

Rashmi has over 19 years of rich and varied experience in developing overall business plan, building innovative marketing strategies, leasing, sales, business development of retail, residential and commercial businesses. At Phoenix, she is the COO – Malls and is responsible for developing an overall strategic intent for future expansion of the mall business. She is also responsible for developing and implementing the right retailer mix and retail leasing plans for all malls of the group.

MR. RAJENDRA KALKAR

President - West

Rajendra has over 27 years of experience with an expertise in P&L responsibility and driving the strategic intent for the overall business of large retail and mall management companies. He is the President – West for Retail Business and is in-charge of High Street Phoenix, and Phoenix MarketCity complexes in Mumbai, Pune and Bengaluru. He is responsible for driving the various functions of leasing, marketing, finance, operations and achieving the P&L of these centres.

MR. AMIT KUMAR

Senior Centre Director

Amit has over 21 years of experience in strategic planning, new set-ups, operations management, business development & relationship management. He is Senior Centre Director and is in-charge of Phoenix MarketCity Mumbai and Pune. He is responsible for driving various functions of the business and achieving the P&L for the Centre.

MR. DIPESH GANDHI

Group Director - Business Development

Dipesh has over 17 years of experience in business planning & development, market research, and organisation set-up, among other functions. He is the Group Director – Business Development and is responsible for developing an overall strategic intent for future expansion. He is also responsible for liaisoning function and for driving the teams to achieve the overall objectives of the business.

MR. NILESH LOUZADO

Senior Vice President - Procurement & Contracts

Nilesh has over 21 years of varied experience across industries in India, Middle East and the US. He is Senior Vice President- Procurement & Contracts and oversees this function across all active projects and operating assets and ensures availability of materials and services required within parameters of cost, quality and time thereby contributing to the overall commercial feasibility and profitability of the projects.

MR. SANJAY CHITTEKAR

Senior Vice President - Projects

Sanjay has over 31 years of extensive experience in the construction of malls, multi-stored residential and commercial buildings. He has a flair in adopting modern construction techniques, methodologies and systems. He is Senior Vice President – Projects and is responsible for ensuring seamless and timely delivery of Mall Upgrades across all Malls and end-to-end project execution of Pune Projects (Viman Nagar) within the defined standards of cost and quality. In addition to this, he is also responsible for two new projects – Phoenix MarketCity, Pune and Phoenix MarketCity, Lucknow.

MR. GAJENDRA SINGH RATHORE

Senior Centre Director

Gajendra has over 17 years of rich experience in Business Development, Project Management, Operations, Sales, revenue maximisation, customers & retailers satisfaction. He is the Senior Centre Director for Phoenix MarketCity, Bangaluru and is responsible for driving various functions of the business and achieving the P&L for the Centre.

MR. GAURAV SHARMA

Head – Commercial

Gaurav has over 19 years of experience in diverse industries including banking, retailing and real estate in functions such as sales & marketing, and business development. He is the Head – Commercial Business and is responsible for ensuring optimum occupancy and revenue maximization for commercial properties and achieving the P&L for the commercial business.

MR. MANISH SINGH

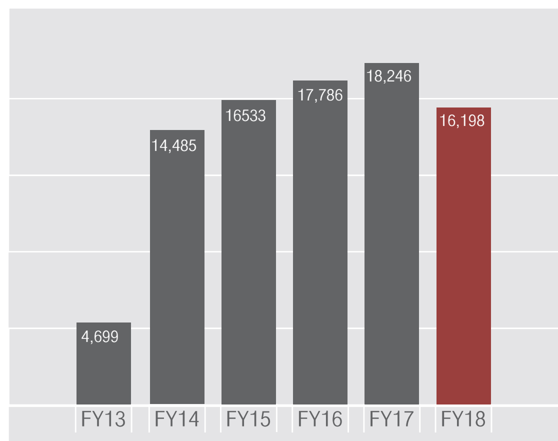
Group Head - Leasing

Manish has over 21 years of rich and varied experience in the Retail Industry and has worked with various Indian and International brands in India and in Middle East. He is Group Head – Leasing for the Phoenix Group and plays a pivotal role in driving revenue maximization and ensuring optimum occupancy at our malls through an effective leasing strategy.

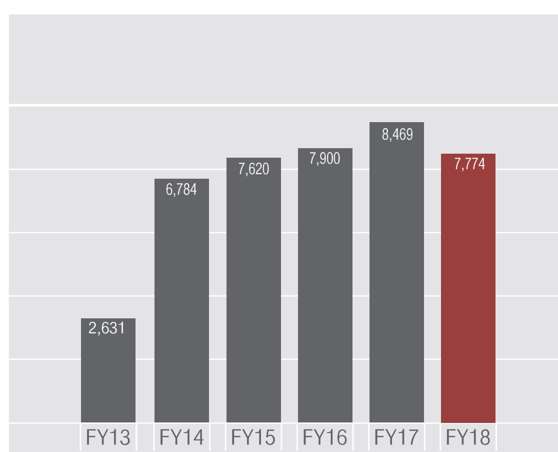
KEY FINANCIAL INDICATORS

We delivered good results despite a challenging market environment. Our total consumption at ₹ 63 billion was 8.6% higher than over ₹ 58 billion recorded in the previous year. Strong rental growth and renewals across properties contributed to a superior operational performance.

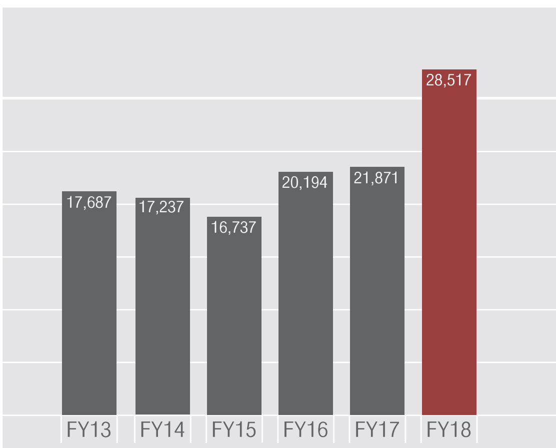
Income From Operations (₹ Million) CAGR - 28%



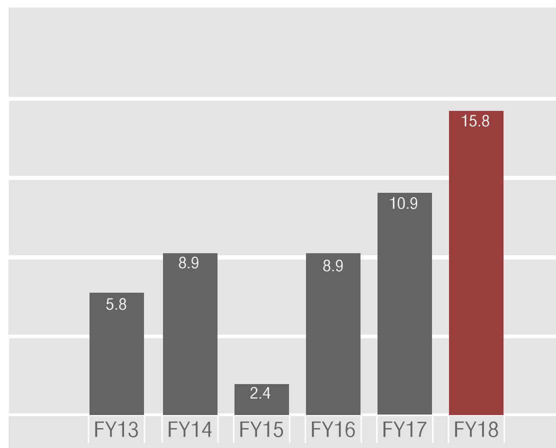
EBITDA Consolidated (₹ Billion) CAGR - 24%



Networth Consolidated (₹ Million)

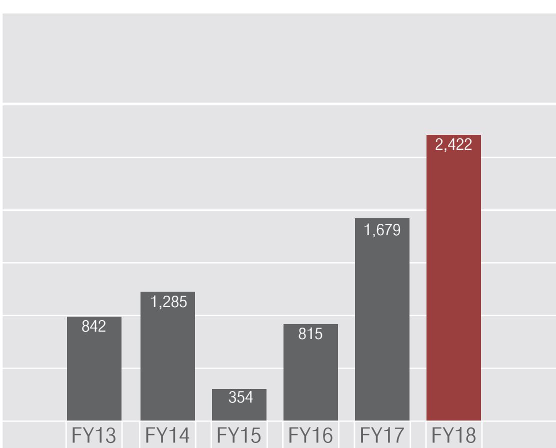


Earnings Per Share Consolidated* (₹/Share)

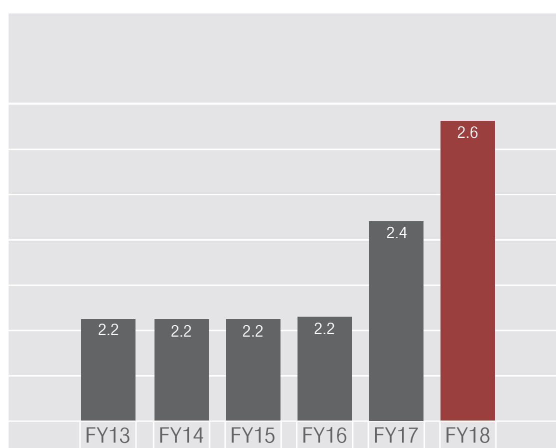


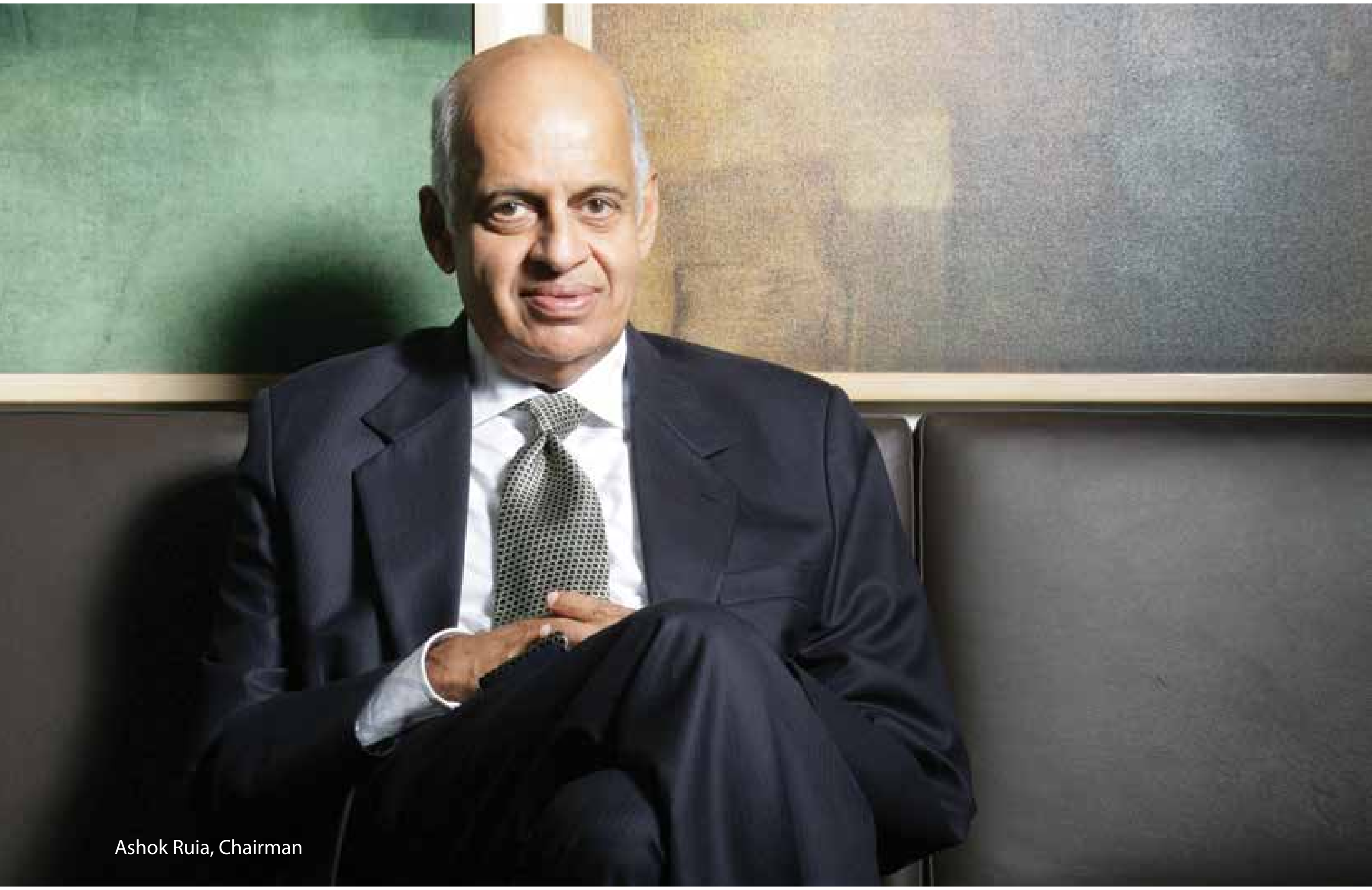
*Diluted

PAT Consolidated (₹ Million)



Dividend Per Share (₹)





Ashok Ruia, Chairman

Over the years, we have demonstrated an ability to strike the perfect equation to deliver consistent and sustained value for our shareholders. We were able to do this with the right strategy, the right culture, and the right geographical footprint.

Dear Shareholders,

I would like to thank you all for your continued faith and belief in our Company, and its sincere and hard-working people. Over the years, we have demonstrated a unique ability to strike the perfect equation to deliver consistent and sustained value for our shareholders. We were able to do this with the right strategy, the right culture, and the right geographical footprint.

Today, we have a unique retail-led mixed-use development model, which we are leveraging to create value within India's fast evolving market. The "MarketCity" concept has today become a well-accepted business model for extracting optimal long-term value from land, uncovering urban demand and creating a superlative experience for the consumers in the cities we are present in.

As India's largest mall owners and operators, your Company is evolving into a trusted proxy for the consumption trends of India's urban class. India's retail infrastructure has come a long way and PML is at the vanguard of creating fully integrated recreational centres on a pan India basis. Our malls are today the market leaders in their respective cities. The shopping behaviour at our malls serves as a reliable barometer of consumer sentiment.

Conviction. Creation. Excellence. Continuity.

I would like to touch upon our theme for this year's report, which is **"Conviction. Creation. Excellence. Continuity."** Let me explain.

By **'Conviction',** we refer to our strong belief in our vision of what we wished to become early on. As a result of this conviction, we have built a strong foundation based on a 'hard to replace' portfolio of architecturally superior retail assets that are located in the heart of multiple Tier 1 cities in India. Our retail developments are complemented by strong opportunistic and accretive plays in commercial, residential and hospitality assets allowing us to create incremental value at all our developments. The scale, size and multiplicity of our ambition for simultaneously building out these assets is unprecedented, which establishes our firm foundation for expanding our frontiers. Our conviction on India's growing consumption story continues to embolden us to take new momentous strides.

By **'Creation',** we refer to our appetite to keep building new assets. In the last 12 months, We have completed acquisition of 5 assets (3 land parcels and 2 under construction malls) which will enable us to take our operating retail portfolio from current 6 million sq. ft. to 11-12 million sq. ft. over the next 5years we are already on our way to create the next generation, benchmark setting "Malls of the Future". Our proven project development and construction teams, famed for creating all our 4 MarketCity assets from ground-up over the last 5 years, are already at work deploying their talent and experience.

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By **'Excellence',** we refer to our proven planning and execution mettle, that successfully saw the rolling out of multiple, large iconic assets, within a short time frame from each other. These ascendant assets, with an eclectic mix of international, national and local brands, have been consistently delighting and engaging the Indian consumer and delivering strong growth year after year. We are leveraging our operational excellence to build greater scale, strength and market position in more cities of India.

By **'Continuity'** we refer to our position of solidity that we reached through responsible capital budgeting and planning, building a robust platform of financial strength to further prosper from. Our credit ratings and balance sheet strength has never been more formidable. Our operating 'annuity' and 'for sale' assets have universally reached a mature point of secular and steady performance. From this vantage point of strength, we look forward to robust and free operational cash-flow generation for years to come.

Moving Ahead

Our existing assets have substantial further potential for development, which will further bolster finer returns and organic growth. In addition to retail, we see great annuity potential in commercial assets in Tier 1 cities. To support our recurring rental income model, we plan to develop commercial office space on our existing assets as a part of the retail-led mixed-use formula.

Our vision of the future is not limited to our actions on display today. We are continuously evaluating the consumption strengths of India's key cities and micro-markets for new opportunities. We are continuously exploring alternative new ways and means to establish new channels of growth and value creation. Once committed, our value system dictates that we progress forward with conviction and excellence, to deliver on our promises. In this way, we hope to be an outlier in consistently yielding superior returns.

With Regards,

ASHOK RUIA

CHAIRMAN

Atul Ruia, Joint Managing Director

Dear Shareholders,

FY2018 was marked by the display of steady growth at PML, consolidating the momentum initiated in the past years and putting us in a position to raise our targets for the short and medium terms. Through a decade of decisions, based on strong convictions and steadfast commitment, we have today reached a crucial juncture in our journey, towards becoming one of India's most admired retail-led realty company.

Operational and Financial Performance

Our malls are testimony to India's evolving retail lifestyle consumption story. During FY2013-18, consumption at all our malls has grown at a CAGR of 20%. Our rental income during the same period grew at a CAGR of 15%, which has been clearly reflected in our financial performance with sustained increase in EBITDA and PAT numbers over the years.

For the year under review, all our malls continued to show commendable improvement on various key parameters year on year. During FY2018, we reported an aggregate consumption of over ₹ 63 billion, an increase of 9% over the corresponding year. Our growth has been secular across multiple retail categories, including high-street fashion, electronics, toys & gifts, multiplexes and food & beverages. While Phoenix MarketCity, Bengaluru reported the highest growth in consumption at 21% in FY2018, Phoenix MarketCity, Kurla, Mumbai has grown fast with 17% consumption growth.

In terms of our financial performance, we recorded a revenue of ₹ 16.2 billion in FY2018. During FY2013-18, we recorded a CAGR of 28% in revenue. At ₹ 2.42 billion, our Profit After Tax (PAT) increased by 44% YoY. The Company recorded rental income of ₹ 8.7 billion from its retail assets. Our effective cost of debt has been trending down in the past few years. From 12.3% in March 2014, it has declined to 8.94% in March 2018. Over the past 12 months, it has declined by 126 basis points.

Phoenix MarketCity, Mumbai – Now Firing on all Cylinders

Phoenix MarketCity at Kurla, Mumbai has been one of the best examples of how a retail asset can be nurtured and transformed into an iconic centre, with its own centrifugal force for spawning a new micro-market. I am pleased to inform you that this mall, one of the biggest in our portfolio, has entered the club of high performing MarketCity assets, such as the ones in Pune, Bengaluru and Chennai. Consumption grew by 17% on YoY basis, while Trading Density grew by 11%. In terms of leased occupancy, more than 97% of the leasable space is leased out. As time has shown for our other malls, we expect rentals to gradually attain the same rates as we enjoy at the Pune and Bengaluru MarketCity malls.

Key Achievements of FY2018

It is India's strong consumption story that continues to embolden us to take new momentous strides. Our retail assets have turned into urban consumption destinations, offering a holistic and premium experience. Consumption, trading density and rental income at our malls have been growing steadily year-on-year, and have become industry benchmarks of operational excellence. We have delivered our new mall Palladium Chennai in February 2018. Our residential development in Chennai is complete and the one at Bengaluru is in advanced stages. One Bangalore West and Kessaku, our standalone residential developments in Bengaluru, are already established as "one of their kind" luxurious and gated communities, which when sold, will generate substantial free cash flows for PML.

Our operational commercial portfolio has a mature, "rent generating", leasable area of approximately 1.16 million sq. ft., in the prime locations of Mumbai and leased out to top tier clients. This complements our retail portfolio and adds gush to our steady annuity income stream. As we move forward, we aim to monetise the balance developmental potential in our existing retail assets, to not only gain future capacity, but also boost our "rent-generating" portfolio. We expect returns from these assets to be meaningfully accretive, as the land cost has already been paid for, and only the construction cost will be incurred. This new set of commercial assets will contribute to the improved performance of our existing retail assets and be accretive to consumption. This move will help us in creating a new cycle of asset growth and increase the size of our commercial portfolio.

Expanding our Footprint

During FY2018, we completed stake purchases of our private equity partners across the portfolio and have reached majority stake in our key assets. Further as part of our growth strategy, in April 2017, we formed a strategic retail alliance with CPPIB. Under this alliance, CPPIB brought in an aggregate equity contribution of ₹ 16.6 billion. I am pleased to inform you that within a period of 14 months from formation of this alliance, we have fully committed these funds in three new acquisitions - two of these are greenfield opportunities in Pune and Bengaluru while one is a brownfield development in Indore . To accelerate our forays into new large Greenfield and Brownfield projects, we established a powerful retail alliance in partnership with CPPIB. We have deployed the funds under the alliance in acquisition of land parcels in Pune and Bengaluru where we will build our second Phoenix MarketCity for these cities. We have also purchased an under-construction retail asset in Indore which will be developed as Phoenix MarketCity, Indore. We are well on our path to future asset creation and enduring yields is already demarcated. Our proven project development and construction teams have already begun to deploy their skills on developing these projects. Outside of this alliance, we have acquired an under construction asset in Lucknow and have entered into a 50:50 JV in Ahmedabad to build a premium retail destination. All our new developments are at superior locations and will develop themselves into 'District Consumption Hubs' once ready. We expect all the new developments to be operational by FY2023.

Going Forward

As we look ahead, your Company is on a veritable path of becoming India's largest and most admired retail-led real estate company. I am confident that our current organic and inorganic growth strategies should more than double our total portfolio of retail and commercial assets over the next 5 years. We look to the future with positivity and confidence, as we believe we are capable of generating superior returns through the intelligent and judicious allocation of capital to develop the various greenfield and brownfield assets we have recently acquired. As we increase our size of our enterprise, we also look to benefit from our operational excellence and growing scale of business, to deliver sustainable value to all stakeholders.

PML is well set-up to deliver on its commitments successfully, with the full support and encouragement from its various stakeholders. Together, with both our existing and new portfolio of assets, we expect to remain a powerful force in the Indian realty landscape well into the next decade.

Before I conclude, let me thank all of you for your continued support and encouragement. We are committed to grow and create more value for all stakeholders with a renewed sense of optimism, confidence and ambition.

Warm Regards,

ATUL RUIA

JOINT MANAGING DIRECTOR

Shishir Shrivastava, Joint Managing Director

We have demonstrated the solid results of our business model and showcased our resilience with consistent top-line and bottom-line growth. For the near future, we expect to drive growth with our current organic and inorganic strategies, by doubling our total portfolio of retail assets over the next 5 years.

Dear Shareholders,

The year under review stood as a testimony to our strong strategies and execution plans, as the Company performed well and delivered another year of consistent, strong and profitable growth. It has been a landmark year for us at Phoenix Mills as we continued to ride the sustained growth curve of India's retail industry.

I am delighted to present your Company's performance for FY2018. I would like to take this opportunity to highlight the key developments of the year and share my thoughts on our plans for the next few years ahead. We continued to tap new growth opportunities to construct retail-led mixed-use developments in India and leveraged our strong operational cash flows to add retail assets to our portfolio.

At PML, we have demonstrated the stability of our business model and showcased our resilience with consistent top-line and bottom-line growth.

Acquisitions during the Year

A key development during the year was the draw down and deployment of funds raised through Island Star Mall Developers Private Limited (ISMDPL), the SPV which holds Phoenix MarketCity, Bengaluru. For this we had partnered with CPPIB, whose equity investment of Rs 1,662 crore for a 49% stake in ISMDPL enabled the alliance to acquire and develop greenfield land parcels and operational retail assets. Through the alliance, we have acquired a greenfield asset in Pune and Bengaluru each, and an under-construction retail development in Indore. In addition, we have also marked funds for expansion of the existing Phoenix MarketCity in Whitefield. We've crossed a major milestone of achieving the full commitment of funds from CPPIB within merely 14 months of creating the alliance.

Let me highlight our acquisitions. Firstly, ISMDPL acquired a 15-acre land at Pune, Wakad, as our first acquisition with a development potential of 1.8 million sq. ft. Here, we plan to carry out a premium retail development of 1.0 million sq. ft. This second Phoenix MarketCity in Pune will house a contemporary mix of family entertainment zones, multiplexes, large-format departmental stores, inline stores and fine-dining options.

We acquired another land parcel of 13 acres at Hebbal in Bengaluru with a development potential of 1.81 million sq. ft., of which about 1.00 million sq. ft. will be utilised for retail for the construction of a 2nd Phoenix MarketCity project in the city.

As our third deal, we acquired an under-construction retail development in Indore spread over 19 acres of land to be developed as Phoenix MarketCity, Indore, with a gross leasable area of 1.10 million sq. ft. We aim to make this the "go to" destination for the people of Indore and the adjoining cities and towns.

Outside the CPPIB platform, PML also made two additional noteworthy additions to its portfolio. Firstly, it acquired an under-construction mall in Lucknow to be developed as Phoenix MarketCity, Lucknow, comprising of retail, hospitality and commercial developments with a gross leasable area of 0.9 million sq. ft. We own 100% of this project.

Secondly, we entered into a 50:50 joint venture with an Ahmedabad-based BSafal Group, through which we acquired 5.16 acres of land at Sarkhej-Gandhi Highway, to develop a premium retail development of 0.6 million sq. ft. in its first phase. In addition to being an owner of the project, we also expect to earn fee-based income for designing, leasing and managing the asset.

Expanding Commercial Portfolio

We are proud of our operational commercial portfolio with a rent generating leasable area of approx. 1.16 million sq. ft., which complements our retail development initiatives and adds to our annuity income. We are constantly working towards unlocking future value growth in each of our assets. Looking forward, we have a clear priority to expand our commercial portfolio by leveraging and monetising the balance development potential in our existing retail assets. This way, we aim to augment our rent generating commercial portfolio that is catering to the inherent demand for Grade A offices in city centric locations by adding Grade A offices on top of existing developments at Pune & Chennai. We also plan to develop commercial office spaces with balance development potential at High Street Phoenix in Mumbai and Whitefield in Bengaluru.

Our Next Growth Phase

We expect to drive aggressive growth with our current organic and inorganic growth strategies to double our total portfolio of retail over the next 5 years. Now, with our current pipeline of organic and inorganic opportunities, we aim to increase our retail asset base to 11-12 million sq. ft. within the next 5 years.

Moving ahead, we will continue to explore new growth opportunities to construct retail-led mixed-use developments in India. Our key objective is to build futuristic developments, delivering a personalised and technology driven experience to our customers. By fusing social and urban spaces, we aim to converge the "digital" and the "physical" and deliver an omni-channel experience in novel ways. Driven by technology and analytics, we are creating a carefully curated shopping experience and enhancing the customer experience.

We are optimistic about our future growth prospects for the many pertinent reasons mentioned above. My special thanks also to our Board members for their guidance; we look forward to your continued support in our growth trajectory as we create long-term value for all our stakeholders.

Sincerely,

SHISHIR SHRIVASTAVA

JOINT MANAGING DIRECTOR

GROWING PORTFOLIO

Delivering the Next Growth Phase

Riding the growth wave of Indian retail, at The Phoenix Mills Limited, we continue to unlock future value growth. With a pipeline of organic and inorganic opportunities, we aim to increase our retail asset base to 11-12 million sq. ft. within the next 5 years. We have prudently utilised our cash flows to complete stake buy-outs from our partners and expect our rental income to increase, driven by staggered renewals, rising consumption and active mall management.

We are the developers and managers of prime retail-led assets in city centres, with a gross portfolio of 17.5 million sq. ft., spread over 100+ acres of prime land in the key gateway cities of India. During FY2013-18, consumption at our malls grew at a CAGR of 20%, i.e. at c.2x of Indian nominal GDP growth. We continue to ride the exponential growth curve of India's retail industry, which is projected to become a US$ 2 trillion market by 2020.

Consumption in India is seen to be growing at a rate superior to that of nominal GDP. Annuity income is also expected to grow steadily, largely led by upcoming renewals our HSP and Palladium Mall, PMC Chennai, PMC Pune and PMC Mumbai properties over the next three years, in addition to the scale-up of our Palladium Mall in Chennai. During the year, we completed stake buy-outs to gain optimum levels of stake across all our assets. We are utilising our free cash flows for the expansion of the commercial segment at our existing assets to boost as well as expanding our retail portfolio, thereby growing our annuity portfolio.

17.5
Million Sq. Ft.
Gross Portfolio

100+
Acres
Prime land occupied by PML in India's key gateway cities

Tapping into New Opportunities

Moving ahead, we are tapping into newer growth opportunities to construct retail-led mixed-use developments in India, and have identified three projects in Pune, Bengaluru and Indore under our CPPIB alliance. Additionally, our strong operational cash flows have been leveraged to add a few retail assets in Lucknow and Ahmedabad. We expect our retail rental income to increase, driven by staggered renewals across the portfolio and new asset addition. Our residential portfolio will become a source of significant free cash flows in the coming years when the current inventory is sold.

Our Strategic Pillars for Growth

RETAIL	6.0 Million Sq. Ft - Operational 4.6 Million sq.ft - Under Development.
COMMERCIAL	1.16 Million Sq. Ft.
HOSPITALITY	588 Keys
RESIDENTIAL	3.72 Million Sq. Ft.

Lucknow

In June 2018, Phoenix Mills Limited acquired 13.5 acres of land with an under-construction retail development in Gomti Nagar, Lucknow to be developed as Phoenix MarketCity Lucknow for ₹ 4,530 million. The development is part of envisaged Super Mega Mixed Use Integrated Project comprising of retail, hospitality and commercial developments. The proposed development will have a GLA of ~ 0.9 million sq. ft. and close to reputed companies, schools and world class infrastructure in its vicinity. Gomti Nagar has emerged as an exclusive growth corridor of the city. IT City - a 100 acre integrated development is merely 5 minutes away from the site. Once ready, it is expected to be a 'District Consumption hub' for the region. This project is 100% owned by Phoenix Mills.

Ahmedabad

In July 2018, PML has entered into a 50:50 JV with Ahmedabad based BSafal group. The JV has acquired 5.16 acres of land, located at Sarkhej-Gandhi (SG) Highway, at Rs. 2,300 mn to develop a premium retail development of 0.6 million sq. ft. in first phase. PML will design, lease and manage the asset, and earn a fee for these activities. Sarkhej Gandhinagar (SG) Highway Road is the key growth corridor of the city. This area includes prime affluent residential and commercial catchments such as Vastrapur, Prahlad Nagar, Bodakdev, Jodhpur, Navrangpura, Ambawadi, and Satellite Road, among others.

LEVERAGING EXISTING ASSETS

Leveraging Existing Assets to grow our Commercial Portfolio

Located in the prime areas of Mumbai, our operational commercial portfolio has a mature, "rent generating" leasable area of approximately 1.16 million sq. ft., leased to Tier-1 clients. This complements our retail development initiatives, and adds to the annuity income stream. On the path forward, we aim to monetise the rest of our developmental potential in existing retail assets, not only to gain future capacity, but to boost our "rent-generating" portfolio as well.

We have a clear priority to expand our commercial portfolio by leveraging the additional available FSI at the MarketCity projects, augmenting the rent-generating commercial portfolio. We are maximising our potential by building "Grade A" offices at city-centric locations, catering to the inherent demand for such spaces in the commercial segment.

We are also adding commercial spaces on top of our operational malls in Pune and Chennai, with the philosophy of developing retail-led mixed-use development. This is in addition to evaluating the inclusion of commercial spaces in High Street Phoenix, Mumbai and at Phoenix MarketCity, Bengaluru. As these commercial built-ups shall be atop our operating retail assets, we expect them to be accretive to weekday consumption at our malls.

As the cost of land has already been paid for, the returns from these assets are presumed to be meaningfully accretive — only the construction cost needs be incurred. This new set of commercial assets will contribute to the improved performance of our existing retail assets. This strategic move will also help create a new cycle of asset growth.

Expanding the Commercial Portfolio

Existing Commercial Portfolio	Rent Generating Area (Million Sq. Ft.)
Phoenix House, High Street Phoenix	0.14
Centrium, Phoenix MarketCity, Mumbai	0.10
Art Guild House, Phoenix MarketCity, Mumbai	0.55
Phoenix Paragon Plaza, Phoenix MarketCity, Mumbai	0.37
TOTAL	1.16

New Additions in Commercial Portfolio	Total Area (Million Sq. Ft.)
Phoenix MarketCity, Viman Nagar, Pune	0.70
Palladium Mall, Chennai	0.42
Phoenix MarketCity, Bengaluru (Planned)	Under Planning
High Street Phoenix, Mumbai (Planned)	Under Planning

1.16

Million Sq. Ft.

Rent Generating Commercial Land leased to Tier-1 Clients

WITH PARTNERS WE GROW

Alliance with CPPIB - Key enabler for Growth

We co-created an investment alliance with the CPPIB to gain scalability and establish market leadership across key cities of India. We fully committed the funds within 14 months of creating the alliance: a greenfield asset in Pune and Bengaluru each and an under-construction retail development in Indore.

The Canada Pension Plan Investment Board (CPPIB) globally manages assets over US$ 356 billion, and has made an investment of US$ 10 billion in shopping centres across Europe, America and Asia. Our partnership with CPPIB was formed in April 2017 with the aim to develop, own and operate retail-led mixed-use developments across India, with Island Star Mall Developers Limited (ISMDPL) designated to serve as the vehicle for this alliance.

The alliance enables CPPIB to deliver on its strategy of expanding its retail portfolio in India. It has infused an equity investment of ₹ 1,662 crore for a 49% stake in ISMDPL, valuing the operating asset Phoenix MarketCity Bengaluru at an equity value of ₹ 17,000 million.

The alliance has the mandate to acquire, develop, and operate prime, retail-led developments across India, giving us growth visibility in terms of the commitment of funding for new retail asset additions. It will acquire and develop Greenfield land parcels and operational retail assets, undertake new developments and acquisitions, and create new retail-led mixed-use assets, to offer superior shopping and entertainment experience.

₹ 16.62 Billion
Amount infused by CPPIB in April 2017

₹ 1.94 Billion
Amount invested for land in Wakad, Pune in Aug 2017

₹ 6.93 Billion
Amount invested for land in Hebbal, Bengaluru in April 2018

₹ 2.60 Billion
Amount invested for under construction retail asset in Indore in June 2018

Wakad, Pune

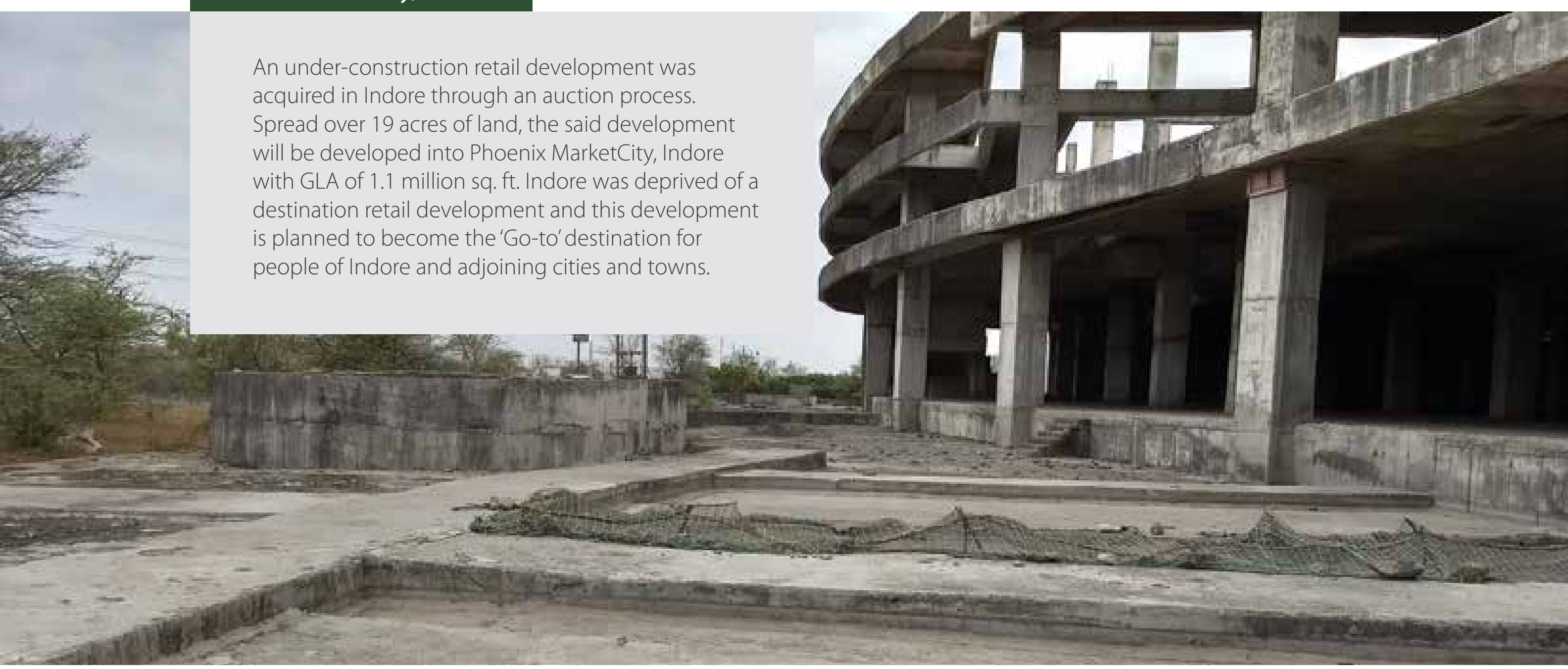
Under the CPPIB alliance, ISMDPL acquired a 15-acre land at Pune, Wakad. This was the first acquisition with a development potential of 1.8 million sq. ft. and will allow premium retail development of 1.0 million sq. ft. The 2nd Phoenix MarketCity in Pune will house a contemporary mix of family entertainment zones, multiplexes, large-format departmental stores, inline stores and fine-dining options. The retail asset will be nearly 23 kms away from the existing Phoenix MarketCity, with strategic access to commercial areas such as Hinjewadi, Baner and Aundh. It will also cater to the residential areas of Wakad, Baner, Aundh and Balewadi, extending up to Kothrud in South West of Pune.

Hebbal, Bengaluru

In April 2018, ISMDPL acquired another land parcel of 13 acres at Hebbal, Bengaluru, with a development potential of 1.81 million sq. ft of which 1.00 million sq. ft. will be utilised for Retail. A second Phoenix MarketCity project in Bengaluru will be constructed on this land parcel, which will become the preferred retail, entertainment and commercial destination. This new development coupled with existing mall in Bengaluru will help us cater to most of the key micro-markets of Bengaluru.

Phoenix MarketCity, Indore

An under-construction retail development was acquired in Indore through an auction process. Spread over 19 acres of land, the said development will be developed into Phoenix MarketCity, Indore with GLA of 1.1 million sq. ft. Indore was deprived of a destination retail development and this development is planned to become the 'Go-to' destination for people of Indore and adjoining cities and towns.



PRUDENT CAPITAL MANAGEMENT

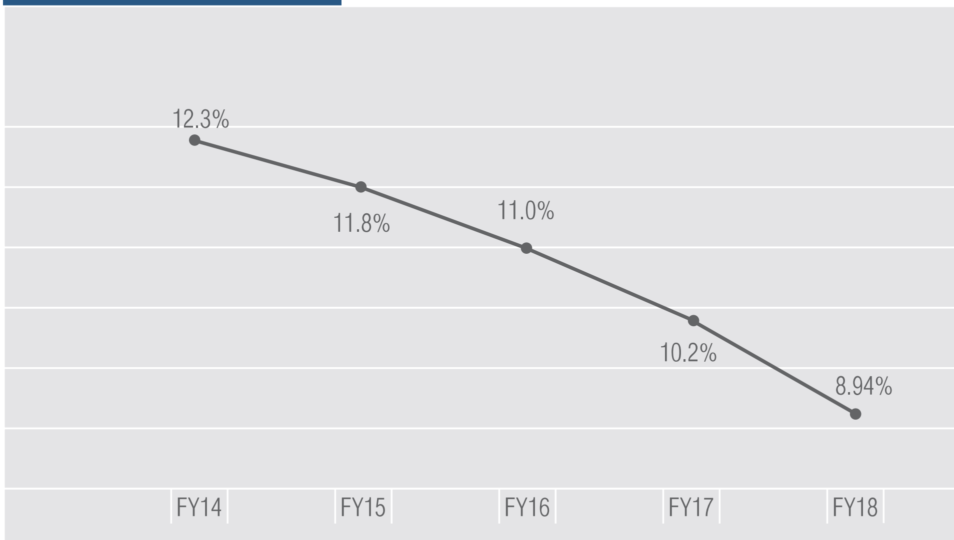
Prudent Capital Management

Facilitated by a surplus of cash flow generation, we undertook rational capital deployment to make value-accretive and progressive stake acquisitions through minority buy-outs. By doing this, we have consolidated our holdings and expanded our annuity portfolio and getting absolute control of most of our assets.

Historically, our cash flows between FY2013 to FY2018 have largely been deployed towards minority stake buy-outs. We also have a growing EBITDA based on the strength of our operating portfolio. With interest costs declining, and the completion of pay-outs for minority stake purchases, we expect a surplus of cash flow generation. We aim to utilise this surplus cash-flows to develop our commercial portfolio on existing assets and also to explore opportunities for expanding the Retail portfolio.

We have a well-managed debt portfolio, with our effective cost of debt trending downwards from 12.3% in March 2014 to 8.94% in FY2018. During the past 12 months, the cost of debt has fallen by over 126 basis points. Majority of our Debt is in form of LRDs, which are discounted against rent receivable from the tenants at our malls. The assets are adequately levered in terms of interest cover and in a comfortable position to service the debt.

Effective Cost of Debt



Key Indicators

- Strong rental performance
- Higher EBITDA and stronger cash flows
- Prudent capital allocation
- Improved credit ratings
- Lower interest rates

Improved Credit Ratings

Strong Credit Rating Across Portfolio			Interest Coverage
PMC, Chennai	AA+	CARE, India Ratings	3.7X
PML Standalone	A+	CRISIL, India Ratings	3.3X
PMC, Bengaluru	A	CRISIL	3.1X
PMC Mumbai	A -	SMERA/FITCH	1.4X
PMC Pune	A -	CRISIL	2.2X
The St. Regis, Mumbai	A-	CRISIL	1.4X

CREATING LOVABLE DESTINATIONS

Building "Malls of the Future" through Innovation and Self Disruption

At PML, our key objective is to build futuristic developments, delivering a personalised and technology driven experience to our customers. By fusing social and urban spaces, we aim to converge the "digital" and the "physical" and deliver an omni-channel experience in novel ways. Driven by technology and analytics, we are creating a carefully curated shopping experience, while enhancing customer experience.

Our retail assets have become living, breathing communities where retail takes place alongside trendy, upscale eateries, sprawling green spaces, compelling entertainment and recreational facilities. We have the technology and experience that gives shoppers a reason to hit the aisles. An individual can easily spend an entire day inside each of our Malls - they can eat, drink, go to the cinema and entertain themselves in other ways before they even think about shopping - and it is this experience that is exceptionally unique.

Being the Partner of Choice

Having maintained a consistent track record of consumption-led growth and a strong portfolio of 8 malls spread across the top cities, we have emerged as the perfect partners of choice for global and domestic retailers. This multi-city entry strategy will enable us to partner with top retailers and rapidly expand their India presence. Several brands have pioneered their introduction into India through our malls.

We attribute our success to the expertise in acquisition of attractive land parcels, mall design, and identification of consumer trends and data analytics with specialisation in active mall management.

Transforming the Present to Inspire the Future

- Creating a community of mixed-use development with malls, commercial spaces, F&B and hotels, with a wide range of business categories and retailers.
- Delivering an eye-opening experience to customers, with focus on art, aesthetics and fragrance architecture.
- Refurbishing and restyling existing retail assets, reinventing designs and interiors, multiple entry points.
- Technology integration for better parking management.
- Enabling mobility and convenience by providing for Ola/Uber lounges, optimum traffic navigation around the site and multiple access points.
- Providing F&B village, high street food, upscale eateries and a wide mix of luxury retail and restaurants; and entertainment through trendy cinema screens and fitness clubs.

#01

Number One Choice for International Retailers entering India

MANAGEMENT DISCUSSION & ANALYSIS

Continued fiscal consolidation by reducing Government deficits and debt accumulation, and anti-inflationary monetary policy stance is expected to cement the nation's macro-economic stability.

Economic Overview

India remains amongst the top fastest growing economies in the world, continuing to benefit from strong private consumption and the gradual introduction of significant domestic reforms. The International Monetary Fund's (IMF) forecast in April, 2018 has projected that the country's position as the world's fastest growing major economy.

In FY2018, India's economy rebounded to grow by 6.7%, on the back of an uptick in investment activity and as the disruptive impact of the withdrawal of high-value bank notes in November, 2016 and the switch to the Goods & Services Tax (GST) in July, 2016 began to fade. Economic growth was recorded at 7.1% in the previous fiscal year of FY2017. Along with GST, several other reforms and policies have been implemented with the intent of building a more productive and efficient economy. "There will be a gradual increase in India's growth rate as structural reforms raise potential output, lifted by strong private consumption and the fading transitory effects of the currency exchange initiative and the implementation of GST," the IMF said in the World Economic Outlook released in April, 2018.

The Reserve Bank of India expects India's Gross Value Added (GVA) growth to increase to 7.4% in FY2018 due to increasing capital expenditure, boosting of the rural economy, easing of crude oil prices, a normal monsoon and roll-out of Goods & Services Tax (GST) in 2017. Continued fiscal consolidation by reducing Government deficits and debt accumulation, and an anti-inflationary monetary policy stance is expected to cement the nation's macro-economic stability.

6.7 %

India's GDP Growth in FY2017

India's Rising Economic Growth

Source: Central Statistical Organisation; Data for FY19 is IMF's projection on India's GDP Growth

World's 6th Largest Economy

India's US$ 2.5 trillion economy makes it the 6th largest in the world in terms of nominal GDP. It is expected to overtake UK to become the world's 5th largest economy in 2018, and vault to the 3rd spot by 2032, according to the Centre for Economics and Business Research, a London-based consultancy. As per a report by PriceWaterhouseCoopers (PWC), India is expected to edge past the US to become the world's 2nd largest economy in purchasing power parity (PPP) by 2040.

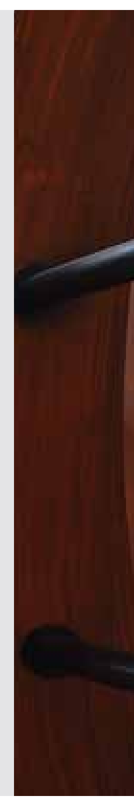
Rising Consumer Spend

By 2020, nearly 35% of Indians will be living in urban areas and there will be a rapid rise in the number of nuclear families, according to a study titled 'Retail transformation: Changing Your Performance Trajectory' conducted by Confederation of Indian Industry (CII) and the consulting firm The Boston Consulting Group. As per the Report, more than 200 million households will be nuclear by 2020, representing a 25% to 50% higher consumption per capita expenditure.

Rise in Urbanisation

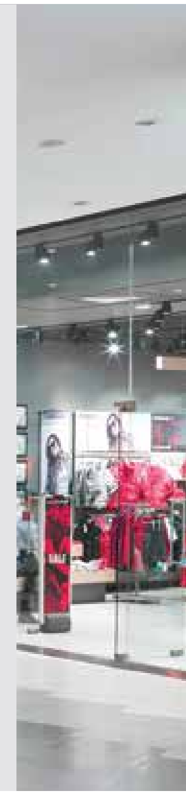
31 %	40 %
2015	2020 (Projected)

Backed by consistent range-bound economic growth and rising household incomes, consumer spending in India is expected to touch US$ 3.6 trillion (about ₹ 240 trillion) by 2020, increasing India's share in global consumption to 5.8% - more than twice its current levels, according to a joint report released by FICCI and consultancy PWC. Projections in the Report indicate that India's average household income will triple to US$ 18,500 in 2020, up from US$ 6,400 in 2010 - acting as a major driver in retail growth and leading to the evolution of new consumer segments. Increasing disposable income levels and a rising number of sophisticated consumers have given rise to consumers seeking 'premium' products.



Projected Rise in Average Household Income

US$ 6,400	US$ 18,500
In 2010	In 2020



Consumption Growth to Bolster India's Economy

India is expected to be a strong domestic consumption driven growth story. Rapid macroeconomic, demographic and lifestyle shifts in the country, bolstered by policy and regulatory changes, have a strong potential of taking India towards its goal of becoming the largest consumer market over the next decade, according to a report by Morgan Stanley. Declining interest rates, a near-normal monsoon leading to higher rural incomes and pay hikes for central government employees, are key triggers for an expected consumption surge in India. Backed by higher rural income, growing purchasing power and rising aspirations will drive the consumption upswing in India.

Industry Overview

India Retail

Modern retail penetration in India is abysmally low compared to the developed and emerging economies. While the share of modern retail is 84%, 71%, and 53% in the United States, Singapore and Malaysia, respectively, it is only 19% of the value of the total retail spending in the National Capital Region, Mumbai, Chennai, Bengaluru, Pune and Hyderabad, cumulatively, as per the "Think India, Think Connected Retail" 2017 Report by Knight Frank. The degree of penetration overall in India is even lower, since the presence of modern retail in smaller cities and rural areas is not significant. In the forthcoming years, the share of modern retail in these top six cities is expected to be a quarter of the total retail spending by 2019.

24 %
Estimated Penetration of Modern Retail in India by 2019

Growth in Organised Retail

A key catalyst strengthening the retail market is the country's favourable demography. While 1.25 billion people means a big consumption market, being one of the youngest nations in the world bodes well for the retailing phenomenon. Currently, the total retail market size in the top six retail markets of the country amounts to ₹ 4,539 billion and this is projected to reach ₹ 7,168 billion by 2019, the Knight Frank Report stated. Of the total retail spending in the top 6 retail markets of India, modern retail amounts to ₹ 871 billion. This is projected to reach ₹ 1,718 billion by 2019. Penetration of modern retail will also witness a substantial rise, from the current 19% to 24% in the next three years in these retail markets, largely driven by the omni-channel way of retailing.

Total Retail Market Size

₹ 4,539 Billion
Total Retail Market Size in 2016

₹ 7,168 Billion
Estimated Retail Market Size in 2019

Category-wise Annual Modern Retail Potential

Apparel	46%	₹ 292 Billion
Daily Needs	4%	₹ 2,170 Billion
F&B	36%	₹ 234 Billion

Penetration of Modern Retail

	2016	2019 (P)
Mumbai	14%	17%
NCR-Delhi	26%	33%
Bengaluru	14%	31%
Chennai	14%	19%
Hyderabad	14%	12%
Pune	14%	26%
TOP URBAN CENTRES	**19%**	**24%**

Source: Knight Frank's Think India, Think Connected Retail 2017

India Real Estate

Real estate is the 2nd largest employer in India, after agriculture, slated to grow at 30% over the next decade. Regulatory reforms, steady demand generated through urbanisation, rising household income and the emergence of affordable and nuclear housing are some of the key drivers of the growth for the sector in India. India's real estate sector is projected to reach US$ 180 billion by 2020, up from US$ 126 billion in 2015, according to a joint report by Credai and Jones Lang Lasalle (JLL). The construction industry ranks third among the 14 major sectors in India, in terms of direct, indirect and induced effects in all sectors of the economy, according to a report by India Brand Equity Foundation (Source: IBEF).

India's real estate markets are poised for growth in the medium-to-long term on the back of higher transparency and further consolidation. India's Tier 1 cities are expected to move up from the current 36th rank in JLL's 2018 Global Real Estate Transparency Index (GRETI) on the back of continued improvements in structural reforms, implementation of RERA and GST aimed at making India a modern economy. During FY2008-20, the market size of the sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2%. The benefits of growth in the real estate sector are expected to spread to Tier 2 and 3 cities, beyond the traditional demand, witnessed in crowded Tier 1 cities.

US$ 126 Billion
Projected Real Estate Market in 2015

US$ 853 Billion
Projected Real Estate Market in 2028

Source: IBEF

Investment in Real Estate

Private equity and debt investments in India's real estate sector grew 12% year-on-year to US$ 4.18 billion across 79 transactions in 2017, the JLL Report said, adding that affordable housing and warehousing segments will attract huge investment going forward. In 2017, M&A deals worth US$ 3.26 billion were made in India's real estate sector. Private equity investments in Indian retail assets increased 15% in CY2017, to reach US$ 800 million. India is expected to witness an upward rise in the number of real estate deals in 2018, on the back of policy changes that have made the market more transparent.

Government Initiatives

The Government has taken several initiatives to encourage the development in the real estate sector. The Smart City Project, with a plan to build 100 Smart Cities, is a prime opportunity for real estate companies. Below are some major Government Initiatives:

- In February 2018, creation of National Urban Housing Fund was approved with an outlay of ₹ 60,000 crore (US$ 9.27 billion).
- Under the Pradhan Mantri Awas Yojana (PMAY) Urban 1,427,486 houses have been sanctioned in 2017-18. In March 2018, construction of additional 3,21,567 affordable houses was sanctioned under the scheme.

Impact of RERA

The Government enacted the Real Estate (Regulation and Development) Act 2016 on 26th March, 2016 and all its provisions came into effect, from May 1, 2017. Real estate developers need to register their properties under RERA, and this is expected to facilitate REITs (real estate investment trusts). The Act establishes the Real Estate Regulatory Authority in each State and Union Territory. Its functions include protection of interests of shareholders, accumulating data at a designated repository and creating a robust grievance redressal system.

RERA is expected to be a game changer for buyers and developers of real estate. With its implementation, the Act will usher in greater transparency and lead to further consolidation of the industry. A more regulated market means that the lines of laws and policies will no longer be blurred, and for the first time, every developer will be on a level-playing field that puts the interests of the consumer above everything else. RERA has scaled up the overall accountability of real estate developers. It safeguards the interests of home-buyers. Another positive aspect of the Act is that it provides a unified legal regime for the purchase of flats, and seeks to standardise the practice across India.

Real Estate Investment Trusts

Real Estate Investment Trusts (REITs) are set to provide investment opportunities to smaller investors. The objective of REITs is to provide the investors with dividends that are generated from the capital gains accruing from the sale of commercial assets. The trust distributes 90% of the income from its investors via dividends. REIT provides safe investment opportunities with reduced risks, and under a professional management to ensure maximum returns on investments.

Real Estate Sub-sectors

Retail

India's retail real estate market continues to gain a positive momentum. Retail real estate is a significant contributor to India's economic activity. According to a JLL Report, new retail space of 6.4 million square feet was completed in 2017, making the year the second best (after 2011) in terms of net absorption. Around 20 million sq. ft. of supply is expected to come up by 2019. International brands foraying into India and expanding in the past couple of years are looking for quality space across India. Increased private equity interest in key leasehold retail assets has been observed across the country in the past few years. The REITs platform has attracted the attention of private equity players, who are fast gearing up to expand their retail portfolio across cities. While rental values have seen marginal appreciation, numerous retailers have started preferring the revenue-sharing model over the fixed-rent model in the last few years.

Commercial

Commercial real estate is witnessing emerging trends which are opportunities that businesses are adapting and using to their advantages. Commercial leasing activity has been robust with Grade A spaces witnessing a steady rise in rentals and valuations. Sectors like IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. Office space absorption across top 8 cities amounted to 18 million square feet (msf), as of September 2017. A Report estimated net absorption of office space to cross 100 million sq. ft. by 2020 in the top eight cities. New retail space of 6.4 million sq. ft. was completed in 2017, while supply of 20 million sq. ft. is expected in 2019. The office space market has been experiencing robust demand trends which will be fructified over the next 2 -3 years, keeping the office leasing activities buoyant and in an upward movement, the Report noted.

Residential

India's residential real estate market witnessed its lowest first-half sales and launches in the last five years, along with a resurgence of the affordable housing sector in H1 2017, says a report titled 'India Real Estate, January-June 2017', by Knight Frank India. The report presents a comprehensive analysis of the residential market across eight cities (Mumbai, NCR, Bengaluru, Pune, Chennai, Hyderabad, Kolkata and Ahmedabad). The JLL report has predicted that the housing sector's contribution to India's GDP is expected to almost double to more than 11% by 2020, up from the estimated 5-6%.

The Government's ambitious 'Housing for All by 2022' mission also received a massive thrust in 2017 with the granting of the very vital infrastructure status to affordable housing. In addition, the definition of affordable housing and houses classified under MIG underwent a series of tweaks to cover a larger buyer base and help developers offload their budget homes inventory. The recovery in 2018 will be sustainable and backed by stronger market fundamentals.

Hospitality

With a consistently growing middle class and increasing disposable income, the tourism and hospitality sector is witnessing a healthy growth and accounts for 7.5% of India's GDP. According to a report by KPMG, India's hospitality sector is expected to grow at 16.1% CAGR to reach ₹ 2,796.90 thousand crore by 2022. The hospitality sector encompasses a wide variety of activities within the services sector and is a major job provider, both direct and indirectly. The sector attracts the most FDI (Foreign Direct Investment) inflow and is the most important net foreign exchange earners for the country. It also contributes significantly to indirect tax revenue at the state and central level which includes revenues from VAT, Service Tax, and Luxury Tax.

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has also been recognised as a destination for spiritual tourism for domestic and international tourists.

Tourism is also a potentially large employment generator, besides being a significant source of foreign exchange. India's Foreign Exchange Earnings increased by 17.6% year-on-year in January 2018, over January 2017. Tourism and hospitality are among India's top 10 sectors to attract the highest Foreign Direct Investment (FDI). During the period April 2000-December 2017, the hotel and tourism sector attracted around US$ 10.90 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).

OPERATIONAL OVERVIEW

COMPANY OVERVIEW

About Us

We are an active owner, developer and manager of prime retailed assets in the key gateway cities of India. By focusing on income and capital growth, our strategy has been to establish and maintain a market leading position and deliver strong long-term returns to our shareholders. Over the last decade, we have demonstrated our ability to create large-scale, world-class retail destinations, delivering multiple projects across various Indian cities, within the desired timeframes and budgets.

Operational Review

Our track record for creating matured assets, with wholesome consumption and rental incomes, is impeccable. We are successfully in implementing and creating value from the mixed-use framework. By leveraging our collective strengths in the development, management and operation of all our assets, we aim to elevate the overall customer experience.

Our retail-led mixed-use assets are no longer mere shopping destinations. They have evolved into modern-day urban sanctuaries of joy in the heart of bustling neighbourhoods. Our ascendant assets, with an eclectic mix of international, national and local brands, are consistently delighting and engaging the Indian consumer.

₹63 Billion
Aggregate Consumption at our Malls in FY2018

OUR RETAIL PORTFOLIO

We have evolved into a retail powerhouse and top-notch, multi-asset, pan-India, retail-led company with 8 operating malls of approx. 6.0 million sq. ft. under management in 6 cities of India. Our iconic retail assets have been uncovering urban demand with a mix of top international and national brands, and well-loved dining concepts. During FY2013-18, consumption at our malls grew at a CAGR of 20%, which is twice the nominal GDP growth rate of India recorded during the same period. Rental income is also growing in sync with underlying consumption growth, and is supported by the organic growth of our existing assets.

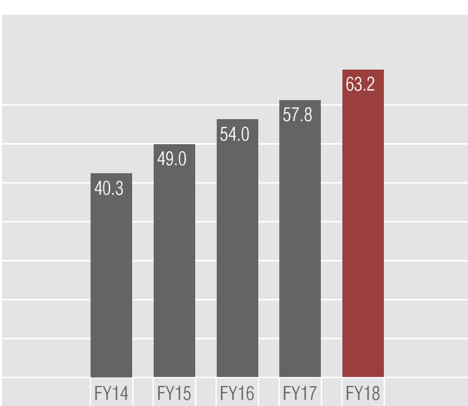
8 MALLS

SPREAD OVER APPROX. 6.0 MILLION SQ. FT.

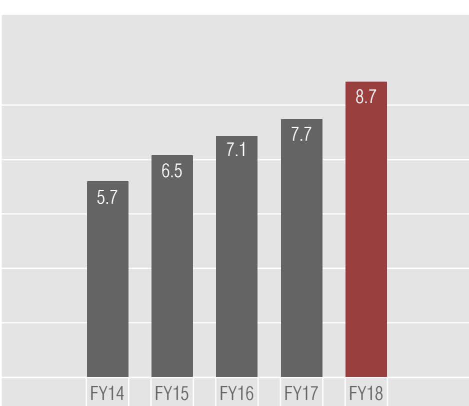
IN 6 MAJOR CITIES

20 %
Consumption CAGR at our malls during FY2013-18

Consumption (₹ Billion) CAGR - 20%



Rental Income (₹ Billion) CAGR - 15%



₹8.7 Billion
Retal Income in FY2018

Our Retail Led Portfolio - At a Glance

Mall	Leasable Area (Million Sq. Ft.)	No. of Stores	Trading Occupancy in FY2018 (%)	Consumption (₹ Million)	Trading Density (Psf)	Rental Rate (₹ Per Sq. Ft. Per Month)	Rental Income (₹ Million)
HSP & Palladium, Mumbai	0.74	258	92	16,456	3,034	359	3,022
Phoenix MarketCity							
- Bengaluru	0.99	297	93	12,361	1,694	114	1,275
- Chennai	1.00	263	94	10,742	1,489	128	1,394
- Pune	1.19	330	92	10,828	1,224	106	1,386
- Mumbai	1.11	310	91	8,143	1,044	93	1,102
Phoenix United							
- Bareilly	0.31	95	81	1,722	771	63	185
- Lucknow	0.33	126	81	2,850	1,002	73	269
Palladium, Chennai^	0.22	77	-	178	-	-	30
TOTAL	**5.89**	**1,750**		**63,280**			**8,663**

^Palladium Chennai became operational in February 2018

Operational Highlights

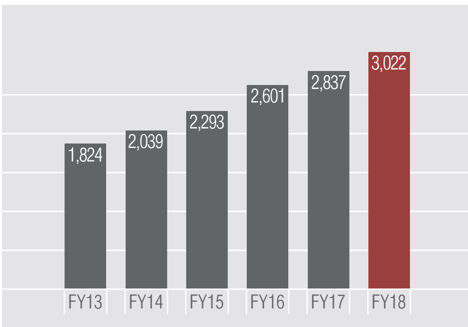
Our Retail Portfolio contributed 65% to total revenues of ₹ 10,595 million during FY2018. Consumption across our malls was strong at ₹ 63.2 billion, growing by 9% from ₹ 58 billion in the previous year. Rental income increased 12% – from ₹ 7.7 billion in FY2017 to ₹ 8.7 billion, backed by double-digit consumption growth. All the four Phoenix MarketCities at Chennai, Pune, Mumbai and Bengaluru have completed their first five-year cycle and continue to be amongst the best performing retail destinations in their respective cities.

In particular, the performance of Phoenix MarketCity, Mumbai emerged as one of the fastest growing MarketCity asset, with consistent rise in consumption and trading density with effective brand churning. The asset has been nurtured and transformed into an iconic centre with its own centrifugal force for spawning a new micro market. Palladium Mall in Chennai, having been operationalised during the year, showcased itself as a mall beyond high-end brands. It tapped the global trend of merging design with retail.

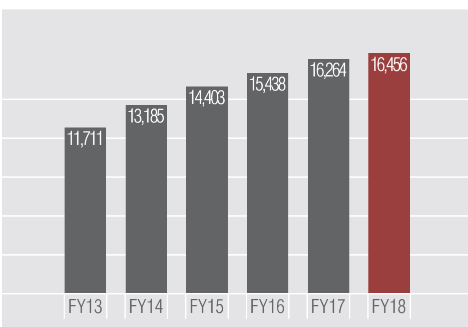
During the year, the apparel and F&B mix at each mall was upgraded. Besides maximising the potential of each catchment, we undertook various activities, conducted events and did promotions to drive consumption at our malls and increase the per capita spend at each mall asset. Our retail assets are the most preferred "go to place" in the respective city. We engaged in extraordinary initiatives on art, museums and culture, introducing international brands providing our consumer with the best possible experience.

HIGH STREET PHOENIX AND PALLADIUM, MUMBAI

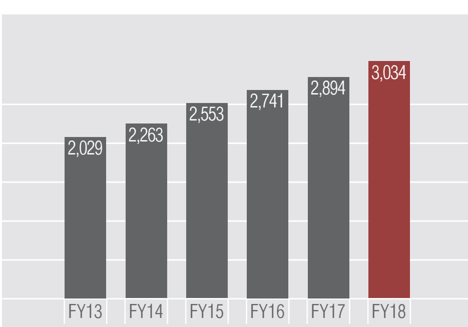
Rental Income (₹ Million) CAGR - 11%



Consumption (₹ Million) CAGR - 7%



Trading Density (₹ psf/pm) CAGR - 8%



Key Statistics

0.74 Million Sq. Ft.
Total Leasable Area

90 %
Trading Occupancy

269
Number of Stores

₹ **16,456** Million
Consumption

₹ **3,034** psf/pm
Trading Density

₹ **359** psf/pm
Rental Rate

₹ **3,022** Million
Rental Income

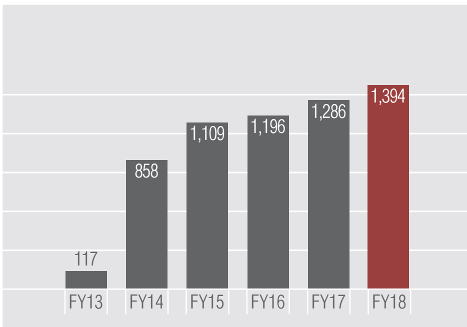
60 %
Area due for Renewal over next 3 Years

Key Highlights

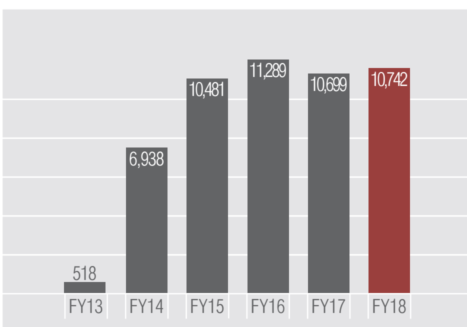
1. Recorded highest-ever consumption of ₹ 16,456 million, with trading density of ₹ 3,034 psf per month
2. Introduced over 13 top fashion, F&B and Jewellery brands in 'North Sky Zone' (area earlier occupied by a Department Store)
3. Refreshed the F&B offering with popular concepts such as Farzi Café, The Wine Rack, Café Delhi Heights, Soda Bottle Openerwala, and The Runway Project by Pizza Express, amongst others

PHOENIX MARKETCITY, CHENNAI

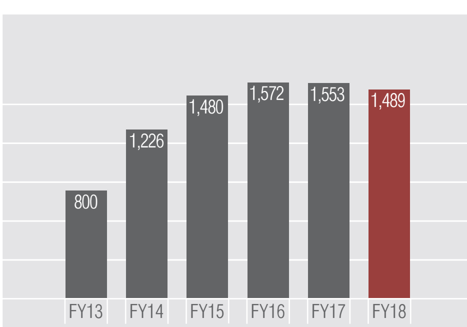
Rental Income (₹ Million) CAGR - 13%



Consumption (₹ Million) CAGR - 12%



Trading Density (₹ psf/pm) CAGR - 5%



Key Statistics

1.00 Million Sq. Ft.
Total Leasable Area

94 %
Trading Occupancy

261
Number of Stores

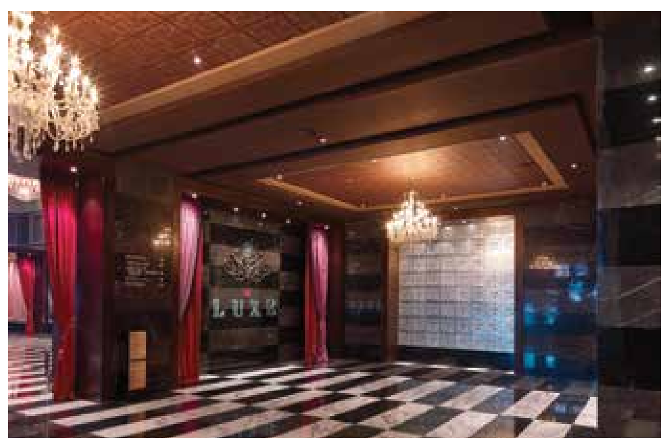
₹ 10,742 Million
Consumption

₹ 1,489 psf/pm
Trading Density

₹ 128 psf/pm
Rental Rate

₹ 1,394 Million
Rental Income

25 %
Area due for Renewal over next 3 Years

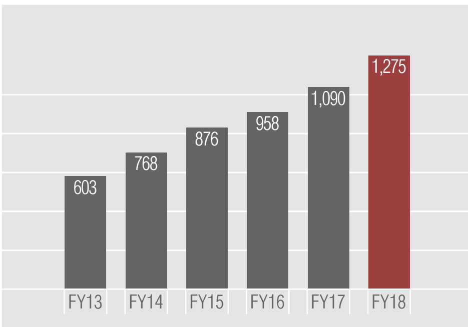


Key Highlights

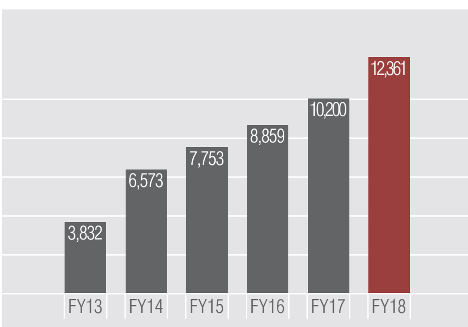
1. Consumption stood at ₹ 10,742 million
2. Recorded 12% EBITDA growth at ₹ 1,499 million, while rental income was recorded at ₹. 1,394 million
3. Category changes in retail product mix had a positive impact on rental income
4. Consumption was temporarily impacted due to the planned category churn, but will result into higher rental income in future

PHOENIX MARKETCITY, BENGALURU

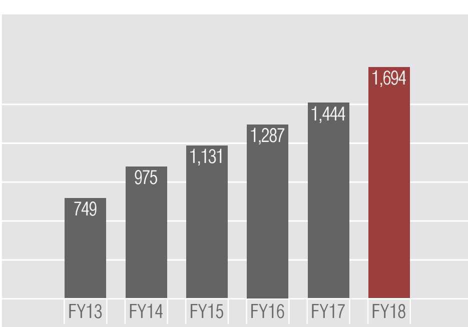
Rental Income (₹ Million) CAGR - 16%



Consumption (₹ Million) CAGR - 26%



Trading Density (₹ psf/pm) CAGR - 18%



Key Statistics

0.99 Million Sq. Ft.
Total Leasable Area

93 %
Leased Occupancy

296
Number of Stores

₹ 12,361 Million
Consumption

₹ 1,694 psf/pm
Trading Density

₹ 114 psf/pm
Rental Rate

₹ 1,275 Million
Rental Income

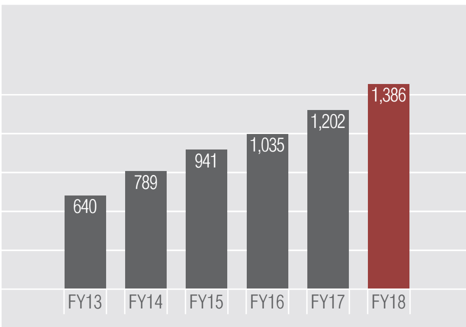
36 %
Area due for Renewal over next 3 Years

Key Highlights

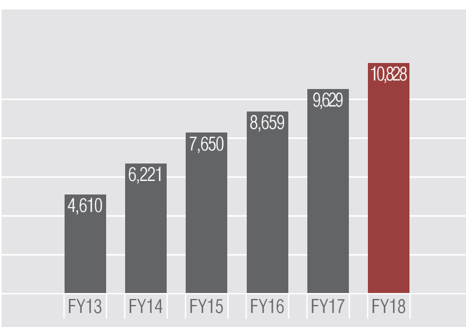
1. PMC Bengaluru, in its 6th year of operations. continues to demonstrate market leading growth
2. Consumption in FY2018 was up 21% YoY at ₹ 12,361 million, while Trading Density was up 17% at ₹ 1,694 psf per month
3. Rental Income was up 17% YoY at ₹ 1,275 million, while EBITDA was at ₹ 1,228 million, up 13% YoY
4. New addition of brands such as Toys R US, Home Centre, Xiomi, Vivo, Crossword, amongst others
5. Over 30 concerts and events organised in FY2018, making PMC Bengaluru the preferred destination for events in the city

PHOENIX MARKETCITY, PUNE

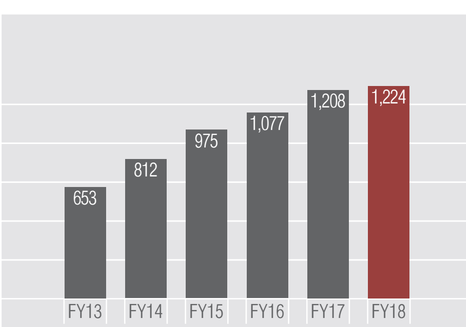
Rental In come (₹ Million) CAGR - 17%



Consumption (₹ Million) CAGR - 19%



Trading Density (₹ psf/pm) CAGR - 13%



Key Statistics

1.19 Million Sq. Ft.
Total Leasable Area

92 %
Leased Occupancy

341
Number of Stores

₹ 10,828 Million
Consumption

₹ 1,244 psf/pm
Trading Density

₹ 106 psf/pm
Rental Rate

₹ 1,386 Million
Rental Income

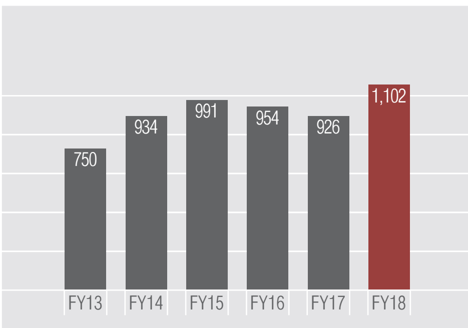
60 %
Area due for Renewal over next 3 Years

Key Highlights

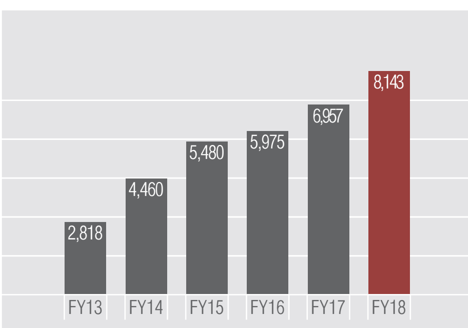
1. Consumption was strong at ₹10,828 million, up 12% yoy
2. Ended the year with Trading Density of ₹ 1,244 psf per month
3. Sustained consumption and rental growth contributed to robust EBITDA growth of 17% for FY2018 at ₹ 1,252 million
4. Additional floor with Gross Leasable Area of 75,000 sq. ft. dedicated to fine dining became operational during the year
5. Over 25 concerts and events organised through the year, making PMC Pune the preferred destination for events in the city

PHOENIX MARKETCITY, MUMBAI

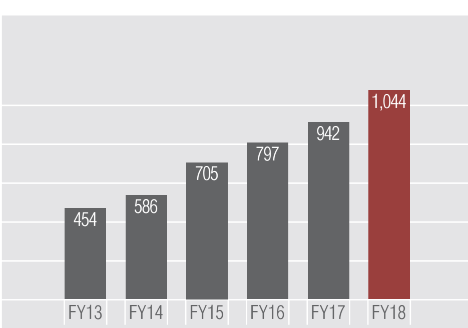
Rental Income (₹ Million) CAGR - 8%



Consumption (₹ Million) CAGR - 24%



Trading Density (₹ psf/pm) CAGR - 18%



Key Statistics

1.11 Million Sq. Ft.
Total Leasable Area

91 %
Leased Occupancy

317
Number of Stores

₹ 8,143 Million
Consumption

₹ 1,044 psf/pm
Trading Density

₹ 93 psf/pm
Rental Rate

₹ 1,102 Million
Rental Income

51 %
Area due for Renewal over next 3 Years

Key Highlights

1. Displayed strong operational performance with 17% consumption growth, 19% Rental income growth and 20% EBITDA growth
2. Crossed the threshold Trading Density of ₹ 1,000 psf, which indicates an inflection point in a mall's journey
3. Completed refurbishment with new flooring, lighting and interior upgrades to provide best consumer experience
4. 'Dublin Square' has successfully conducted over 120 events and concerts by Top Indian and international artists and emerged as the favourite experience centre for people of all ages

PALLADIUM, CHENNAI

Key Statistics

0.22 Million Sq. Ft.
Total Leasable Area

79 %
Leased Occupancy

77
Number of Stores

₹ 178 Million
Consumption

₹ 30 Million
Rental Income

₹ 161 psf/pm
Rental Rate

Key Highlights

1. The luxury offering, spread over 0.22 million sq. ft., commenced full scale operations from February 2018
2. Mall houses premium brands such as H&M, Michael Kors, and Tumi, Coach, amongst others
3. Mall has set new benchmarks for luxury shopping experience in the city

Retail Portfolio Under Development:

Phoenix MarketCity, Wakad, Pune	1.0 Million Sq. Ft.
Phoenix MarketCity, Hebbal, Bengaluru	1.0 Million Sq. Ft.
Phoenix MarketCity, Indore	1.1 Million Sq. Ft.
Phoenix MarketCity, Lucknow	0.9 Million Sq. Ft.
Premium Retail Development, Ahmedabad	0.6 Million Sq. Ft.
Total	**4.6 Million Sq. Ft.**

4.60 Million Sq. Ft.
Retail Portfolio Under Development

OUR COMMERCIAL PORTFOLIO

We own and operate commercial centres in Mumbai with rent-generating leasable area of 1.16 million sq. ft. Our growing portfolio of Grade A commercial spaces complement our retail centres and adds to our annuity income stream, besides fitting in with our philosophy of an integrated work-life balance. Most of the leasable area has been leased out to Tier-1 clients, ensuring quality catchment and stable rental income. Moving ahead, we have a clear priority to add to rent-generating commercial space at the malls in Pune, Bengaluru and Chennai.

1.60 Million Sq. Ft.
Total Area

0.45 Million Sq. Ft.
Area Sold

1.16 Million Sq. Ft.
Net Leasable Area

0.81 Million Sq. Ft.
Area Leased

Key Highlights

1. Premier office space Art Guild House is fast gaining popularity for signature boutique offices, strategic location and vast choices for shopping and entertainment
2. Art Guild House is almost 85% leased in the first full year of operations

Our Commercial Portfolio At A Glance

	Total Area (Msf)	Area Sold (Msf)	Net Leasable Area (Msf)	Area Leased (Msf)	Average Rate (₹/sq. ft.)
Phoenix House	0.14		0.14	0.13	110
Centrium	0.28	0.18	0.10	0.09	91
Art Guild House	0.76	0.21	0.55	0.47	94
Phoenix Paragon Plaza	0.42	0.05	0.37	0.12	101
TOTAL	**1.60**	**0.45**	**1.16**	**0.81**	**97**

Commercial Portfolio Under Development: 1.12 Million Sq. Ft.

Phoenix MarketCity, Viman Nagar, Pune	0.7 Million Sq. Ft.
Phoenix MarketCity, Chennai	0.42 Million Sq. Ft.

OUR HOSPITALITY PORTFOLIO

Our hospitality assets, The St. Regis, Mumbai and Courtyard by Marriott, Agra; consolidated their strong positions. These are marquee hotel properties managed by best-in-class and renowned global operators and have been established as the best performing hotels in their respective categories. These have turned into stable assets with self-sustaining and growing operating cash flows.

Operational Highlights

1. Rising revenue of our hospitality assets are driven by robust performance of Rooms, F&B and Banquets.
2. The St. Regis is expected to sustain its strong performance, given the limited supply of luxury hotels in South Mumbai and growing demand from business travelers and tourists
3. Courtyard by Marriott saw an improved occupancy levels of 65% this year, compared to 57% last year

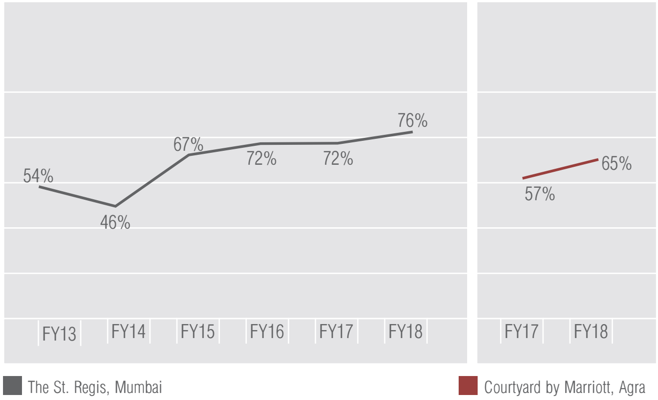
The St. Regis, Mumbai	Courtyard by Marriott, Agra
395 No of Keys	193 No of Keys
76% Occupancy in FY2018	65% Occupancy in FY2018
10 Restaurants	4 Restaurants
42,500 Sq. Ft. Banqueting Area	23,315 Sq. Ft. Banqueting Area
₹ 11,405 Average Room Rate in FY2018	₹ 3,811 Average Revenue Per Room in FY2018
₹ 2,879 Million Revenue in FY2018	₹ 360 Million Revenue in FY2018

76 %
Occupancy at The St. Regis Hotel during FY2018

65 %
Occupancy at Courtyard By Marriott, Agra, during FY2018

₹ 11,405
Average Revenue Per Room at The St. Regis Hotel during FY2018

Rising Occupancy Levels at the Hotels



OUR RESIDENTIAL PORTFOLIO

Our residential portfolio comprises of premium and upscale, large-scale residential developments, with 3.72 million sq. ft. total saleable area and contributed 10% to total revenues. Product design, quality and being around mixed-use destinations have established our Residential Projects as market leaders. It recorded cumulative sale of 1.89 million sq. ft. during the year, amounting to an aggregate sale value of ₹ 19,277 million and cumulative revenue of ₹ 15,660 million and total cumulative collection of ₹ 16,879 million.

3.72 Million Sq. Ft.
Total Area

2.58 Million Sq. Ft.
Area Launched (Till Date)

1.89 Million Sq. Ft.
Area Sold (Till Date)

Operational Highlights

1. Our residential projects are under different stages of completion, and well on course for timely handovers
2. One Bangalore West (Towers 1-5) has received the occupation certificate and have been handed over to the occupants
3. Tower 6 & 7 are currently under construction
4. Construction of The Crest (Towers A, B and C) atop Phoenix MarketCity, Chennai, has been completed

Completed Projects

One Bangalore West, Bengaluru	Kessaku, Bengaluru
9 Towers 873 Units	5 Towers 131 Units

Our Residential Portfolio - At a Glance

Project	Total Area (MSF)	Total Area Launched (MSF)	Balance Area (MSF)	Area Sold (MSF)	Sales Value (₹ Mn)	Average Selling Price (₹)
Under Construction						
One Bangalore West - Towers 6 - 9	0.97	0.26	0.72	0.13	1,668	12,618
Kessaku, Bengaluru	0.99	0.57	0.42	0.23	3,461	15,196
TOTAL	**1.96**	**0.82**	**1.14**	**0.36**	**5,129**	**14,255**
Completed						
One Bangalore West - Towers 1 - 5	1.23	1.23	-	1.09	10,373	9,490
Crest A, B, C,	0.53	0.53	-	0.43	3,775	8,706
TOTAL	**1.76**	**1.76**	**0.00**	**1.52**	**14,148**	**9,269**
GRAND TOTAL	**3.72**	**2.58**	**1.14**	**1.89**	**19,277**	**10,214**

AWARDS & ACCOLADES

High Street Phoenix and Palladium Mall

1. Global Safety Summit BCToad Business & Skill Awards 2016 presented Safest Public Shopping Mall Award to The Phoenix Mills Ltd. – High Street Phoenix
2. Global Marketing Excellence Awards presented Award for best use of Social Media in Marketing to #Oneforlove campaign – The Phoenix Mills Ltd. In 2016
3. Global Marketing Excellence Awards presented Award for Marketing Excellence in Retail Sector to – The Phoenix Mills Ltd. In 2016
4. Star Retailer Awards 2016 presented Regional Mall of the year – West to High Street Phoenix in 2016
5. TAVF Awards 16 – The Activation Venues Forum presented Best Venue for the Activation Campaign to High Street Phoenix
6. TAVF Awards 16 – The Activation Venues Forum presented Best Activation Campaign to High Street Phoenix
7. TAVF Awards 16 – The Activation Venues Forum presented Highest Number of footfall venue of the year to High Street Phoenix
8. TAVF Awards 16 – The Activation Venues Forum presented Best Festive Decor to High Street Phoenix
9. TAVF Awards 16 – The Activation Venues Forum presented Best Premium Venue of the year to High Street Phoenix
10. INDIA SHOPPING CENTRE AWARDS by Images Group Recognized High Street Phoenix & Palladium as "Shopping Centre of the Year (West) - Metro" In 2016
11. INDIA SHOPPING CENTRE AWARDS by Images Group recognized High Street Phoenix & Palladium as "Shopping Centre of the Year – Sales Per Sq. Feet" In 2016
12. RETAIL EXCELLENCE AWARDS recognized High Street Phoenix & Palladium as "Shopping Centre of the Year" In 2016

Phoenix MarketCity, Pune

Destination Awards (4)

1. Awarded for Most Admired Asian Shopping Mall of the Year at The Golden Globe Tigers 2018 Awards (For Excellence & Leadership in Shopping Mall Management)
2. Awarded for Best Shopping Mall Décor of the Year at The Golden Globe Tigers 2018 Awards (For Excellence & Leadership in Shopping Mall Management)
3. Awarded for IMAGES Most Admired Shopping Centre of the Year: NON-METROS (WEST) at Images Shopping Centre Awards 2018
4. Phoenix Marketcity Pune is awarded as the "Images Most Admired Food Court of the Year at IMAGES Food Service Awards 2018

Awards on Marketing & Promotions (1)

1. Awarded for "Most Admired Marketing Campaign of the year – 100 Wishes Granted" campaign at Retail & Shopping Centre at ET NOW Global Awards for Retail Excellence 2018

YEAR: 2017

Destination Awards (11)

1. Phoenix Marketcity Pune is awarded Best Shopping Mall of the Year Award – National at The Golden Globe Tigers 2017 (April 2017)
2. Phoenix Marketcity Pune is awarded Best Shopping Mall of the Year Award – National at 6th Indian Retail & eRetail Awards 2017 (May 2017)
3. Phoenix Marketcity Pune is awarded as Most Admired Shopping Centre of the year – Non-Metro (West) at the Times Network CMO Asia Awards (July 2017)
4. Phoenix Marketcity Pune is awarded as the Brand Excellence Award in Shopping Malls at ABP News BE Awards 2017.
5. Phoenix Marketcity Pune is awarded as the Best Entertainment Venue at The Activation Venues Forum Awards 2017
6. Awarded for Most Admired Shopping Centre of the year at the Pune Shopping Malls Awards 2017
7. Awarded as the Shopping Centre of the year (Maharashtra) at Pride of Maharashtra Awards 2017 for Corporate Excellence in Shopping Mall

8. Awarded for Most Admired Shopping Centre of the year – Non-Metro (West) at the Times Network CMO Asia Awards
9. Awarded for "Most Admired Asian Shopping mall of the Year" at The Golden Globe Tigers Awards 2017
10. Awarded for IMAGES Most Admired Shopping Centre of the Year: NON-METROS (WEST) at Images Shopping Centre Awards 2017
11. Awarded for Best Shopping Mall of the Year – National at 6th Indian Retail & Retail Awards 2017

Awards on Marketing & Promotions (6)

1. Phoenix Marketcity Pune is awarded as Most Admired Marketing Campaign of the year – 100 Wishes Granted at Retail & Shopping Centre Awards 2017
2. Phoenix Marketcity Pune is awarded as Most Admired Shopping Centre of the year, Marketing & Consumer Promotions at the Times Network CMO Asia Awards (July 2017)
3. Awarded for Most Admired Shopping Centre of the year (Marketing & Consumer Promotions) at the Pune Shopping Malls Awards 2017
4. Awarded for Most Admired Shopping Centre of the year, Marketing & Consumer Promotions at the Times Network CMO Asia Awards
5. Awarded for "Most Admired Marketing Campaign of the year – 100 Wishes Granted" campaign at Retail & Shopping Centre
6. Awarded for "Most Admired Asian Shopping mall of the Year (Marketing & Consumer Promotions)" at The Golden Globe Tigers Awards 2017

Awards on Thematic Décor (3)

1. Phoenix Marketcity Pune is awarded as Best Thematic Decoration Shopping Centre at the Times Network CMO Asia Awards (July 2017)
2. Awarded for Best Thematic Decoration (Shopping Centre) at the Pune Shopping Malls Awards 2017
3. Awarded for Best Thematic Decoration Shopping Centre at the Times Network CMO Asia Awards

YEAR: 2016
Destination Awards (4)

1. Phoenix Marketcity Pune is awarded as Retailer of the Year at Awards for Retail Excellence 2016
2. Phoenix Marketcity Pune is awarded as Retail Property of the Year (West) by Indian Retail Awards 2016
3. Phoenix Marketcity Pune is awarded as Shopping Centre of the year Non Metro (West) at National Awards For Excellence in Shopping Centre & Mall Marketing 2016
4. Phoenix Marketcity Pune is awarded as IMAGES Most Admired Shopping Centre of the Year: NON-METROS (WEST) at Images Shopping Centre Awards 2016

Awards on Marketing & Promotions (4)

1. Phoenix Marketcity Pune is awarded as Retail Marketing Campaign of the year – Top Shoppers at Awards for Retail Excellence 2016
2. Phoenix Marketcity Pune is awarded as Most Admired Marketing Campaign of the year at
3. Phoenix Marketcity Pune is awarded as Marketing/ Advertising Campaign of the Year by Indian Retail Awards 2016
4. Phoenix Marketcity Pune is awarded as Most Admired Shopping Centre of the year , Marketing & Consumer Promotions at National Awards For Excellence in Shopping Centre & Mall Marketing 2016

Phoenix MarketCity, Bengaluru

1. Images Most Admired Shopping Centre of the Year 2016– Marketing & Promotions (South)
2. Times Retail Icon awards 2016 – Best Customer Engagement Program
3. Times Retail Icon awards 2016 – Best Range of Food & Beverage Options
4. Times Network presents National Awards for Marketing Excellence – Best Thematic Decoration 2017
5. Shopping Centre and Mall Awards – Best Thematic Decoration (CMO Asia/Asia Africa GCC Retail and Shopping Centre Congress and Awards) 2017
6. ABP News presents Brand Excellence Awards - Brand Excellence Award in Shopping Malls (CMO Asia/World Marketing Congress) 2017
7. ET NOW presents Global Awards for Retail Excellence – Shopping Centre of the Year (South) 2017
8. Times Network presents National Awards for Marketing Excellence – Shopping Centre of the Year (South) 2017
9. CMO Asia Shopping Mall Awards – Shopping Centre of the Year (South) 2017
10. ET NOW presents Global Awards for Retail Excellence – Most Admired Shopping Centre of the Year (Marketing and Consumer Promotions) 2017
11. Shopping Centre and Mall Awards - Most Admired Shopping Centre of the Year (Marketing and Consumer Promotions) (CMO Asia/Asia Africa GCC Retail and Shopping Centre Congress and Awards) 2017

12. CMO Asia Shopping Mall Awards – Most Admired Shopping Centre of the Year (Marketing and Consumer Promotions) 2017
13. Karnataka Brand Leadership Awards 2017 (CMO Asia) 2017
14. Times Network presents National Awards for Marketing Excellence – Most Admired Marketing Campaign of the Year 2017

Phoenix MarketCity, Chennai

1. CNBC Awaaz Real Estate Awards 2013 – "Best Retail Project of the city"
2. Asia's Shopping Centre & Mall Awards 2014 by CMO Asia - PMC Chennai""Most Admired Shopping Centre of the year"
3. Phoenix Marketcity Chennai Awarded – "Best Malls & Shopping Centre of the Year 2015 – Operational Mixed Used Development" by Estate Avenues
4. Forbes nominated Phoenix Marketcity in 2013 – As Art Initiative of the Year (2013
5. Times Retail Icons Awards – 'Phoenix MarketCity Chennai - Best Premium Mall' 2016
6. Provoke Awards – 'Phoenix MarketCity Chennai- Best Mall 2015-2016'
7. Best premium mall By Times Retail Icons Awards 2016
8. Provoke Awards 2016: Awarded as Best Mall in Chennai
9. CMO Asia Presents Shopping Malls Excellence Awards, 1st August 2017 le Meridian Singapore
10. ABP News Presents Brand Excellence Awards, 24th November 2017 ET Now Presents Global Awards for Retail Excellence (For Excellence in Shopping Centre and Mall Marketing), 2018
11. The Times of India Trailblazers (For exemplary commitment and impactful positive contribution to the success of retail sector in Tamil Nadu

Phoenix MarketCity, Kurla

1. Hindustan Times Sep-14 - Mumbai HOT 50
2. Mumbai's Hot 50 Brands by Paul Writer Sep-15 - Most Admired Shopping Centre of the Year by Largest Organisation
3. Limca Book of Records Nov 15 – For building the longest fashion ramp for the Glam Icon event
4. Asia Africa GCC Retail and Shopping Centre Congress and Awards Feb-16 - Most admired Shopping Centre of the year (West)
5. Times Retail Icons Mar-16 - Premium Shopping Malls 2015-16
6. Power Woman Fiesta Jun-16 - Most admired Marketing Campaign of the year
7. Shopping centre & mall awards 17-Feb - Best Architecture and interior design -shopping centre of the year
8. Images shopping centre awards 2017- Most admired shopping centre of the year marketing and promotion
9. Shopping centre & mall awards 17-Feb - Most admired marketing of the year-Shoe Fest
10. Times network Jul-17 - Shopping centre of the year metro west by
11. Shopping centre & mall 17-Feb - Shopping centre of the year metro west by
12. World records India for most student performed roller skating with Hula Hoop together May'17
13. Shopping centre and mall 17-Feb - Most admired shopping centre of the year west
14. Artist Aloud Music Awards 18-Apr - Best live music Destination
15. ET now global awards of excellence 18-Feb - Shopping centre of the year west
16. TAVF awards 16-Sep - Best Entertaining Venue
17. CMO Asia 17-Aug - Shopping centre of the year metro west
18. Golden Globe Tiger Awards Excellence and leadership shopping mall management 18-Apr Most admired shopping mall of the year
19. Preferred shopping destination by Mumbai icon 2018-Radio City 18-Apr

Phoenix United, Lucknow

1. TAVF 18 Award - Most no of Mall Events – North

Kessaku

1. Estate Awards in media partnership with ET Now for Project of The Year – National 2015
2. Asian CEF Award for Residential Project of The Year – Towers 2015
3. Designomics Award for Direct Response- Brochures/ Catalogue 2015
4. Designomics Award for Integrated Design Project 2015
5. Asia Pacific Property Awards for Development Marketing 2015
6. Asia Pacific Property Awards for Residential Property Interior (show home) 2015
7. Estrade Real Estate Awards - for Luxury Project of the Year 2016
8. Price Water Coopers World's Greatest Brands - for Real Estate Industry in India 2016

One Bangalore West

1. Estate Awards in media partnership with ET Now for Regional Project of The Year – South 2014
2. Asia Pacific Property Awards for Architecture Multiple Residence 2015
3. Asia Pacific Property Awards for Residential High-rise Development 2015
4. CNN Awaaz award for best Residential Project in Bengaluru City under Luxury Segment 2015
5. Estate Awards in media partnership with ET Now for Palladium Constructions Pvt Ltd under category Marketer of the Year 2015
6. Asia Pacific Property Awards for Marketing Development 2016
7. Estrade Real Estate Awards for Residential Property of the Year –South 2016

Art Guild House

1. Realty Excellence Award 2014 – West Environmental Friendly project – Commercial
2. Realty Excellence Award 2016 – West Commercial Property of the Year
3. 9th Realty Plus Excellence Awards (West) - Best Themed Project of the year 2017
4. 10th Estate Awards – Commercial Property of the Year 2017

Fountainhead

1. 9th Realty Plus Excellence Awards - Commercial Property of the Year 2018

The St. Regis, Mumbai

1. Starwood Open Hot Award 2015 (APAC Region) 2015
2. Times Food & Nightlife Award - Best Indian Restaurant to THE SAHIB ROOM & KIPLING BAR 2016
3. Times Food & Nightlife Award – Best Thai Restaurant to BY THE MEKONG 2016
4. Times Food & Nightlife Award - Best Bar to LI BAI 2016
5. Times Food & Nightlife Award - Best Night Club to EXO 2016
6. Conde Nast Traveller - Favourite New Business Hotel in India to THE ST REGIS MUMBAI 2016
7. Hotelier India - Sales & Revenue leader of the year to VINAY SINGH 2016
8. TTJ - The St. Regis Mumbai was conferred the Jury Choice Award, 2016 for 'Innovative Edge in creating luxury experiences in India' by Travel Trade Journal 2016
9. Business Traveller - The Big 40 Asia 2016
10. EAZYDINER FOOD - THE BEST INDIAN RESTAURANT IN A HOTEL FOR THE YEAR TO THE SAHIB ROOM AND KIPLING BAR, 2016

OUR SUSTAINABILITY STRATEGY

From being the icons of a consumerist society, our shopping malls are gradually becoming the lighthouses of energy efficiency systems and sustainable architecture. An incredible amount of thought and attention has gone into the construction, with the aim of constructing the most world's most sustainable shopping malls. The focus has been to reduce carbon emissions and promote bio-diversity and combine many sustainable and environmental features throughout the project. The calculated amount of energy consumed within each of our Malls is lesser than the regulatory norm, leading to energy reduction.

We re-conceptualise our shopping malls through deep and systemic retrofitting, develop a systemic approach made of innovative technologies and solution sets, and methods and tools to support their implementation and assess their environmental and social impact. We provide tools and methods for energy efficiency evaluation, lean management, continuous commissioning, environmental and socio-cultural impact assessment. Our malls are also regularly refurbished and redesigned to make them remain highly attractive for clients.

We promote town development in harmony with nature by implementing energy-saving and waste control policies. Towards this end, we introduce the latest technologies to minimise the environmental load and create ways to protect the local ecology. We are replacing lights with more energy efficient and longer lasting LEDs. We represent the next generation of retail assets that improve energy efficiency and supports a form of sustainable town development that meets the standards specified and expresses our environmental goals. We have also made use of several energy saving technologies and reducing environmental load at our offices and the Kendras. We are taking efforts to preserve the environment and bring about a sustainable society.

Sustainability by HSP & Palladium:

The mall is actively involved in conservation and energy saving features such as:

1. Water conservation through rain water harvesting by managing to conserve 2,40,000 KL in 3-4 months. Water saving features include zero discharge of water by using 680kld STP plant and waterless urinals
2. Energy conserving initiatives such as adoption of LED lights at parking levels, timers, maintenance of power factor and escalators on power mode
3. Conversion of wet garbage into manure through organic waste composter
4. Installation of electric car charging station, thus making Mumbai truly ready to usher in the Electric Vehicle wave

We also provided support to local authorities which included:

1. Working with ALM (Advanced Locally Management) in improving infrastructure of the neighbourhood
2. Planning to adopt public toilets to be managed by the Mall
3. Project "Walkable Footpaths" in the pipeline
4. Project "Improvement of Traffic Scenario" planned

CORPORATE SOCIAL RESPONSIBILITY

We understand that we have a social responsibility to develop assets that co-exist in harmony with the environment and with the communities. We continue to advance our policies on corporate activities in social, environmental and ethical aspects. Opening of our retail and other assets, we create stable jobs, increase tax revenues, and stimulate the economy by outsourcing various operations and share the economic effects on a wider scale. We constantly contribute to the local society, work with communities and produce ways of living for the future. We continue to maintain our sustainable growth together with local residents by carrying out activities based on our chosen pillars for CSR.

Building of Check Dams in Rajasthan

Some of the key CSR activities under taken at High Street Phoenix were as follows:

1. **Palladium Anniversary:**
   To mark the celebration of Palladium's anniversary, every year in September a fixed percentage of retailer sales is contributed towards Light of Life Trust, an NGO that works towards education and empowerment of the under-privileged children.

2. **Internationally Themed Palladium Parties:**
   A Halloween and Christmas Party is organised with thematic décor and treasure hunts, with the proceeds generated through ticket sales being donated to an NGO.

3. **Phoenix Digital Kitchen:**
   A fun and interesting initiative is undertaken by High Street Phoenix where users play an online cooking game. This is linked to Smile Foundation that provides nourished meals to the under-privileged kids.

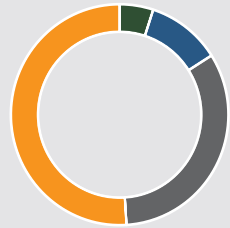
HUMAN RESOURCE MANAGEMENT

At PML, we seek to be a high-performing organisation by investing in the personal and professional development of our people. This is to ensure that they possess the competencies and qualities we need to deliver our business objectives. Our employees are vital to fulfilling our purpose. Our people are talented individuals and our culture enables them to be bold, creative and genuine in their work. These are the elements that make the organisation a great employer, promoting diversity and inclusion, treating the employees fairly and enabling them to grow professionally and personally.

The Human Resource function at PML goes beyond the set boundaries of compensation, performance reviews and development. We look at the employee's entire work life cycle to ensure timely interventions and build a positive work environment.

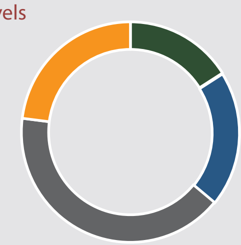
We continually strive to attract talent and build a highly-skilled and motivated pool of resources. Several initiatives are taken to ensure optimal development and management of human resources by imparting need-based training to employees across categories.

Bifurcation of Total Manpower over different levels



Management Level	5%
Senior Level	11%
Mid Level	33%
Junior Level	51%

Employees with >5 years tenure at Phoenix at various levels



Management Level	16%
Senior Level	20%
Mid Level	41%
Junior Level	23%

Break-up of Employee Strength by Gender

Male	84%
Female	16%

LEARNING & DEVELOPMENT

1. **Training for "On-Roll" Employees**

   A strategic point of our human resource policy is to strive for the development of our human capital, which suits the needs of the business and makes our workforce future ready. The training programs are designed to help our employees upskill themselves in both Functional and Behavioural aspects. In FY2018, we conducted Training Sessions which comprised of 829 Training Man-Days.

2. Training for "Off-Roll" Employees

Learning & Development of our outsourced employees at our Malls is crucial from the perspective of delivering superior customer experience. Customer centricity being the core of our Mall Business, a continuous learning & development initiative of this staff, mainly the security, parking, housekeeping and floor managers, helps us maintain our standards of delivery. In FY2018, about 2,275 such sessions were conducted, comprising 44,546 Training Man-Hours. All these trainings are provided to the "Off-roll" staff by internal trainers trained to deliver these trainings as per the corporate guidelines. Our internal trainers are recognised through a policy 'Internal Trainer Recognition Policy' on a monthly basis.

TALENT MANAGEMENT

Building the right talent pool has been the crux of our talent Management practices. It also provides an edge to the organisation's growth and success. To attract, hire, retain and develop our talent pool is the core of our human resource philosophy. A platform of hi-potential employee development is created which gives the selected employees a learning path that sharpens their learning curve by way of an Individual Development Plan. Our focus has been to strengthen an integrated talent management approach, which aims to acquire, nurture and develop the best talent to prepare the employees for leadership roles within the organisation.

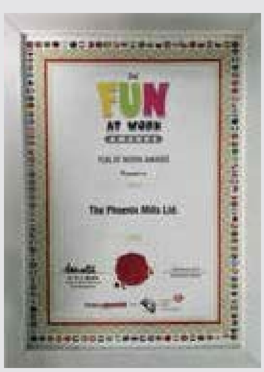
For its efforts in the field of Learning & Development in FY2018, the organisation has been awarded with the HR & Leadership Award in the category of Learning & Talent Initiative Excellence by the World HRD Congress.

THE RECRUITMENT PROCESS

Our approach to Talent Acquisition is all about attracting the right talent within the organisation and creating a Brand for ourselves in the talent market, which is the key to the success of hiring the right talent. It is a well-designed approach with the industry best practices being followed to hire right talent, such as psychometric tools and competency assessment. Also, prima facie, internal talents are given priority over lateral hiring to develop and promote them to take higher responsibilities.

EMPLOYEE ENGAGEMENT

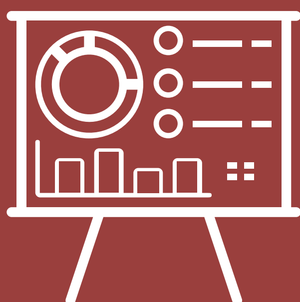
Engagement at PML is guided by the principle of creating a positive work environment by way of fostering an open culture, fun and inclusivity. Various initiatives are taken in this direction such as a structured approach to fun by way of creating the Annual Engagement Calendar and its implementation, annual health check-ups, wellness initiatives, and others.



The Phoenix Mills Limited has won the 'Fun At Work' awards presented by Times Ascent and World HRD Congress in February 2018.

Phoenix was also Ranked 8th in 'Times Ascent Dream Companies to Work For' Awards in February 2018.

FINANCIAL OVERVIEW



INCOME FROM OPERATIONS

On a Standalone basis, which includes operations of only High Street Phoenix & Palladium (HSP), Mumbai, income from operations has increased by 6% YoY to ₹ 3,972 Million in FY2018 from ₹ 3,759 Million in FY2017. On a Consolidated basis, Income from Operations decreased by 11 % to ₹ 16,198 Million in FY2018 from ₹ 18,246 Million in FY2017. The decrease in revenues was on account of Classic Mall Development Company (PMC Chennai) being classified as an associate against a subsidiary previously. The total Rental Income from malls was at ₹ 8,663 million, up 12% yoy. Hospitality & other revenue was at ₹ 3,429 million, up 12% YoY. Revenue from residential projects was ₹ 1,562 million, while commercial revenue was ₹ 611 million.

EARNINGS BEFORE INTEREST, DEPRECIATION AND TAXES (EBITDA)

The Standalone EBITDA decreased by 1% YoY to ₹ 2,522 Million in FY2018 from ₹ 2,538 Million in FY2017. The EBITDA margins were 63% in FY2018, as compared to 68% in FY2017. Consolidated EBITDA decreased by 8% to ₹ 7,774 Million in FY2018 from ₹ 8,469 Million in FY2017. Consolidated Margins have increased to 48% in FY2018 from 46% in FY2017.

INTEREST AND DEPRECIATION

The Standalone Depreciation increased by 34% to ₹ 403 Million in FY2018 from ₹ 301 Million in FY2017, whereas Consolidated Depreciation increased by 2% YoY to ₹ 1,983 Million in FY2018 from ₹ 1,953 Million in FY2017. Standalone interest expense decreased by 8% to ₹ 745 Million in FY2018 from ₹ 813 Million in FY2017. The consolidated interest expense decreased by 18% YoY to ₹ 3,476 Million in FY2018 from ₹ 4,230 Million in FY2017.

PROFIT AFTER TAX AND MINORITY INTEREST

Standalone Profit After Tax increased to ₹ 1,548 Million in FY2018 from ₹ 1,335 Million in FY2017. The Consolidated Profit After Tax and Minority Interest increased by 44% YoY to ₹ 2,422 Million in FY2018 from ₹ 1,679 Million in FY2017.

SHARE CAPITAL

During FY2018, Share Capital of the Company was at ₹ 306 Million. Standalone Reserves and Surplus increased to ₹ 25,378 Million in FY2018 from ₹ 24,015 Million in FY2017, whereas Consolidated Reserves and Surplus Stood at ₹ 28,211 Million in FY2017 as against ₹ 21,565 Million in FY2017.

NON-CURRENT & CURRENT LIABILITIES

The Standalone Non-Current (long term) borrowings of the Company have increased to ₹ 6,142 Million in FY2018 from ₹ 5,751 Million in FY2017. The Consolidated Non-Current (long-term) Borrowings increased to ₹ 31,972 Million in FY2018 from ₹ 31,066 Million in FY2017. The Consolidated Current Liabilities have increased to ₹ 15,603 Million in FY2018 from ₹ 11,244 Million in FY2017.

FIXED ASSETS

The Consolidated Tangible Assets have increased to ₹ 52,939 Million in FY2018 from ₹ 42,002 Million in FY2017 and CWIP has increased to ₹ 5,025 Million in FY2018 from ₹ 3,277 Million in FY2017.

CURRENT ASSETS

The Consolidated Current Assets have increased to ₹ 14,486 Million in FY2018 from ₹ 14,068 Million in FY2017. Consolidated Inventories decreased to ₹ 6,615 Million in FY2018 from ₹ 9,455 Million in FY2017.

RISK MANAGEMENT & 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 unauthorized 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 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.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of The Phoenix Mills Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of The Phoenix Mills Limited's Annual Report, 2017-18.

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	L17100MH1905PLC000200
2.	Name of the Company	The Phoenix Mills Limited
3.	Registered address	462, Senapati Bapat Marg, Lower Parel, Mumbai - 400013
4.	Website	www.thephoenixmills.com
5.	Email id	investorrelations@highstreetphoenix.com
6.	Financial year reported	April 2017- March 2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Real Estate Development (NIC code : 41001)
8.	Key Products / Services that the Company manufactures/ provides (as in balance sheet)	The Company is not engaged in manufacturing activities. The Company is engaged in the business of Real Estate Development.
9.	Total number of locations where business activity is undertaken by the Company	The Company, directly and through its subsidiaries, has developed and is operating retail malls and other real estate projects in Mumbai and other key gateway cities of India.
	Number of international locations (Provide details of major five)	The Company does not have any operations in foreign countries.
	Number of national locations	The Company carries out its business at Mumbai, Maharashtra.
10.	Markets served by the Company - Local / State / National / International	The Company is carrying out its real estate development activities in the state of Maharashtra.

Section B: Financial Details of the Company

1.	Paid up capital of the Company	₹ 3,062.83 Lakhs
2.	Total turnover	₹ 39,721.11 Lakhs
3.	Total profit after tax	₹ 15,483.22 Lakhs
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	1.05% (₹ 162.58 Lakhs)*
5.	List of activities in which expenditure in four above was incurred:	Construction of Check Dams, eradicating poverty and malnutrition and creating nutrition awareness, reducing inequalities faced by socially and economically backward groups and education to rural underprivileged children

*Please refer Annexure IV of the Board's Report viz. the Annual Report on CSR activities for details.

Section C: Other Details

1.	Does the Company have any Subsidiary Company / Companies?	Yes. The Company has 25 subsidiaries of which 15 are wholly owned.
2.	Does the subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).	The Company has the practice of encouraging its subsidiaries to participate in BR initiatives either directly or along with the Company.
3.	Does any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	The Company backs its business and joint venture partners to undertake sustainability and CSR initiatives. They have already been taking a few initiatives towards this objective.

Section D: BR Information

1.	Details of Director / Directors responsible for BR	The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR activities.
	a) Details of the Director / Directors responsible for the implementation of the BR policy / policies	
	DIN	00086762
	Name	Mr. Ashokkumar Ruia (till August 8, 2018)
	Designation	Chairman and Managing Director
	DIN	00087396
	Name	Mr. Atul Ruia
	Designation	Joint Managing Director
	DIN	06996110
	Name	Ms. Shweta Vyas
	Designation	Independent & Non Executive Director
	b) Details of the BR head:	
	Name	Mr. Atul Ruia
	Designation	Chairman and Managing Director (w.e.f. August 8, 2018)
	Telephone No.	(022) 2496 4307/8/9
	E-mail ID	corpaffairs@highstreetphoenix.com

1. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility:

Principle 1	P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	P2	Businesses should provide goods and services that are safe, and contribute to sustainability throughout their life cycle
Principle 3	P3	Businesses should promote the wellbeing of all employees
Principle 4	P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	P5	Businesses should respect and promote human rights
Principle 6	P6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	P8	Businesses should support inclusive growth and equitable development
Principle 9	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

BUSINESS RESPONSIBILITY REPORT

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?[1]	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to national / international standards? If yes, specify? (50 words) [1]	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD / Owner / CEO appropriate Board Director? [2]	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy? [3]	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link to view the policy online? [4]	*	*	*	*	*	*	Y	*	*
7.	Has the policy been formally communicated to all relevant	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement its policy / policies? [6]	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies? [7]	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? [8]	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes

1. All the policies are formulated with detailed consultation and benchmarking across industry. The policies are in compliance majorly with all applicable laws. They are developed and aligned to applicable legal and regulatory requirements, and guidelines, SEBI listing regulations and our internal mandates.
2. As per company practice, all the policies are either approved by the Board or concerned authority (under supervision of the Board) depending upon the nature of policy and statutory requirements. The concerned authority could be either MD & CEO / Functional Head etc.
3. All the policies have a policy owner and the respective policy owners are responsible for implementation of the policy.
4. The following policies can be viewed on our website www.thephoenixmills.com
    i. Code of Conduct
    ii. CSR Policy
    iii. Vigil Mechanism Policy
5. Except the policies listed above, which are available on the website of the Company, all other policies being in-house are meant for internal consumption of employees and are available on the Company's intranet. All policies have been periodically communicated to the relevant stakeholders, are uploaded on the intranet and are accessible to all employees of the Company.
6. All policies are owned by the respective policy owners and respective senior leadership teams are responsible for the effective implementation of policy.
7. Any grievance relating to any of the policy can be escalated to the policy owner/ MD & CEO / Whistleblower Officer.
8. Implementation of policies is evaluated as a part of internal governance by policy owners.

2. If answer to question at Sr. No. 1 against any principle, is 'No', please explain why? (Tick up to two options) N.A.

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	–	–	–	–	–	–	–	–	–
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	–	–	–	–	–	–	–	–	–
3.	The Company does not have financial or manpower resources available for the task	–	–	–	–	–	–	–	–	–
4.	It is planned to be done within next six months	–	–	–	–	–	–	–	–	–
5.	It is planned to be done within next one year	–	–	–	–	–	–	–	–	–
6.	Any other reason (please specify)	–	–	–	–	–	–	–	–	–

3. Governance related to BR

1.	Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The CSR Committee and Board assess and review the BR performance of the Company annually and provides a strategic direction to the Company on its BR initiatives, as required.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?	The Company annually publishes its non-financial performance in the form of BRR as part of the Annual Report.

Section E: Principle wise Performance

Principle 1: Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors /NGOs / Others?	The Phoenix Mills Limited's commitment towards compliance to the highest governance standard is backed by an independent and fully informed board and audit committee, comprehensive processes, policies and communication. The Company adheres to the highest level of ethical business practices as articulated by its Code of Conduct to achieve its objectives with integrity. Policy relating to ethics, bribery and corruption is duly covered under Code of Conduct of the Company. This policy extends to the entire Phoenix Group and covers employees. Further, the Company has the practice of encouraging all its stakeholders including suppliers and contractors, service providers and their employees to adhere to this policy.
2.	How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	During the last financial year, no complaints were received from any of the Company's stakeholders on ethics, transparency and accountability.

Principle 2: Product Lifecycle Sustainability

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1.	List three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities	The Company is engaged in the development and operation of: 1. Retail Malls 2. Commercial Offices 3. Residential Apartment Complex
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional)	The Company has taken appropriate measures to cut down wastage of energy, materials and consumption in all phases of its operations. The installation of a Sewage Treatment Plant (STP) has decreased water requirements at the sites, while the usage of LED lights has reduced energy consumption. The Company aims to source and make use of quality raw materials considered safe for usage.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so	Yes, the Company has enforced standard operating procedures for sourcing quality material, which results in cost effective deliveries.
4.	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what initiatives were taken to improve their capacity and capability of local and small vendors?	Yes, the Company engages regional and local suppliers for sourcing any products and services. Sharing more business opportunities with them has led to improvement in their capacities.
5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so	Domestic waste water generated at our malls and commercial complexes is 100% recycled through Sewage Treatment Plants. Used oil is the only hazardous waste being generated in our business of development and management of malls and commercial complexes. This is being sold to recyclers authorized by the Central Pollution Control Board (CPCB), whereas the non-hazardous waste is sold to recyclers.

Principle 3: Employee Well-being

Businesses should promote the wellbeing of all employees

1.	Total number of employees.	As on March 31, 2018, the strength of The Phoenix Mills Limited on roll workforce stands at a total of 113 employees.
2.	Total number of employees hired on temporary / contractual / casual basis	As on March 31, 2018, the strength of the Company's workforce on temporary basis stands at a total of 5.
3.	Total number of permanent women employees	As on March 31, 2018, the strength of the Company's permanent women employees stands at a total of 38.
4.	Total number of permanent employees with disabilities	As on March 31, 2018, the Company does not have any permanent employees with disabilities.
5.	Do you have an employee association that is recognized by the Management?	No
6.	What percentage of your permanent employees are members of this recognised employee association?	Not Applicable
7.	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	The Company has not received any complaints in the mentioned category during the last financial year.

8.	What percentage of your under-mentioned employees that were given safety and skill up-gradation training in the last year?	**Category**	**%**
		Permanent employees (includes classroom and e-learning)	60
		Permanent women employees	60
		Casual / temporary / contractual employees	90
		Employees with disabilities	NIL

Principle 4: Stakeholder Engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1.	Has the Company mapped its internal and external stakeholders? Yes / No	Yes, as a part of the stakeholder engagement process, the Company has mapped its stakeholders. Key Categories are: • Customers • Shareholders/Investors • Partners (Suppliers/Vendors/Landlords/Retailers) • Employees • Regulatory Bodies • Industry forum • Community at large, including the disadvantaged groups and vulnerable sections like children /women and the civil society
2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?	The Company's beneficiaries through social development projects are centered around the marginalised, economically weak and disadvantaged sections of the society, especially the girl child, under-privileged women and persons with disabilities. The Company aims at constantly identifying the disadvantaged, vulnerable and marginalised stakeholders, both directly and indirectly. The Company's community initiatives are being implemented in the rural and urban areas. With the support of its employees, the Company also contributes funds to several other non-profit organisations, besides direct project implementation through these organisations.
3.	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	The Company's drive towards Corporate Social Responsibility is aimed towards making a purposeful change in the lives of its stakeholders. The Company's key areas in CSR are in the field of conservation of resources, infrastructure support, and education. The Company has taken a slew of initiatives in the areas of education, safe drinking water, integrated rural development, creation of sustainable livelihood and women empowerment.

Principle 5: Human Rights

Businesses should respect and promote human rights

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company does not have a specific policy only on human rights. However, aspects of the same have been covered in The Phoenix Mills Code of Conduct, which extends to all employees and group companies.
2.	How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?	During the financial year, the Company has received no complaints in this regard.

Principle 6: Environmental Management

Businesses should respect, protect, and make efforts to restore the environment

1.	Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The CSR policy as of now is covering only the Company.
2.	Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.	Yes. The Company has proactively taken several initiatives to create positive impact on the environment. Refer to CSR section of the report for complete details
3.	Does the Company identify and assess potential environmental risks? Y / N	Yes
4.	Project(s) related to Clean Development Mechanism	Currently, the Company is not undertaking any project related to Clean Development Mechanism.
5.	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.	Yes, the Company has taken multiple initiatives towards energy efficiency and use of renewable energy at its site. Details of which are mentioned in various section of the report.
6.	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	The Company in most of the cases is well within the permissible limits.
7.	Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year	The Company has not received any show cause / legal notice from CPCB / SPCB in FY2017-18.

Principle 7: Public Advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Does the Company represent in any trade and chambers/ association? If yes, name only those major ones that the Company deals with	The Company is inter alia a member of the following business associations: - India Council of Shopping Centre (ICSC) - Retailers Association of India (RAI) - Confederation of Indian Industry (CII)
2.	Has the Company advocated / lobbied through the above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others)	The Company provides its inputs to the association for an appropriate representation to the regulator/ respective State Government or local authority, whenever any consultation paper is released by any authority and / or policy / guideline related to real estate development and operations by any State or local authorities.

Principle 8: Inclusive Growth

Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof	Yes, social development is a very important aspect of the Company's operations, and it has devised its key thrust areas in line with the requirements of Schedule VII to the Companies Act, 2013. The Company has formed a Board Level Committee called Corporate Social and Responsibility (CSR) Committee to oversee the implementation of various initiatives. The Company takes appropriate guidance from the Committee to undertake and discharge its social responsibilities. The precise details of the Company's CSR initiatives have been provided in the CSR Report.
2.	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?	The Company undertakes these projects through the Aakar Charitable Trust and also in coordination with external agencies such as NGOs and other registered trusts.
3.	Has the Company done any impact assessment for its initiative?	The Trust carries out Impact Assessment with the implementing partners with whom the Company engages for CSR. Based on this, the Company appropriately intervenes to make social responsibility initiatives more effective.
4.	What is the Company's direct contribution to community development projects (Amount in? and the details of the projects undertaken)?	The Company has spent an amount of ₹ 162.58 Lakhs in various CSR activities during year 2017-18. The details of the amount incurred and areas covered are given in the report on Corporate Social Responsibility forming part of Directors' Report.
5.	Has the Company taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words	Yes. The Company has a process of engaging with local community to understand their concerns. The CSR interventions are carried out on a need based approach which is developed after consultations with the local community to ensure that the activities are adopted by them.

Principle 9: Value for Customers

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1.	What percentage of customer complaints / consumer cases is pending, as on the end of the financial year?	The Company is extremely responsive and perceptive towards the concerns of customers and consumers. These are taken up by the Company and resolved on an immediate basis.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	Not applicable
3.	Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on the end of the financial year. If yes, provide details thereof, in about 50 words or so	The Company understands that consumers are its most important stakeholders. It never indulges in any anti-competitive behaviour. And it remains committed to protect the interest of all stakeholders in a legally compliant manner with high ethical standards.
4.	Did the Company carry out any consumer survey / consumer satisfaction trends?	The Company carries out a Consumer Satisfaction Survey each year to benchmark consumer sentiments and also to take pertinent steps to enhance customer satisfaction.

BOARD'S REPORT

To
The Members,
The Phoenix Mills Limited

Your Directors are pleased to present the 113th Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2018.

Financial Results (Standalone and Consolidated)

(₹ in Million)

Particulars	Standalone		Consolidated	
	Year Ended March 31		Year Ended March 31	
	2018	2017	2018	2017
Revenue from Operations	3,972.11	3,759.05	16,197.51	18,246.07
Other Income	526.80	550.74	556.23	471.69
Total Revenue	4,498.91	4,309.79	16,753.74	18,717.76
Profit before Interest, Depreciation, Exceptional Items and Tax	3,049.02	3,088.73	8,330.06	8,941.04
Less: Interest & Finance Charges	744.95	812.72	3,476.07	4,230.25
Less: Depreciation	402.94	300.66	1,982.82	1,953.07
Profit Before Tax and Exceptional Items	1,901.13	1,975.35	2,871.17	2,757.72
Profit Before Tax and After Exceptional Items	1,901.13	1,625.35	2,871.17	2757.72
Less: Provision for Taxation:				
Current Tax	364.00	338.16	367.56	658.15
Deferred Tax	(11.19)	(48.28)	390.40	199.43
Share of Profit / (loss) of associates / joint ventures (net)			442.30	9.51
Profit after Tax	1,548.32	1,335.47	2,555.51	1909.65
Other comprehensive income/ (expenses)	126.55	(8.90)	1,265.38	(6.15)
Total Comprehensive Income for the year	1,674.87	1,326.57	3,820.89	1903.50

Operations

The Phoenix Mills Ltd. today is one of the largest retail led real estate Company in India. We have 8 retail assets with a leasable area of around 6 million square feet in Mumbai, Bangalore, Chennai, Pune, Lucknow & Bareilly. Construction of our luxury mall Palladium at Chennai was completed and the mall became operational in Feb 2018.

With a portfolio comprising of over 17.5 million square feet of Retail, Residential, Commercial and Hospitality assets spread over 100+ acres of land, our Company is best positioned in the industry to serve the people of India, the fastest growing economy in the world. Our mixed-used model of development gives us a 5-6 years head start in building top quality assets in the key gateway cities of India.

The Phoenix Mills Ltd. is a proxy to the great Indian Consumption story. Our consumption has grown at a CAGR of 20% between FY13 and FY18 while Rental Income has shown a CAGR of 15% during the same period. During FY18, we clocked total retail consumption of ₹ 63.2 bn across our retail properties with a total rental income of ₹ 8.7 bn.

We have an on-going residential portfolio of 3.72 million square feet of which we have launched 2.58 million square feet and sold 1.89 million square feet in the Cities of Bangalore and Chennai. In addition to this, we have a 1.60 million square feet of completed commercial projects of which we have sold 0.45 million square feet and 1.16 million square feet is generating rent. Our premium office space Art Guild House became operational in this year and 85% of the leasable area has been leased.

The St. Regis, Mumbai continues its robust performance and has emerged as one of Mumbai's most preferred Hotels. Total Income for the year was ₹ 2,879 mn, a 11% increase over last year. With a total of 395 rooms, the hotel clocked an average occupancy of 76% with an ARR of ₹ 11,405, showing strong growth in Room, F&B and Banquet revenues. Courtyard by Marriott continues to perform well and did revenues of ₹ 360 mn with 65% occupancy and ARR of ₹ 3,811.

During the year, The Phoenix Mills Ltd consolidated its shareholding across subsidiaries by buying back stake from its private equity partners. In April 2017, our company formed a Strategic Retail Alliance with Canada Pension Plan Investment Board (CPPIB) and Island Star Mall Developers Pvt. Ltd (ISML) (Phoenix MarketCity Bangalore) served as the platform. CPPIB infused ₹ 16,620 cr in equity for a 49% stake in ISML and Phoenix Mills Ltd. will continue to hold the balance 51% stake. The funds raised in ISML were used to acquire land parcels in Wakad, Pune and Hebbal, Bengaluru. We shall develop our second Phoenix MarketCity in Pune and Bengaluru respectively on these land parcels. We also acquired an under-construction retail development in Indore during June 2018 which will be developed as Phoenix MarketCity Indore. The entire funds raised from CPPIB stand committed within a short span of 14 months which is a remarkable achievement for our Company.

Outside the alliance with CPPIB, we purchased an under-construction retail development in Lucknow in June 2018 which will be developed as Phoenix MarketCity Lucknow. Furthermore, in July 2018 our company entered into a 50:50 Joint Venture agreement with Ahmedabad based BSafal group to acquire a 5.12 acre prime land parcel in Ahmedabad and develop this into a premium retail development. With these acquisitions, our Company is set for its next leg of growth by expanding its footprint across key markets of India. We remain optimistic about the retail market in the country and look forward to continue to create shopping, dining & entertainment destinations in different cities to cater to the rising aspirations of urban consumer.

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 & future outlook of the Company

There was no change in the nature of business of the Company.

Share Capital

During the year under review, the Company issued and allotted 74,833 Equity Shares of ₹ 2/- each pursuant to exercise of stock options. Consequently, the paid up equity share capital as on March 31, 2018 stood at ₹ 306,283,480 divided into 153,141,740 equity shares of ₹ 2 each. During the year, the Company has not issued shares with differential voting rights nor sweat equity shares and hence no information as per the provisions of Section 43(a)(ii) and Section 54(1)(d) of the Companies Act, 2013 read with the relevant Rules is furnished.

Further, 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 Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

Dividend

Subject to the approval of the Company's shareholders in the ensuing Annual General Meeting ('AGM'), the Board at its meeting held on May 08, 2018 has recommended a final dividend of ₹ 2.60/- per share for the Financial Year ended March 31, 2018, (@130%) for each fully paid up Equity Share of ₹ 2/-. The said dividend, if declared at the ensuing AGM, shall not be taxable in the hands of the shareholders subject to Income Tax Act, 1961.

The Register of Members and Share Transfer Books will remain closed from Thursday, September 13, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the purpose of payment of final dividend and the Annual General Meeting scheduled to be held on Tuesday, September 18, 2018.

The dividend payout is in accordance with the Dividend Distribution Policy as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, appended as Annexure I to this report and the same is also available on the website of the Company.

Business Responsibility Report

Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms part of the Annual Report.

Transfer to Reserves

The Board has not recommended any transfer to the General Reserves out of the amount available for appropriation and an amount of ₹ 1172.90 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 Deposits) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with 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 Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations, 2015'] 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 2017-18 were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). During the Financial Year 2017-18 there were no materially significant related party transactions made by the Company under Section 188 of the Act and the Listing Regulations, 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 be 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 33 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.

Performance of Subsidiary Companies, Associates and Joint Venture Companies

As on March 31, 2018, the Company has 18 direct subsidiaries, 7 indirect subsidiaries and 5 associates. During the year under review, Sparkle Two Mall Developers Private Limited was incorporated on April 27, 2018 as a step-down subsidiary of the Company.

Further, Gangetic Hotels Private Limited, a subsidiary merged with another subsidiary of the Company, Palladium Constructions Private Limited w.e.f. 3rd November 2017. The appointed date of amalgamation as per scheme is April 1, 2016. During the financial year under review, your Company did not have any Joint Venture Company.

During the year, the Company's Board reviewed the affairs of its subsidiaries on a quarterly basis. The consolidated financial statements of the Company are prepared in accordance with Section 129(3) of the Companies Act, 2013 and include the financial statements of all its subsidiaries and forms part of the Annual Report. Further, a statement containing salient features of the financial statements of our subsidiaries and associates in the prescribed Form AOC-1 is given on page no. 237 of the Annual Report. The statement also provides the details of performance and financial position of each of the subsidiaries and associates.

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 adheres to the requirements set out by the Securities and Exchange Board of India. A detailed Report on Corporate Governance forms part of the Annual Report.

Certificate from M/s. Rathi & Associates, Practicing Company Secretaries, confirming compliance of conditions of Corporate Governance, as stipulated under Regulation 34(3) read with Para E of Schedule V of the SEBI (LODR) Regulations, 2015 is appended as Annexure II to this Report.

Adoption of new set of Articles of Association of the company as per Companies Act, 2013

The existing Articles of Association ("AOA") of the Company are in line with the erstwhile Companies Act, 1956. Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same, the Articles of Association of the Company are required to be re-aligned as per the provisions of the Companies Act, 2013. Since the changes required to align it with the Companies Act, 2013 are numerous, it is considered expedient to replace the existing Articles of Association with the new set of Articles of Association.

The Board of Directors at their meeting held on June 18, 2018 had, subject to shareholders' consent, approved the adoption of new set of Article of Association in place of the existing AOA of the Company. The new Articles of Association is based on Table "F" of Schedule I of the Companies Act, 2013 which sets out the model Articles of Association for a company limited by shares. The Board proposes the adoption of new set of Articles of Association of the Company for approval of the shareholders.

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 IIIA to this Report.

The information, as required to be provided in terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure IIIB to this report.

Payment of managerial remuneration/commission to Directors from Holding or Subsidiary Companies

The Company does not have a Holding Company. The managerial personnel i.e. Managing Director and Whole-time Directors of the Company are not in receipt of any managerial remuneration/commission from any subsidiary of the Company.

Board of Directors

There was no change in the Board of Directors and Key Managerial Personnel of the Company during the financial year 2017 - 18 However, Mr. Ashokkumar Ruia, retired from his position of Chairman and Managing Director of the Company and also as a director of the Company w.e.f. the conclusion of the Board Meeting held on August 8, 2018. Mr. Ashokkumar Ruia has been on the Board of The Phoenix Mills since 1963. Under his watch and guidance, the Company transitioned from being a textiles player, to what is now - India's largest mall developer and operator. A graduate from Cambridge University, Mr. Ruia has pursued an illustrious career in both business and sports. He has the unique distinction of representing the country in two sports, Bridge and Golf.

Whilst the Board of Directors have strongly urged Mr. Ashokkumar Ruia to continue in his role as Chairman and Managing Director until the end of his term till March 31, 2020, he has expressed his desire to retire from his executive role with the Company to make way for more youthful leadership in the interests of the long-term growth of the Company and has, accordingly, retired from the position of Chairman and Managing Director of the Board and directorship of the Company w.e.f. conclusion of the Board Meeting held on August 8, 2018. The entire Board has expressed its immense gratitude for the guidance and vision provided by Mr. Ruia during his tenure on the Board.

The Board, on the recommendation of the Nomination and Remuneration Committee, has elevated and re-designated Mr. Atul Ruia as Chairman and Managing Director of the Company w.e.f. August 8, 2018 at a revised salary of ₹ 2.5 Crores per annum, subject to approval of the shareholders of the Company at the ensuing AGM. All other terms of appointment of Mr. Atul Ruia as approved earlier by the shareholders vide special resolution passed through Postal Ballot on May 25, 2015 remain unchanged. The Board recommends the proposal for your approval in the ensuing AGM.

Mr. Amit Kumar Dabriwala, 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 ('Act'). The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 that they continue to meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. In accordance with the provisions of the Act, none of the Independent Directors are liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Shishir Shrivastava, Joint Managing Director, is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. A brief profile of Mr. Shishir Shrivastava who is proposed to be re-appointed in terms of Regulation 36(3) of the SEBI (LODR) Regulations, 2015 is given in the AGM Notice contained in the Annual Report. The Board recommends the aforesaid re-appointment for your approval in the ensuing AGM.

Board Meetings

The Board of Directors met 7 (seven) times during the financial year ended March 31, 2018 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between two consecutive Board meetings was within the period prescribed by the Companies Act, 2013 and Rules made thereunder.

Familiarization Program for Independent Directors

All new Directors inducted into the Board are given a detailed orientation and induction. Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment setting out the role and responsibilities. The format of the letter of appointment is available on our website.

During the year under review, no new Independent Director was inducted on the Board of the Company.

Annual Evaluation of Directors, Committees and Board

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and pursuant to Regulation 17(10) of the SEBI (LODR) Regulations, 2015, 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 14, 2018 without the presence of the Management in which they discussed and evaluated the performance of the Chairman, Non-Independent Directors and the Board as a whole, through evaluation feedback forms. The Nomination and Remuneration Committee at its meeting held on February 14, 2018 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 at its meeting held on May 08, 2018 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 Ms. Shweta Vyas as the Chairperson and Mr. Amit Kumar Dabriwala and Mr. Sivaramakrishnan Iyer 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 appointment and remuneration for Directors, Key Managerial Personnel and other employees.

The aforementioned detailed Policy duly approved and adopted by the Board is available on the Company's website and can be accessed at the link http://www.thephoenixmills.com/PMLAnnualPerformanceEvaluationPolicy.pdf

The current Policy focuses on having an appropriate mix of Executive and Independent Directors to maintain the independence of the Board. There has been no change in the Policy since the last financial year. The Board affirms that the remuneration paid to the Directors is as per the terms laid out in the Policy and as reviewed and recommended by the Nomination and Remuneration Committee.

Audit Committee

The Audit Committee of the Board of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory enactments thereof) and comprises of Mr. Amit Kumar Dabriwala as the Chairman of the Committee and Mr. Atul Ruia and Ms. Shweta Vyas as members of the Committee. 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 SEBI (LODR) Regulations 2015 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 Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Board of Directors of the Company have, 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, 2018.

Visit http://www.thephoenixmills.com/PMLWhistleblowerPolicy.pdf for more details related to Whistle Blower Policy/Vigil Mechanism.

The Phoenix Mills Code of Conduct for Regulating & Reporting Trading by Insiders, 2015

The Board of Directors at their meeting held on May 28, 2015 have approved and adopted 'The Phoenix Mills Code of Conduct for Regulating & Reporting Trading by Insiders, 2015' ('the Insider Trading Policy') in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy lays down guidelines and procedures to be followed, disclosures to be made while dealing in the securities of the Company. The Policy also states the consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of dealings by the employees and to maintain highest ethical standards.

The Insider Trading Policy along with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on the website of the Company.

Risk Management Policy

The Board of Directors of the Company have 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 defined 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 have constituted a Corporate Social Responsibility ('CSR') Committee which comprised of Mr. Ashokkumar Ruia as the Chairman of the Committee and Mr. Atul Ruia and Ms. Shweta Vyas as members of the Committee till Mr. Ashokkumar Ruia retired from they Directorship of the Company w.e.f. August 8, 2018.

The Board of Directors of the Company have also adopted and approved a 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 provided 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 at the link http://www. thephoenixmills. com/CSRPolicy.pdf

Revision of Financial Statement

There was no requirement of revising the financial statements of the Company for the Financial 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 an impact on the going concern status and the Company's operations in future.

Particulars of Loans, Guarantees, Investments and Securities

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 under Section 186 of the Companies Act, 2013, has been given under Note 44 of the Notes to Accounts.

Employee Stock Option Scheme ('ESOP')

The details of Equity Shares issued under Employees Stock Option Scheme during the Financial Year under review as required under SEBI (Share Based Employee Benefits) Regulations, 2014 and as per the provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable Regulations, is annexed as Annexure V to this report.

The Company had been granting stock options to the eligible employees from time to time under The Phoenix Mills Employees' Stock Option Plan (PML ESOP Plan 2007) adopted on 31st January 2008. The PML ESOP Plan 2007 had expired on January 30, 2018 and thereafter no fresh grants could be made under the Plan. The Board acknowledged that the Company recognizes and appreciates the critical role played by the employees of the Company in bringing about growth of the organization and views employee stock options as instruments that would enable the employees to share the value they would create and contribute to the Company in the years to come. Accordingly, the Company has formulated "The Phoenix Mills Limited Employee Stock Option Plan 2018" (PML ESOP Plan 2018) in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which was approved by the shareholders on May 11, 2018.

Details as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company at http://www.thephoenixmills.com/media-news-events.asp

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 have 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 the Financial Statements as designed and implemented by the Company are adequate. Proper policies and procedures are in place to ensure orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. 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, 2018, the Board of Directors hereby confirm 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 have 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, 2018 and of the profit of the Company for that period;

c. proper and sufficient care was taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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; and

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.

Further, your Directors confirm that during the year, the Company has been in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2017-18. Secretarial Audit Report issued by M/s Rathi and Associates in Form MR-3 for the Financial Year 2017-18 is appended as Annexure VI to this Report.

The said report does not contain any observation or qualification or adverse remark 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, Practicing Company Secretaries as the Secretarial Auditors of the Company for the Financial Year 2018-19.

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, of M/s. DTS & Associates, Chartered Accountants (Firm Regn. No. 142412W), have been appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 112th Annual General Meeting till the conclusion of the Company's 117th Annual General Meeting subject to ratification by the Shareholders at each AGM. However, in accordance with Section 40 of the Companies Amendment Act, 2017, enforced with effect from 7th May, 2018 by Ministry of Corporate Affairs, the requirement of ratification of appointment of Statutory Auditors at every AGM is omitted and hence the proposal has not been included in the agenda for AGM.

Auditors' Report

The auditor's report on the financial statements for the financial year ended March 31, 2018 does not contain any qualification, reservation or adverse remark or disclaimer or modified opinion.

Fraud Reporting

During the year under review, there were no instances of material or serious fraud falling under Rule 13(1) of the Companies (Audit and Auditors) Rules, 2014, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit.

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, 2018 made under the provisions of Section 92(3) of the Act in the prescribed Form MGT-9 is appended as Annexure VII to this Report and is also available on the website of the Company at http://www.thephoenixmills.com/media-news-events.asp?a=15.

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.

However, the Company has taken appropriate measures to cut down wastage of energy, materials and consumption in all phases of its operations. The installation of a Sewage Treatment Plant (STP) has decreased water requirements at the sites, while the usage of LED lights has reduced energy consumption. Domestic waste water generated at our malls and commercial complexes is 100% recycled through Sewage Treatment Plants. Used oil is the only hazardous waste being generated in our business of development and management of malls and commercial complexes. This is being sold to recyclers authorized by the Central Pollution Control Board (CPCB), whereas the non-hazardous waste is sold to recyclers.

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 at 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

Total Foreign Exchange used and earned for the financial year 2017-18:

(a) Total Foreign Exchange Earnings – ₹ 32,53,005

(b) Total Foreign Exchange Outgo – ₹ 49,30,619

Sexual Harassment Policy

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has also established an Internal Complaints Committee, as stipulated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder.

During the year under review, no complaints in relation to such harassment at workplace have been reported against any employee of the Company and there are no cases pending for disposal at the Company.

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, subcontractors, consultants, clients and employees of the Company.

On behalf of the Board of Directors
For **The Phoenix Mills Limited**

Place: Mumbai
Date: August 8, 2018

Mr. Ashokkumar Ruia
Chairman and Managing Director
DIN: 00086762

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

1. Background and applicability

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), top 500 listed companies (by market capitalisation) are required to formulate a Dividend Distribution Policy which shall be disclosed in their annual report and on their corporate website. Since the Company is one of the top five hundred listed companies as per the market capitalization as on March 31, 2016, in line with the above statutory requirement, the Board of Directors of The Phoenix Mills Limited ('the Company') have adopted the Dividend Distribution Policy (hereinafter referred to as 'the Policy'). The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Policy also ensures the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes, in the interest of providing transparency to the shareholders.

2. Dividend Distribution Philosophy

The philosophy of the Company is to maximise the shareholders' wealth in the Company and is deeply committed to driving superior value creation for all its stakeholders through various means. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

3. Parameters considered for declaration of Dividend

The Policy lays down parameters that will be followed by the Board of Directors of the Company in striking a right balance each year between the amount of Net Profit after Tax to be retained in the business and the amount of Net Profit after Tax earmarked for distribution as dividend to reward shareholders of the Company. The Company intends to follow these parameters in a consistent manner to ensure fair rewards for its shareholders each year while ploughing back adequate funds in the business to enable the Company to consolidate its financial strength and earn adequate distributable profit to reward its shareholders consistently.

In line with the philosophy stated above, the Board of Directors of the Company shall consider the following parameters before declaring or recommending dividend to shareholders:

A) Financial Parameters and Internal Factors:

a. Financial performance including profits earned (both standalone and consolidated), available distributable reserves etc;

b. Working Capital requirement

c. Capital Expenditure requirement

d. Cost and availability of alternative sources of financing

e. Resources required to fund acquisitions and/or new businesses

f. Cash flow required to meet contingencies and unforeseen events

g. Outstanding borrowings and debt repayment schedules;

h. Distributable surplus available as per the Act and Regulations

i. Past Dividend Trends

j. Impact of dividend pay-out on Company's return on equity

k. Any other factor as deemed fit by the Board.

B) **External Factors:**

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

a. Macroeconomic and business conditions in general

b. Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;

c. Dividend pay-out ratios of companies in the same industry.

d. Stipulations/ Covenants of loan agreements

4. Circumstances under which the shareholders of the Company may or may not expect dividend

The Board shall consider the factors provided above, before deciding on any dividend pay-out after analyzing the prospective opportunities and threats, viability of the options of dividend pay-out or retention etc. The decision of dividend pay-out shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

In line with Dividend Philosophy of the Company, there may be certain circumstances under which the shareholders of the Company may not expect dividend, including the circumstances where:

a. The Company requires significantly higher working capital which adversely impacts free cash flow

b. The Company is in higher need of funds to undertake any acquisitions or joint ventures requiring significant allocation of capital;

c. The Company proposes to utilize surplus cash for alternative forms of distribution such as buy-back of securities; or

d. The Company has incurred losses or is in the stage of inadequacy of profits.

5. Utilization of retained earnings

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The profits retained by the Company (i.e. retained earnings) shall be used for following purposes:

- Funding inorganic and organic growth needs including working capital, capital
- expenditure, repayment of debt, etc.
- Buyback of shares subject to applicable limits
- Payment of Dividend in future years
- Issue of Bonus shares
- Any other permissible purpose

6. Parameters with regard to various classes of shares

Presently, the issued and paid-up share capital of the Company comprises of equity shares only. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

7. General

This Policy shall be reviewed at least once every 3 years. The Chief Investor Relations Officer and the Company Secretary are jointly authorized to obtain the approval of the Company's Board for amendment of the Policy to give effect to any changes /amendments notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any appropriate authority from time to time.

8. Modification of the Policy

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, SEBI Listing Regulations, 2015 etc.

ANNEXURE II

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
The Phoenix Mills Limited
462 Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013

We have examined the compliance of conditions of Corporate Governance by **The Phoenix Mills Limited** ('the Company') for the Financial Year ended March 31, 2018 as stipulated under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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
FCS No.: 5171
COP No.: 3030

Place: Mumbai
Date: August 8, 2018

ANNEXURE III

Statement of particulars under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2018

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

i. Percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2017-18 and ratio of remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2017-18.

Sl No.	Name of Executive Director/KMP	Designation	Ratio of remuneration of each Director to median remuneration of employees	Percentage increase in remuneration in FY 2017-18
1.	Mr. Ashokkumar Ruia	Chairman & Managing Director	13.79:1	-
2.	Mr. Atul Ruia	Joint Managing Director	13.79:1	-
3.	Mr. Pradumna Kanodia	Director Finance	NA	-
4.	Mr. Shishir Shrivastava	Joint Managing Director	NA	-
5.	Ms. Puja Tandon	Company Secretary	NA	20%

Notes:

- The ratio of remuneration to median remuneration is based on remuneration paid during the period April 1, 2017 to March 31, 2018.
- Mr. Shishir Shrivastava and Mr. Pradumna Kanodia do not draw any remuneration from the Company as per the terms of their appointment approved by the shareholders.
- The Independent Non-Executive Directors of the Company are entitled for sitting fee and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Independent Non-Executive Directors are provided in the Corporate Governance Report and are governed by the Nomination and Remuneration policy adopted by the Board. The ratio of remuneration and percentage increase for Independent Non-Executive Directors Remuneration is therefore not considered for the purpose above.
- Percentage increase in remuneration indicates annual compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the Financial Year 2017-18.
- Remuneration of Employees and KMPs does not include perquisite value of stock options exercised during FY 2017-18.
- 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 personal of the Company in compliance with section 203 of Companies Act, 2013.

ii. The percentage increase in the median remuneration of employees for the Financial Year 2017-18: There has been an increase of 16% in median remuneration of employees in FY 2017-18 as compared to FY 2016-17.

iii. The number of permanent employees on the rolls of the Company: There were 113 permanent employees on the rolls of the Company as on March 31, 2018.

iv. Average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2017-18 and its comparison with the percentage increase in the managerial remuneration and justification thereof:

Average percentile increase in the salaries of employees other than the managerial personnel during the Financial Year 2017-18 was 13.08%. The average increase every year is an outcome of Company's market competitiveness as against its peer group companies. There has been no change in the managerial remuneration of Mr. Ashokkumar Ruia and Mr. Atul Ruia in last financial year 2017 - 18. However, post the retirement of Mr. Ashokkumar Ruia as Chairman and Managing Director and from the directorship of the Company w.e.f the conclusion of the Board Meeting on August 8, 2018, the Board, on the recommendation of the Nomination and Remuneration Committee, has elevated and re-designated Mr. Atul Ruia as Chairman and Managing Director of the Company w.e.f August 8, 2018 at a revised remuneration of ₹ 2.5 Crores per annum, subject to approval of the shareholders of the Company at the ensuing AGM

v. Affirmation that the remuneration is as per the remuneration policy of the Company: It is hereby affirmed that the remuneration paid during the year to the Directors is as per the Remuneration Policy of the Company.

B. Statement pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

I. Details of Top 10 employees in terms of remuneration drawn for the financial year ended March 31, 2018

Sl. No.	Name of employee	Designation	Remuneration received	Qualifications	Experience (in no. of years)	Date of commencement of employment	Age	Previous employment and designation
1.	Rajendra Kalkar	President (West)	1,25,84,950	BE Electrical, 1988	22	Jan 11, 2010	51	DLF Services Ltd as Sr.GM - Operations
2.	Manish Ashok Singh	Group Head - Leasing	1,21,92,000	BA,1998	17	Sept 5, 2011	41	Pioneer Property Zone Services Pvt. Ltd as AGM – Retail Leasing Services
3.	Ashokkumar Ruia	Chairman and Managing Director	1,00,00,000	Graduate	55	Nov 8, 1963	75	NA
4.	Atul Ruia	Joint Managing Director	1,00,00,000	Bachelors in Business Management	22	Nov 19, 1996	47	NA
5.	Sabira Amjad Kadri	VP - Legal	57,85,800	B.Sc,1986,LLB,1989,LLM,1991	24	April 2, 2012	52	Mahindra & Mahindra Ltd as DGM – Corporate Legal
6.	Pawan K Kakumanu	VP - Finance	56,50,004	B.Tech – Mining 2004, PGDM, 2006	9	April 27, 2015	35	Philip Capital (India) Pvt Ltd as Vice President – Domestic Equity Sales
7.	Sameep Vijay Pathak	GM - Operations	47,89,951	BBA,1999,PGDM,2004,Dip in Hotel Mgmt,1999	14	Sept 25, 2014	41	VLCC Health Care Ltd. As Regonal Head Operations - North
8.	Abhijit Shailendra Banik	GM - Retail Design	35,71,038	B.ARCH, 2000	20	April 4, 2017	41	Beyond Square Feet Advisory Pvt. Ltd as Business Head - Fit Out
9.	Puja Tandon	Company Secretary	32,64,004	B.Com (Hons), CS, LLB.	10	July 28, 2014	35	Bharti Airtel Limited – Senior Manager
10.	Ajit Aminbhavi	GM - Finance & Accounts	28,73,000	B.Com, 1994	16	Nov 22, 2010	44	Pioneer Property Zone Services Pvt. Ltd as Finance & Admin Controller

II. Details of employees (i) if employed throughout the Financial Year 2017-18, was in receipt of remuneration for that year which, in the aggregate, was not less than ₹ 1.02 Crores and (ii) if employed for a part of the Financial Year 2017-18, was in receipt of remuneration for any part of that year, at a rate, which, in the aggregate, was not less than ₹ 8.5 lakhs per month.

Sl. No.	Name of employee	Designation	Remuneration received	Qualifications	Experience (in no. of years)	Date of commencement of employment	Age	Previous employment and designation
1	Rajendra Kalkar	President (West)	12,584,950	BE Electrical, 1988	22	Jan 11, 2010	51	DLF Services Ltd as Sr.GM - Operations
2	Manish Ashok Singh	Group Head - Leasing	12,192,000	BA,1998	17	Sept 5, 2011	41	Pioneer Property Zone Services Pvt. Ltd as AGM – Retail Leasing Services

Notes:

1. Gross remuneration comprises of Salary, Allowances, Company's contribution to Provident Fund and taxable value of perquisites.
2. The employee would qualify for being included in table II above, if the aggregate remuneration drawn by him during the year was not less than Rs. 10,200,000 p.a. or if the aggregate remuneration drawn by him during the part of the year was not less than Rs. 8,50,000 p.m.
3. None of the employees mentioned above is a relative of any Director of the Company except Mr. Ashokkumar Ruia and Mr. Atul Ruia who are related to each other as father and son respectively.
4. None of the employees who were employed throughout the financial year ended March 31, 2018 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.
5. Employees are governed by general terms and conditions of employment.

On behalf of the Board of Directors
For **The Phoenix Mills Limited**

Place: Mumbai
Date: August 8, 2018

Mr. Ashokkumar Ruia
Chairman and Managing Director
DIN: 00086762

ANNEXURE IV

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

The Company is committed to actively contribute to the social and economic development of the communities in which it operates with willingness to build a society that works for everyone. The Company strives towards becoming a socially responsible corporate entity with a thrust on community development, and education through sustained business conduct. Further, the Company is also committed 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 (including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water;
- Promotion of education, including special education and employment enhancing vocation skills (especially amongst children, women, elderly and differently-abled) 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 (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga);
- Promotion and development of traditional arts and handicrafts;
- Training to promote rural sports and nationally recognized sports, paralympic sports and Olympic sports;
- To undertake or to contribute for rural development projects;
- To undertake or to contribute for slum area development projects;
- Contribution to the Prime Minister's National Relief Fund or any other fund set-up by the Central Government for socioeconomic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- 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 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. As on March 31, 2018 our CSR Committee comprised of the following board members:

Name	Category
Mr. Ashokkumar Ruia	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 there under 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	16173.84
Prescribed CSR expenditure	323.47
Details of CSR expenditure during the Financial Year	
Total amount to be spent for the Financial Year 2017-18	323.47
Amount Spent	162.58
Amount Unspent	160.89

Company's CSR Initiatives during the FY 2017-18

During the financial year ended March 31, 2018 the Company has incurred its CSR related expenditure in the areas of conservation of natural resources, maintaining quality of soil, air and water and areas of eradicating poverty and malnutrition and creating nutrition awareness, reducing inequalities faced by socially and economically backward groups and education to rural underprivileged children, which are among the areas identified and approved by the Company's Board for CSR related activities.

The Company has been working with 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, 2018 the Company also partnered with Smile Foundation, Friends of Tribals Society, Light of Life Trust for attaining its CSR objectives in the areas of eradicating poverty and malnutrition and creating nutrition awareness, reducing inequalities faced by socially and economically backward groups and education to rural underprivileged children.

Smile Foundation is an NGO in India directly benefiting over 6 lakh children and their families every year, through more than 250 live welfare projects on education, healthcare, livelihood and women empowerment across 25 states of India. The Company partnered with Smile Foundation in its nutrition project, Mission Education programme which outlines an investment in the next generation by highlighting nourishment as a core focus area.

The project incorporates evidence based nutrition interventions, as well as integrates nutrition goals into broader efforts in critical areas such as education, sanitation and health, broadly under two categories:

a) Nutrition Support: Catering to nutritional needs of the underprivileged children

b) Nutrition Awareness: Sensitizing the underprivileged communities towards the issue of malnutrition amongst children, mothers and family members

Friends of Tribals Society is a non-government social administration, devoted to the reason for tribal and provincial upliftment by making them socially strong, educationally aware and economically vibrant and self-reliant and the Company has collaborated with them in this initiative.

Light of Life Trust is committed to educate rural underprivileged children. The Company partner with the Trust in its project named "Anando" in the Diksal & Tiware Centre, Karjat Taluka, Raigad District in the state of Maharashtra and supported 142 children for the academic year 2017 to 2018.

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

Sl. 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 directly or through implementing agency
					Direct Expenditure on project and program	Overheads		
1.	Construction of Check Dams	Conservation of natural resources and maintaining quality of soil, air and water	Construction of 19 Check Dams in Dousa, Alwar, Badmer, Sikar District of Rajasthan and in Ganjam District of Odisha	130	130	Nil	130	Aakar Charitable Trust
2.	Upliftment of Tribals and socially and economically backward groups	Measures for reducing inequalities faced by socially and economically backward groups	Collaborated with Friends of Tribals Society in the State of Maharashtra	21	21	Nil	21	Friends of Tribals Society
3.	Promoting education amongst underprivileged children	Promotion of education amongst underprivileged children	Collaborated with Light of Life Trust under the project named "Anando" in the Raigad District of State of Maharashtra	4.15	4.15	Nil	4.15	Light of Life Trust
4.	Eradicating poverty and malnutrition and creating nutrition awareness	creating nutrition awareness	Collaborated with Smile Foundation in its nutrition project, Mission Education programme in the State of Maharashtra	7.43	7.43	Nil	7.43	Smile Foundation
	Total			**162.58**	**162.58**	**Nil**	**162.58**	

Reason for unspent amount on CSR

During the FY 2017-18, the Company through the Aakar Charitable Trust has focused on the water deprived villages of Rajasthan and Odisha to remove scarcity of water by constructing check dams. During the last financial year, the Trust has taken up construction of total of 19 Check Dams in Dousa, Alwar, Badmer, Sikar District of Rajasthan and in Ganjam District of Odisha. Implementation of each check dam takes about two to three months on an average.

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.

Further, the Company has also collaborated with various agencies for implementing its CSR objectives. The CSR committee has constantly monitored the activities of the Trust and the agencies and approved each of its proposals after due consideration.

The Company has an unspent amount of ₹ 160.89 Lakhs for FY 17-18. 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

Mr. Ashokkumar Ruia
Chairman of CSR Committee
DIN: 00086762

Date: May 8, 2018
Place: Mumbai

ANNEXURE V

Disclosures pursuant to Section 62(1)(b) of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 for the Financial Year ended March 31, 2018.

1.	Total No. of Equity Shares covered by ESOP Scheme approved by the Shareholders on January 31, 2008.	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 face value of the Equity Shares from ₹ 10/- per share to ₹ 2/- per share, necessary adjustments were made to the total number of options)
2.	Vesting requirements	As per the Plan
3.	Exercise price	Grant date - June 10, 2008 – ₹ 270/- Grant date - March 26, 2015 – ₹ 316.80/- Grant date – October 24, 2016 – ₹ 333.90/-
4.	Pricing formula	Exercise Price not less than par value of Equity Share and not more than price prescribed under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 on Grant Date.
5.	Maximum term of options granted	Not exceeding a period of 5 years from the date of grant.
6.	Source of shares (primary, secondary or combination	Primary
7.	Variation in terms of options	Reduction in exercise price by ₹ 35.20/- per share for grant of options on March 26, 2015. Reduction in exercise price by ₹ 37.10/- per share for grant of options on October 24, 2016
8.	Method of calculation of employee compensation cost	Fair Value
	Difference between the employee compensation cost so computed at i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options	Not Applicable
	The impact of this difference on profits and on EPS of the Company.	Not Applicable
9.	Diluted Earnings Per Share (EPS) pursuant to issue of Equity Shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	10.09
Option movement during the Financial Year		
10.	Number of options outstanding at the beginning of the period	13,35,001
11.	Number of options granted during the year	Nil
12.	Number of options forfeited/ lapsed during the year	1,39,500
13.	Number of options vested during the year	1,46,944
14.	Number of options exercised during the year	74,833
15.	Number of Equity Shares arising as a result of exercise of options	74,833

Option movement during the Financial Year				
16.	Money realized by exercise of options (₹), if scheme is implemented directly by the Company	₹ 2,47,15,994.40		
17.	Loan repaid by the Trust during the Financial Year from exercise price received	Not Applicable		
18.	Number of options outstanding at the end of the Financial Year	11,20,668		
19.	Number of options exercisable at the end of the Financial Year	72,111		
20.	Weighted-average exercise prices of options Weighted-average fair values of options	333.90 143.02		
21.	**Fair Value of Options based on Black Scholes methodology after applying following weighted average assumptions**	**Grant Date - June 10, 2008**	**Grant Date – March 25, 2015**	**Grant Date – October 24, 2016**
i.	Risk free interest rate	8.07%	8.23%	6.85%
ii.	Expected life	1 to 8 years	1 to 8 years	1 to 8 years
iii.	Expected volatility	45%	35%	29.3%
iv.	Expected dividend yield	0.63%	0.80%	0.66%
v.	Price of underlying shares	₹ 274.07/-	₹ 352.47/-	₹ 371.06

Notes:

- The Board of Directors of the Company at 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. There were no changes in the Scheme since its adoption and the same is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Scheme expired on January 30, 2018 and thus no further grants can be made under the Scheme. Further, The Board of Directors of the Company at its meeting held on April 5, 2018 has formulated and adopted The Phoenix Mills Limited – Employees' Stock Option Plan 2018 which was approved by the shareholders on May 11, 2018. No grand have been made under the new scheme till the date of this report.
- No employee was granted stock options amounting to 5% or more of the total grants or equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant, during the Financial Year.
- No stock options were granted to any Director, Senior Managerial Personnel or Key Managerial Personnel of the Company during the financial year.

On behalf of the Board of Directors
For **The Phoenix Mills Limited**

Place: Mumbai
Date: August 8, 2018

Mr. Ashokkumar Ruia
Chairman and Managing Director
DIN: 00086762

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 of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

To
The Members
THE PHOENIX MILLS LIMITED
462 Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices 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 audit period covering the financial year ended 31st March, 2018, 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, 2018, 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, 2015;
      ii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
      iii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and
      iv. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 an 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 pertaining to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were not applicable to the Company under the financial year under report.

4. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as per the list given in **Annexure B**.

We have also examined compliance with the applicable clauses of the Secretarial Standards including the amended Secretarial Standards applicable with effect from 1st October, 2017 issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.

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. No changes in the composition of the Board of Directors took place during the financial year under report.

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.

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be 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
FCS No.: 5171
COP No.: 3030

Date: 8th May, 2018
Place: Mumbai

Note: This report should be read with our letter of even date which is annexed as **Annexure-C** and forms an integral part of this report.

ANNEXURE – A

LIST OF DOCUMENTS VERIFIED

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31st March, 2017;
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Compensation 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 Meeting held during the financial year under report;
5. Proof of circulation and delivery of notice, agenda and notes to agenda for Board and Committee meetings.
6. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards.
7. Policies framed by the Company viz:
   - Policy on Related Party Transactions
   - Policy on Material Subsidiaries
   - Whistle Blower Policy
   - Corporate Social Responsibility Policy
   - Risk Management Policy & Framework
   - Nomination & Remuneration Policy
   - Code of Conduct for Independent Directors
   - The Phoenix Mills Ltd – Code of Conduct for Employees
   - Internal Financial Controls
   - Policy for Determination of Material Events and
   - Archival Policy
   - Dividend Distribution Policy
   - Annual Evaluation Policy
8. Statutory Registers viz.
   - Register of Directors & Key Managerial Personnel and their shareholding
   - Register of Employee Stock Options,
   - Register of loans, guarantees and security and acquisition made by the Company (Form No. MBP-2),
   - Register of Contracts with related party and contracts and Bodies etc. in which directors are interested (Form No. MBP-4), and
   - Register of Charge (Form No. CHG-7).
9. Copies of Notice, Agenda and Notes to Agenda submitted to all the directors / members for the Board Meetings and Committee Meetings.
10. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013;

11. Intimations received from directors and other insiders under the prohibition of Insider Trading Code;
12. 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;
13. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report;
14. Documents related to payments of dividend made to its shareholders during the financial year under report;
15. Documents related to issue of shares under ESOP Scheme viz. ESOP Scheme, Exercise forms, Listing applications, Corporate Action Form, etc. filed with Stock Exchanges and Listing approvals received thereon;
16. Internal Code of Conduct for prevention of Insider Trading by Employees / Directors / Designated Persons of the Company;
17. Statement of Related Party Transactions entered into by the Company during the financial year under report;
18. Documents filed with Stock Exchanges;
19. Compliance Certificate placed before the Board of Directors from time to time;
20. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committees.

ANNEXURE - B

LIST OF APPLICABLE LAWS TO THE COMPANY

1. Income Tax Act and Rules made thereunder
2. Goods and Services Tax Act, 2017 (applicable with effect from 1st July, 2017)
3. Service Tax Act and Rules made thereunder
4. Sexual Harassment of Women at Workplace Prevention Prohibition & Redressal Act and Rules made thereunder
5. Maharashtra Fire Prevention & Life Safety Measures Act and Rules made thereunder
6. Maharashtra Regional & Town Planning Act, 1966
7. Real Estate Regulatory Act, 2016
8. Maharashtra Rent Control Act, 1999
9. Bombay Shops & Establishment Act and Rules made thereunder
10. Development Control Regulations for Mumbai Metropolitan Region, 1999
11. Development Control Regulations for Greater Bombay, 1991
12. Maharashtra Municipalities Act, 1965
13. Mumbai Municipal Corporation Act, 1888
14. Maharashtra State Tax On Professions Trades Callings & Employments Act and Rules made thereunder
15. Maharashtra Tax on Entry of Goods Into Local Areas Act and Rules made thereunder
16. Maharashtra Value Added Tax Act and Rules made thereunder
17. Indian Stamp Act 1899 and Bombay Stamp Act
18. Air Prevention & Control of Pollution Act and Rules made thereunder (Central and Maharashtra Rules)
19. Environment Protection Act and Rules made thereunder
20. Water Prevention & Control of Pollution Act and Rules made thereunder (Central and Maharashtra Rules)
21. Industrial Employment Standing Orders Act and Rules made thereunder (Central and Maharashtra Rules)
22. Building & Other Construction Workers Welfare Cess Act and Rules made thereunder
23. Building Other Construction Workers Regulation Of Employment & Condition of Service Act and Rules made thereunder (Central and Maharashtra Rules)
24. Contract Labour Regulation & Abolition Act and Rules made thereunder (Central and Maharashtra Rules)
25. Employees Compensation Act and Rules made thereunder
26. Employees Deposit Linked Insurance Scheme1976
27. Employees Pension Scheme 1995
28. Employees Provident Funds & Miscellaneous Provisions Act and Scheme made thereunder
29. Employees State Insurance Act, Rules, Regulations and Scheme made thereunder
30. Employers Liability Act, 1938
31. Personal Injuries Compensation Insurance Act, Rules and Scheme made thereunder
32. Central Sales Tax Act and Rules made thereunder (Central and Maharashtra Rules)
33. Equal Remuneration Act and Rules made thereunder
34. Maternity Benefit Act and State Rules made thereunder (Central and Maharashtra Rules)
35. Minimum Wages Act and Rules made thereunder (Central and Maharashtra Rules)

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

ANNEXURE- C

To,
The Members
THE PHOENIX MILLS LIMITED
Mumbai

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

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

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

For **Rathi & Associates,**
Company Secretaries

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

Date: 8th May, 2018
Place: Mumbai

ANNEXURE VII

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2018 [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/Non-govt Company
Address of the Registered office and contact details	462, Senapati Bapat Marg, Lower Parel, Mumbai Tel: 022-30016600 Fax: 022-30016818
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel. No.: 022-49186000 Fax No.: 022-49186060

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	Real Estate Development	41001	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN / GLN	% of shares held (effective holding)
Subsidiary Companies [Section 2(87)(ii)]			
1	Alliance Spaces Private Limited*	U55101MH2007PTC169101	75.02
2	Alyssum Developers Private Limited*	U70109MH2017PTC292588	70.01
3	Bellona Hospitality Services Limited*	U74999MH1995PLC085663	100.00
4	Big Apple Real Estate Private Limited#	U17125UP2007PTC083025	100.00
5	Blackwood Developers Private Limited*	U45400MH2007PTC292992	100.00
6	Butala Farm Lands Private Limited&	U70200MH1996PTC104404	100.00
7	Enhance Holdings Private Limited*	U67120MH2007PTC169479	100.00
8	Gangetic Developers Private Limited%	U74899DL1951PTC001959	97.08
9	Graceworks Realty and Leisure Private Limited^	U72900MH2000PTC126232	66.69
10	Island Star Mall Developers Private Limited*	U45200MH2006PTC161067	70.00
11	Insight Mall Developers Private Limited (Name changes w.e.f.18th July,2018, Formerly known as Insight Hotels & Leisure Private Limited)*	U55101MH20017PTC169124	100.00
12	Market City Management Private Limited^	U74999MH2008PTC183667	100.00
13	Market City Resources Private Limited*	U55100MH2006PTC159544	100.00
14	Mugwort Land Holdings Private Limited*	U45202MH2007PTC169133	94.86
15	Offbeat Developers Private Limited*	U55200MH2000PTC124192	100.00

Sl. No.	Name and address of the Company	CIN / GLN	% of shares held (effective holding)
16	Palladium Constructions Private Limited*	U45400MH2008PTC178115	79.45
17	Pallazzio Hotels and Leisure Limited^1	U67120MH1995PLC085664	72.98
18	Phoenix Hospitality Company Private Limited^	U55209MH2006PTC161066	56.92
19	Pinnacle Real Estate Development Private Limited^	U70100MH2006PTC161072	100.00
20	Plutocrat Commercial Real Estate Private Limited (Name change w.e.f. 3rd May, 2018, formerly known as Plutocrat Assets and Capital Management Private Limited)*	U65990MH1991PTC060487	100.00
21	Sangam Infrabuild Corporation Private Limited@	U45201UP2006PTC031651	100.00
22	Savannah Phoenix Private Limited*	U55101MH2012PTC235585	100.00
23	Sparkle One Mall Developers Private Limited*	U70109MH2017PTC299103	70.01
24	Upal Developers Private Limited*	U45201MH2006PTC292993	100.00
25	Vamona Developers Private Limited*	U45201MH2006PTC165253	91.97
Associate Company [Section 2(6)]			
1	Classic Housing Projects Private Limited*	U45400MH2005PTC156887	50.00
2	Classic Mall Development Company Private Limited*	U70100MH2005PTC156875	50.00
3	Columbus Investment Advisory Private Limited*	U67190MH2007PTC171595	50.00
4	Mirabel Entertainment Private Limited^	U55101MH2007PTC172946	28.46
5	Starboard Hotels Private Limited*	U55101MH1996PTC101044	28.47

* Registered Office at C/o Marketcity Resources Private Limited, R.R. Hosiery Building, Shree Laxmi Woolen Mills Estate, Opp. Shakti Mills, Off. Dr. E- Moses Road, Mahalaxmi, Mumbai – 400 011
^ Registered Office at Phoenix Mills Premises, 462, Senapati Bapat Marg, Lower Parel, Mumbai -400013
# Registered Office at Phoenix United Mall CP-8, Sector B, LDA Colony, 5th Floor, Kanpur Road, Lucknow - 226012
@ Registered Office at Mahmoodabad Estate Hazratganj, Lucknow, UP - 226001
& Registered Office at #30, Prestige Point, 1st Floor, 283 Shukrawar Peth, Pune - 411002
% Registered Office at C-11, Panchsheel Enclave IIIrd Floor, New Delhi - 110017
1 100% equity share capital of Pallazzio Hotels and Leisure Limited is held by the Company as on March 31, 2018

IV 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 (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	10001920	0	10001920	6.53	10001920	0	10001920	6.53	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	86208962	0	86208962	56.32	86208962	0	86208962	56.29	-0.03
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	**96210882**	**0**	**96210882**	**62.86**	**96210882**	**0**	**96210882**	**62.82**	**-0.03**
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1) + (A) (2)	**96210882**	**0**	**96210882**	**62.86**	**96210882**	**0**	**96210882**	**62.82**	**-0.03**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	4327783	0	4327783	2.83	3839519	0	3839519	2.51	-0.32
b) Banks / FI	1831	0	1831	0.00	4562	0	4562	0.00	0.00
c) Central Govt	0	0	0	0.00	786393	0	786393	0.51	0.51

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% 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) FIIs	5599956	0	5599956	3.66	2688799	0	2688799	1.76	-1.90
h) Foreign Venture Capital Funds	550000	0	550000	0.36	50000	0	50000	0.03	-0.33
i) Others									
i) (Foreign Portfolio Investor (Corporate))	40274953	-	40274953	26.31	41923494	0	41923494	27.38	1.06
ii) Alternate Investment Funds	0	0	0	0.00	965243	0	965243	0.63	0.63
Sub-total (B)(1):	**50754523**		**50754523**	**33.16**	**50258010**	**0**	**50258010**	**32.82**	**-0.34**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	2153768	4750	2158518	1.41	2762867	4750	2767617	1.81	0.40
ii) Overseas	-	-	-	-		-	-	-	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2692574	505121	3197695	2.09	2825727	466171	3291898	2.15	0.06
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	145050	0	145050	0.09	176750	0	176750	0.12	0.02
c) Others									
i) Non Resident Indians (Repat)	31593	0	31593	0.02	39669	0	39669	0.03	0.01
ii) Non Resident Indians (Non Repat)	110093	0	110093	0.07	92055	0	92055	0.06	-0.01
iii) Clearing Member	316658	0	316658	0.21	152943	0	152943	0.10	-0.11
iv) Directors / Relatives	90100		90100	0.06	93533		93533	0.06	0.00
v) Trusts	250	0	250	0.00	2707	0	2707	0.00	0.00
vi) HUF	51545	0	51545	0.03	55676	0	55676	0.04	0.00
Sub-total(B)(2):	**5591631**	**509871**	**6101502**	**3.99**	**6201927**	**470921**	**6672848**	**4.36**	**0.37**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**56346154**	**509871**	**56856025**	**37.14**	**56459937**	**470921**	**56930858**	**37.18**	**0.03**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**152557036**	**509871**	**153066907**	**100.00**	**152670819**	**470921**	**153141740**	**100.00**	**-**

IV. ii. SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in shareholding during the year
1	Ruia International Holding Company Private Limited	49347248	32.24	0.00	49347248	32.22	0.00	-0.02
2	Senior Advisory Services Private Limited.	15490049	10.12	0.00	15490049	10.11	0.00	0.00
3	Radhakrishna Ramnarain Private Limited	11667800	7.62	0.00	11667800	7.62	0.00	0.00
4	Ashok Apparels Private Limited	9670665	6.32	0.00	9670665	6.31	0.00	0.00
5	Atul Ashokkumar Ruia	2403501	1.57	0.00	2403501	1.57	0.00	0.00
6	Ashokkumar Radhakrishna Ruia	3659594	2.39	0.00	2128504	1.39	0.00	-1.00
7	Amla Ashokkumar Ruia	2125000	1.39	0.00	2125000	1.39	0.00	0.00
8	Gayatri Atul Ruia	1534890	1.00	0.00	1534890	1.00	0.00	0.00
9	Ashokkumar Radhakrishna Ruia	0	0	0.00	765545	0.50	0.00	0.50
10	Atul Ashokkumar Ruia	0	0	0.00	765545	0.50	0.00	0.50
11	Sharanya A.Ruia Beneficiary Trust	278935	0.18	0.00	278935	0.18	0.00	0.00
12	Ashton Real Estate Development Private Limited	33200	0.02	0.00	33200	0.02	0.00	0.00
	Total	**96210882**	**62.86**	**0.00**	**96210882**	**62.82**	**0.00**	**-0.03**

Note: There is no change in the aggregate number of shares held by the Promoters/Promoter Group during the year. However, percentage change in the promoter shareholding is due to increase in the paid-up share capital of the Company during the year.

IV. iii. CHANGE IN PROMOTERS' SHAREHOLDING:

Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	% of total shares of the Company
		No. of shares at the beginning of the year (April 1, 2017) and at the end of the year (March 31, 2018)	% of total shares of the Company					
1	**Ruia International Holding Company Private Limited**							
	At the beginning of the year	49347248	32.24				49347248	32.24
				No Change				
	At the end of the year	49347248	32.22				49347248	32.22
2	**Senior Advisory Services Private Limited**							
	At the beginning of the year	15490049	10.12				15490049	10.12
				No Change				
	At the end of the year	15490049	10.11				15490049	10.11
3	**Radhakrishna Ramnarain Private Limited**							
	At the beginning of the year	11667800	7.62				11667800	7.62
				No Change				
	At the end of the year	11667800	7.62				11667800	7.62
4	**Ashok Apparels Private Limited**							
	At the beginning of the year	9670665	6.32				9670665	6.32
				No Change				
	At the end of the year	9670665	6.31				9670665	6.31
5	**Mr. Ashokkumar Ruia**							
	At the beginning of the year	3659594	2.39				3659594	2.39
				30 Jan 2018	(1531090)	Interse Transfer between Promoters & Promoter Group	2128504	1.39
	At the end of the year	2128504	1.39				2128504	1.39
6	**Mr. Atul Ruia**							
	At the beginning of the year	2403501	1.57				2403501	1.57
				30 Jan 2018	765545	Interse Transfer between Promoters & Promoter Group	3169046	2.07
				30 Jan 2018	(765545)		2403501	1.57
	At the end of the year	2403501	1.57				2403501	1.57
7	**Ms. Amla Ruia**							
	At the beginning of the year	2125000	1.39				2125000	1.39
				No Change				
	At the end of the year	2125000	1.39				2125000	1.39
8	**Ms. Gayatri Ruia**							
	At the beginning of the year	1534890	1.00				1534890.00	1.00
				No Change				
	At the end of the year	1534890	1.00				1534890.00	1.00
9	**Sharanya A.Ruia Benificiary Trust**							
	At the beginning of the year	278935	0.18				278935	0.18
				No Change				
	At the end of the year	278935	0.18				278935	0.18
10	**Ashton Real Estate Development Private Limited**							
	At the beginning of the year	33200	0.02				33200	0.02
				No Change				
	At the end of the year	33200	0.02				33200	0.02
11	**Ashokkumar Radhakrishna Ruia**							
	At the beginning of the year	0	0.00				0	0.00
				30 Jan 2018	765545	Interse Transfer between Promoters & Promoter Group	765545	0.50
	At the end of the year	765545	0.50				765545	0.50

Sl. No.	Name of the Shareholder	Shareholding: No. of shares at the beginning of the year (April 1, 2017) and at the end of the year (March 31, 2018)	Shareholding: % of total shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	% of total shares of the Company
12	**Atul Ashokkumar Ruia**							
	At the beginning of the year	0	0.00					
				30 Jan 2018	765545	Interse Transfer between Promoters & Promoter Group	765545	0.50
	At the end of the year	765545	0.50				765545	0.50

Note:

1. Paid up Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 153141740 shares
2. The details of holding has been clubbed based on PAN.
3. There has been no change in the aggregate shareholding of the Promoter and Promoter Group Companies during the last financial year except interse transfer of shares between certain promoters and promoter group.

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

Sr No.	Name of the Shareholder	Shareholding: Number of Shares at the beginning of the year (April 1, 2017) and end of the year (March 31, 2018)	Shareholding: % of total shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018) No. of Shares	% of total shares of the Company
1.	**Nordea 1 Sicav - Emerging Stars Equity Fund**							
	At the beginning of the year	**10329415**	**6.75**				**10329415**	**6.75**
				07 Apr 2017	63021	Purchase	10392436	6.79
				12 May 2017	-1827	Sale	10390609	6.79
				26 May 2017	62073	Purchase	10452682	6.83
				30 Jun 2017	426077	Purchase	10878759	7.10
				07 Jul 2017	481421	Purchase	11360180	7.42
				14 Jul 2017	5406	Purchase	11365586	7.42
				21 Jul 2017	-62000	Sale	11303586	7.38
				28 Jul 2017	62000	Purchase	11365586	7.42
				11 Aug 2017	113874	Purchase	11479460	7.50
				18 Aug 2017	393	Purchase	11479853	7.50
				25 Aug 2017	66018	Purchase	11545871	7.54
				01 Sep 2017	59000	Purchase	11604871	7.58
				08 Sep 2017	201935	Purchase	11806806	7.71
				29 Sep 2017	16986	Purchase	11823792	7.72
				13 Oct 2017	9259	Purchase	11833051	7.73
				27 Oct 2017	15119	Purchase	11848170	7.74
				01 Dec 2017	28518	Purchase	11876688	7.76
				08 Dec 2017	88739	Purchase	11965427	7.81
				22 Dec 2017	7124	Purchase	11972551	7.82
				12 Jan 2018	6269	Purchase	11978820	7.82
				23 Mar 2018	-301113	Sale	11677707	7.63
	At the end of the year	**11677707**	**7.63**				**11677707**	**7.63**
2.	**Fidelity Investment Trust Fidelity Series Emerging Markets Fund**							
	At the beginning of the year	**6670130**	**4.36**				**6670130**	**4.36**
				07 Apr 2017	30748	Purchase	6700878	4.38
				19 May 2017	10399	Purchase	6711277	4.38
				26 May 2017	26746	Purchase	6738023	4.40
				28 Jul 2017	-114961	Sale	6623062	4.32
				11 Aug 2017	-114894	Sale	6508168	4.25
				18 Aug 2017	-164628	Sale	6343540	4.14
				25 Aug 2017	-40508	Sale	6303032	4.12
				01 Sep 2017	-93474	Sale	6209558	4.05
				08 Sep 2017	-201765	Sale	6007793	3.92
				15 Sep 2017	-123348	Sale	5884445	3.84
				22 Sep 2017	-66041	Sale	5818404	3.80
				01 Dec 2017	38621	Purchase	5857025	3.82
				08 Dec 2017	38322	Purchase	5895347	3.85
				16 Feb 2018	-70058	Sale	5825289	3.80
				09 Mar 2018	-62000	Sale	5763289	3.76
	At the end of the year	**5763289**	**3.76**				**5763289**	**3.76**

Sr No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	% of total shares of the Company
		Number of Shares at the beginning of the year (April 1, 2017) and end of the year (March 31, 2018)	% of total shares of the Company				No. of Shares	
3.	**Schroder International Selection Fund Emerging Asia**							
	At the beginning of the year	**496547**	**0.32**				**496547**	**1.04**
				07 Apr 2017	370436	Purchase	866983	0.99
				22 Sep 2017	238316	Purchase	1105299	1.03
				29 Sep 2017	218664	Purchase	1323963	1.07
				12 Jan 2018	111070	Sale	1435033	1.09
				19 Jan 2018	98785	Sale	1533818	1.14
				26 Jan 2018	65645	Sale	1599463	1.18
				02 Feb 2018	48068	Sale	1647531	1.18
				23 Mar 2018	381404	Sale	2028935	1.27
				31 Mar 2018	8847	Sale	2037782	1.29
	At the end of the year	**2037782**	**1.33**				**2037782**	**1.33**
4.	**Vaneck Funds - Emerging Markets Fund**							
	At the beginning of the year	**1585200**	**1.04**				**1585200**	**1.04**
				14 Jul 2017	-72000	Sale	1513200	0.99
				08 Dec 2017	60048	Purchase	1573248	1.03
				15 Dec 2017	69909	Purchase	1643157	1.07
				22 Dec 2017	22006	Purchase	1665163	1.09
				29 Dec 2017	80100	Purchase	1745263	1.14
				05 Jan 2018	57937	Purchase	1803200	1.18
				26 Jan 2018	5840	Purchase	1809040	1.18
				02 Feb 2018	128754	Purchase	1937794	1.27
				09 Feb 2018	35406	Purchase	1973200	1.29
	At the end of the year	**1973200**	**1.29**				**1973200**	**1.29**
5.	**Nordea Far East Fund**							
	At the beginning of the year	**1886436**	**1.23**				**1886436**	**1.23**
				04 Aug 2017	35738	Purchase	1922174	1.26
				08 Sep 2017	37090	Purchase	1959264	1.28
				23 Mar 2018	-44269	Sale	1914995	1.25
	At the end of the year	**1914995**	**1.25**				**1914995**	**1.25**
6.	**Nordea International Fund Asian Sub-Fund**							
	At the beginning of the year	**1447928**	**0.95**				**1447928**	**0.95**
				14 Apr 2017	35276	Purchase	1483204	0.97
				07 Jul 2017	58763	Purchase	1541967	1.01
				14 Jul 2017	21034	Purchase	1563001	1.02
				27 Oct 2017	-8510	Sale	1554491	1.02
				12 Jan 2018	-24528	Sale	1529963	1.00
				23 Mar 2018	-36660	Sale	1493303	0.98
	At the end of the year	**1493303**	**0.98**				**1493303**	**0.98**
7.	**Reliance Capital Trustee Co. Ltd A/C - Reliance Regular Savings Fund - Equity Option**							
	At the beginning of the year	**2000000**	**1.31**				**2000000**	**1.31**
				09 Feb 2018	-3520	Sale	1996480	1.30
				02 Mar 2018	-110736	Sale	1885744	1.23
				16 Mar 2018	-423873	Sale	1461871	0.95
	At the end of the year	**1461871**	**0.95**				**1461871**	**0.95**
8.	**UTI- Balanced Fund**							
	At the beginning of the year	**727649**	**0.48**				**727649**	**0.48**
				19 May 2017	241709	Purchase	969358	0.63
				02 Jun 2017	50000	Purchase	1019358	0.67
				09 Jun 2017	25000	Purchase	1044358	0.68
				23 Jun 2017	9739	Purchase	1054097	0.69
				30 Jun 2017	-26297	Sale	1027800	0.67
				01 Sep 2017	40303	Purchase	1068103	0.70
				08 Sep 2017	54692	Purchase	1122795	0.73
				15 Sep 2017	65000	Purchase	1187795	0.78
				22 Sep 2017	52966	Purchase	1240761	0.81
				29 Sep 2017	16566	Purchase	1257327	0.82
				03 Nov 2017	-1009	Sale	1256318	0.82
				17 Nov 2017	209758	Purchase	1466076	0.96
				01 Dec 2017	-7642	Sale	1458434	0.95
				29 Dec 2017	-5342	Sale	1453092	0.95
				05 Jan 2018	-150000	Sale	1303092	0.85
				26 Jan 2018	-60521	Sale	1242571	0.81
				09 Mar 2018	20000	Purchase	1262571	0.82
				23 Mar 2018	158201	Purchase	1420772	0.93
				31 Mar 2018	-9605	Sale	1411167	0.92
	At the end of the year	**1411167**	**0.92**				**1411167**	**0.92**

Sr No.	Name of the Shareholder	Shareholding: Number of Shares at the beginning of the year (April 1, 2017) and end of the year (March 31, 2018)	Shareholding: % of total shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018) No. of Shares	% of total shares of the Company
9.	**Investoringsforeningen Nordea Invest Fjernosten**							
	At the beginning of the year	**1258368**	**0.82**				**1258368**	**0.82**
				07 Apr 2017	-35276	Sale	1223092	0.80
				07 Jul 2017	43559	Purchase	1266651	0.83
				14 Jul 2017	15595	Purchase	1282246	0.84
				21 Jul 2017	28001	Purchase	1310247	0.86
				08 Sep 2017	47206	Purchase	1357453	0.89
				22 Sep 2017	5389	Purchase	1362842	0.89
				06 Oct 2017	22537	Purchase	1385379	0.90
				27 Oct 2017	11738	Purchase	1397117	0.91
				03 Nov 2017	-20918	Sale	1376199	0.90
				22 Dec 2017	26083	Purchase	1402282	0.92
				12 Jan 2018	26333	Purchase	1428615	0.93
				23 Mar 2018	-31464	Sale	1397151	0.91
	At the end of the year	**1397151**	**0.91**				**1397151**	**0.91**
10.	**Schroder Asian Growth Fund**							
	At the beginning of the year	**1161431**	**0.76**				**1161431**	**0.76**
				07 Apr 2017	92894	Purchase	1254325	0.82
				14 Jul 2017	-15168	Sale	1239157	0.81
				21 Jul 2017	-54515	Sale	1184642	0.77
				28 Jul 2017	-565	Sale	1184077	0.77
				18 Aug 2017	-13830	Sale	1170247	0.76
				22 Sep 2017	50500	Purchase	1220747	0.80
				29 Sep 2017	46336	Purchase	1267083	0.83
	At the end of the year	**1267083**	**0.83**				**1267083**	**0.83**
11.	**Mondrian Emerging Markets Small Cap Equity Fund,L.P.**							
	At the beginning of the year *	**1409216**	**0.92**				**1409216**	**0.92**
				07 Apr 2017	-108136	Sale	1301080	0.85
				09 Jun 2017	-120755	Sale	1180325	0.77
				29 Sep 2017	-55000	Sale	1125325	0.73
				06 Oct 2017	-3400	Sale	1121925	0.73
				24 Nov 2017	-48589	Sale	1073336	0.70
	At the end of the year	**1073336**	**0.70**				**1073336**	**0.70**
12.	**The Phoenix Mills Limited - Unclaimed Suspense Account**							
	At the beginning of the year *	**1534050**	**1.00**				**1534050**	**1.00**
				07 Apr 2017	-15000	Sale	1519050	0.99
				21 Apr 2017	-1250	Sale	1517800	0.99
				12 May 2017	-7000	Sale	1510800	0.99
				26 May 2017	-6000	Sale	1504800	0.98
				23 Jun 2017	-8000	Sale	1496800	0.98
				07 Jul 2017	-5250	Sale	1491550	0.97
				14 Jul 2017	-5750	Sale	1485800	0.97
				18 Aug 2017	-5000	Sale	1480800	0.97
				08 Sep 2017	-250	Sale	1480550	0.97
				22 Sep 2017	-5750	Sale	1474800	0.96
				06 Oct 2017	-750	Sale	1474050	0.96
				13 Oct 2017	-550	Sale	1473500	0.96
				17 Nov 2017	-2250	Sale	1471250	0.96
				08 Dec 2017	-250	Sale	1471000	0.96
				16 Mar 2018	-750	Sale	1470250	0.96
				31 Mar 2018	-747500	Sale	722750	0.47
	At the end of the year	**722750**	**0.47**				**722750**	**0.47**

Note:
1. Paid up Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 153,141,740 Shares
2. The details of holding has been clubbed based on PAN
3. % of total shares of the Company is based on the paid up Capital of the Company at the end of the Year.
4. Details of top 10 shareholders are based on the data as on April 1, 2017 and March 31, 2018
*Not in the list of Top 10 shareholders as on March 31, 2018. The same has been reected above since the shareholder was one of the Top 10 shareholders as on April 1, 2017

IV. v SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	Name of Directors / KMP	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	% of total shares of the Company
		No. of shares at the beginning of the year (April 1, 2017) and at the end of the year (March 31, 2018)	% of total shares of the Company					
1	**Mr. Ashokkumar Ruia**							
	At the beginning of the year	3659594	2.39				3659594	2.39
				30 Jan 2018	-1531090	Interse Transfer between Promoters & Promoter Group	2128504	1.39
	At the end of the year	2128504	1.39				2128504	1.39
2	**Mr. Atul Ruia**							
	At the beginning of the year	2403501	1.57				2403501	1.57
				30 Jan 2018	765545	Interse Transfer between Promoters & Promoter Group	3169046	2.07
				30 Jan 2018	-765545		2403501	1.57
	At the end of the year	2403501	1.57				2403501	1.57
3	**Pradumna Kanodia**							
	At the beginning of the year	10555					Nil	
				16.08.2017	-10555	Sale	0	
				13-Sep-17	15833	ESOP Allotment	15833	0.01
	At the end of the year	15833	0.01				15833	0.01
4	**Shishir Shrivastava**							
	At the beginning of the year	77200	0.05				77200	0.05
				No Change				
	At the end of the year	77200	0.05				77200	0.05
5	**Amit Dalal**							
	At the beginning of the year	Nil					Nil	
				No Change				
	At the end of the year	Nil					Nil	
6	**Amit Kumar Dabriwala**							
	At the beginning of the year	Nil					Nil	
				No Change				
	At the end of the year	Nil					Nil	
7	**Sivaramakrishnan Iyer**							
	At the beginning of the year	Nil					Nil	
				No Change				
	At the end of the year	Nil					Nil	
8	**Shweta Vyas**							
	At the beginning of the year	Nil					Nil	
				No Change				
	At the end of the year	Nil					Nil	
9	**Puja Tandon**							
	At the beginning of the year	Nil					Nil	
				No Change				
	At the end of the year	Nil					Nil	

V. INDEBTEDNESS

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

Amount in ₹

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,50,65,59,484	-	-	7,50,65,59,484
ii) Interest due but not paid				
iii) Interest accrued but not due	3,85,60,235	-	-	3,85,60,235
Total (i+ii+iii)	**7,54,51,19,719**	**-**	**-**	**7,54,51,19,719**
Change in Indebtedness during the financial year				
- Addition	(33,38,97,822)			(33,38,97,822)
- Reduction		-		-
Net Change	**(33,38,97,822)**	**-**	**-**	**(33,38,97,822)**
Indebtedness at the end of the financial year				
i) Principal Amount	7,17,44,09,994	-	-	7,17,44,09,994
ii) Interest due but not paid				
iii) Interest accrued but not due	3,68,11,903	-	-	3,68,11,903
Total (i+ii+iii)	**7,21,12,21,897**	**-**	**-**	**7,21,12,21,897**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in ₹

Sl. No.	Particulars of Remuneration	Mr. Ashokkumar Ruia	Mr. Atul Ruia	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,00,00,000	1,00,00,000	2,00,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
5	**Total (A)**	**1,00,00,000**	**1,00,00,000**	**2,00,00,000**
	Ceiling as per the Act*			**19,01,08,906**

*Being 10% of the Net Profit of the Company calculated as per Section 197 of the Companies Act, 2013

B. Remuneration to Other Directors

Amount in ₹

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		Mr. Amit Dalal	Mr. Amit Kumar Dabriwala	Mr. Sivaramakrishnan Iyer	Ms. Shweta Vyas	
1	**Independent Directors**					
	Fee for attending board / committee meetings	1,50,000	3,00,000	1,20,000	1,80,000	7,50,000
	Commission	3,25,000	3,25,000	3,25,000	3,25,000	13,00,000
	Others, please specify	-	-	-	-	-
	Total (1)	**4,75,000**	**6,25,000**	**4,45,000**	**5,05,000**	**20,50,000**
2	**Other Non-Executive Directors**					
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	TOTAL B = (1+2)	**4,75,000**	**6,25,000**	**4,45,000**	**5,05,000**	**20,50,000**
	Ceiling as per the Act**					**1,90,10,891**
	Total Managerial Remuneration (A+B)					**2,20,50,000**
	Overall Ceiling as per the Act***					**20,91,19,797**

**Being 1% of the Net Profit of the Company calculated as per Section 197 of the Companies Act, 2013

***Being 11% of the Net Profit of the Company calculated as per Section 197 of the Companies Act, 2013

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Amount in ₹

Sl. No.	Particulars of Remuneration	Ms. Puja Tandon Company Secretary	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	32,64,004	32,64,004
	(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		
	- as % of profit	Nil	Nil
	- others, specify	Nil	Nil
	Others, please specify	Nil	Nil
5	**Total (A)**	**32,64,004**	**32,64,004**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any (give details)
A. Company					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. Directors					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. Other Officers in Default					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

On behalf of the Board of Directors
For **The Phoenix Mills Limited**

Place: Mumbai
Date: August 8, 2018

Mr. Ashokkumar Ruia
Chairman and Managing Director
DIN: 00086762

REPORT ON CORPORATE GOVERNANCE

Your Directors are pleased to present the Companies Report on Corporate Governance in compliance with the Corporate Governance provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations 2015').

Management's Philosophy on Corporate Governance

The Management 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.

The Board believes that governance is a continuously evolving idea to continue doing business in a disciplined, legal and ethical way and it places its governance practices under continuous review and continues benchmarking it to the best practices around the globe. The Management's philosophy on corporate governance is directed at conducting business in an ethical and professional manner and to enhance confidence of all stakeholders, viz.; shareholders and investors, customers and clients, employees, regulatory bodies, all those who deal with the Company and public in general, since we believe that adhering to the standards of best Corporate Governance practice is essential to achieve long term corporate goals and enhance shareholders value. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. The Company's philosophy on Corporate Governance oversees business strategies and ensures accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. It is commitment of the management to values and ethical business conduct.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Part C of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR Regulations 2015, as applicable, with regard to corporate governance.

Board of Directors

Pursuant to Section 149(4) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI LODR Regulations 2015, the Company has a balanced Board, comprising of Executive and Non-Executive Directors which includes independent professionals with rich experience and expertise from diverse background relevant to the Company's business requirements, who have long standing experience and expertise in their respective fields.

Mr. Ashokkumar Ruia, retired from his position of Chairman and Managing Director of the Company and also as a director of the Company w.e.f. the conclusion of the Board Meeting held on August 8, 2018. Mr. Ashokkumar Ruia has been on the Board of The Phoenix Mills since 1963. Under his watch and guidance, the Company transitioned from being a textiles player, to what is now - India's largest mall developer and operator. A graduate from Cambridge University, Mr. Ruia has pursued an illustrious career in both business and sports. He has the unique distinction of representing the country in two sports, Bridge and Golf.

Whilst the Board of Directors have strongly urged Mr. Ashokkumar Ruia to continue in his role as Chairman and Managing Director until the end of his term till March 31, 2020, he has expressed his desire to retire from his executive role with the Company to make way for more youthful leadership in the interests of the long-term growth of the Company and has, accordingly, retired from the position of Chairman and Managing Director of the Board and directorship of the Company w.e.f. conclusion of the Board Meeting held on August 8, 2018. The entire Board has expressed its immense gratitude for the guidance and vision provided by Mr. Ruia during his tenure on the Board.

The Board, on the recommendation of the Nomination and Remuneration Committee, has elevated and re-designated Mr. Atul Ruia as Chairman and Managing Director of the Company w.e.f. August 8, 2018 at a revised salary of ₹ 2.5 Crores per annum, subject to approval of the shareholders of the Company at the ensuing AGM. All other terms of appointment of Mr. Atul Ruia as approved earlier by the shareholders vide special resolution passed through Postal Ballot on May 25, 2015 remain unchanged. The Board recommends the proposal for your approval in the ensuing AGM.

The Board has an Executive Chairman and accordingly pursuant to the provisions of Regulation 17(1)(b) of SEBI LODR Regulations, 2015, half of the Board is required to consist of Independent Directors. As on March 31, 2018, the Company's Board comprised of four Executive Directors and four Independent Directors.

As per the declarations received by the Company from each of the Directors, none of the directors are disqualified from being appointed as a Director under Section 164(2) of the Companies Act, 2013.

None of the Directors on the Board hold directorships in more than ten public companies. Disclosures have been made by the Directors regarding their Chairmanships/Memberships of mandatory Committees of the Board and the same are within the permissible limits as stipulated under Regulation 26(1) of SEBI LODR Regulations 2015.

Composition and Attendance

The composition of the Board and other relevant details relating to Directors as on March 31, 2018 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 (**)	
				Chairmanships	Memberships
Promoter Directors					
Mr. Ashok Kumar Ruia	Chairman & Managing Director	00086762	16	Nil	Nil
Mr. Atul Ruia	Joint Managing Director	00087396	16	Nil	Nil
Executive Directors					
Mr. Shishir Shrivastava	Joint Managing Director	01266095	6	Nil	Nil
Mr. Pradumna Kanodia	Director- Finance	01602690	4	1	Nil
Independent Non-executive Director					
Mr. Amit Kumar Dabriwala	Non-Executive; Independent Director	00164763	12	1	5
Mr. Amit Dalal	Non-Executive; Independent Director	00297603	8	1	2
Mr. Sivaramakrishnan Iyer	Non-Executive; Independent Director	00503487	5	3	1
Ms. Shweta Vyas	Non-Executive; Independent Director	06996110	1	Nil	Nil

*Directorships held by the Directors, as mentioned above: (i) do not include directorships held in the Company (ii) includes directorships held in foreign companies, Private Limited companies and companies under Section 8 of the Companies Act, 2013.

**Committees considered for the purpose of computing membership/chairmanship are those prescribed under Regulation 26(1) of SEBI LODR Regulations 2015 viz. Audit Committee and Stakeholders' 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). Committee membership details provided do not include chairmanship of committees as it has been provided separately. Further, it also excludes chairmanship and membership of committees of the Board of the Company.

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 as on March 31, 2018.

None of the directors except the following, held equity shares in the Company in their individual capacity as on March 31, 2018:

Mr. Ashokkumar Ruia – 21,28,504 equity shares
Mr. Atul Ruia – 24,03,501 equity shares
Mr. Shishir Shrivastava – 77,200 equity shares
Mr. Pradumna Kanodia – 15,833 equity shares

The Company has not issued any convertible instruments.

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. Proposal for his re-appointment is incorporated in the Notice of the ensuing Annual General Meeting.

Detailed profile and other information as required under Regulation 36(3) of the SEBI LODR Regulations 2015, of the proposed appointee is provided in the Notice of the ensuing Annual General Meeting.

Board Meetings and Annual General Meeting

During the financial year 2017-18, 7 (seven) meetings of the Board of Directors were held i.e. on April 4, 2017, May 5, 2017, May 10, 2017, August 2, 2017, August 10, 2017, November 13, 2017 and February 14, 2018. The time gap between any two consecutive meetings was less than one hundred and twenty days. The previous Annual General Meeting of the Company was held on September 25, 2017. 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 2017-2018 and in the previous Annual General Meeting are as follows:

Name of the Director	No. of Board meetings attended (total held during tenure of Director in FY 2017-18)	Attendance at Last Annual General Meeting
Mr. Ashokkumar Ruia	7 (7)	Yes
Mr. Atul Ruia	7 (7)	Yes
Mr. Shishir Shrivastava	7 (7)	Yes
Mr. Pradumna Kanodia	7 (7)	Yes
Mr. Amit Kumar Dabriwala	7 (7)	Yes
Mr. Amit Dalal	5 (7)	Yes
Mr. Sivaramakrishnan Iyer	4 (7)	Yes
Ms. Shweta Vyas	4 (7)	Yes

Separate meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 read with the rules made thereunder and Regulation 25(3) of the SEBI LODR Regulations 2015, 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 performance of Non-Independent Directors and the Board as a whole;

ii. review 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's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Accordingly, in compliance with the aforesaid requirements, all Independent Directors of the Company met separately on February 14, 2018 without presence of any Non-Independent Directors or representatives of Management to review and discuss inter alia, the performance of Non-Independent Directors, Executive Directors, Chairman of the Board and performance of the Board as a whole. They have conveyed their satisfaction on the performances of Non-Independent Directors, Managing Directors, Joint Managing Directors and 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:

i. Annual operating plans and budgets and any updates thereto.

ii. Capital budgets and any updates thereto.

iii. Quarterly results for the Company and its operating divisions or business segments.

iv. Minutes of meetings of the Board and Board Committees, resolutions passed by circulations and Board minutes of the unlisted subsidiary companies.

v. The information on recruitment and remuneration of senior officers just below the board level, appointment or removal of Chief Financial Officer and the Company Secretary.

vi. Show cause, demand, prosecution notices and penalty notices which are materially important.

vii. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

viii. Any material default in financial obligations to and by the Company.

ix. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment 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.

x. Details of joint venture and collaboration agreement.

xi. Transactions that may involve substantial payment towards goodwill, brand equity, or Intellectual Property (IP), if any.

xii. 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.

xiii. Sale of investments, subsidiaries, assets, which are material in nature and not in normal course of business.

xiv. Quarterly details of foreign exchange exposures and steps taken by management to limit the risks of adverse exchange rate movement, if material.

xv. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

xvi. Compliance reports pertaining to all applicable laws to the Company and instances of non-compliances, if any, as well as steps taken to rectify such instances.

xvii. Updates on Succession Planning for appointment to the Board of Directors and Senior Management.

Board Procedures

The Board meetings are governed by a structured agenda. The agenda along with comprehensive notes and background material are circulated well in advance 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 important 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.

In line with the requirements of the SEBI LODR Regulations 2015 and the Companies Act, 2013, the Board at its meeting held on May 08, 2018 has evaluated the performance of all Independent Directors and has noted that the result of evaluation was satisfactory.

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 Code also provides for the duties of Independent Directors as laid down in the Companies Act, 2013. The Company has obtained confirmation of compliance with the Code from all members of the Board and Senior Management of the Company for the financial year 2017-18. As required under Regulation 34(3) read with Schedule V of the SEBI LODR Regulations 2015, the declaration on compliance of the Company's Code of Conduct signed by Joint Managing Director forms part of this Report as Annexure A.

Risk Assessment

The Board of Directors are responsible for framing, implementing and monitoring the risk management plan for the Company. The management has put in place the procedures to inform and update the Board about various risk identification, assessment and minimization procedures.

Induction and Familiarisation Programme for Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and the SEBI LODR Regulations 2015, the Company has an Induction and Familiarization process for Independent Directors that includes background material, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company.

The Directors are provided with all 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 programme are disclosed on the Company's website and can be accessed at http://www.thephoenixmills.com/ThePhoenixMillsDirectorsFamiliarizationProgramforIndependentDirectors.pdf

Board Committees

I. Audit Committee

Constitution

The Company's Board has an Audit Committee consisting of qualified members. As on March 31, 2018, the Committee comprised of one Executive and two Independent Non-Executive Directors. All members of the Audit Committee have financial knowledge and expertise as mandated by Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR Regulations 2015. Mr. Amit Kumar Dabriwala, Chairman of the Committee holds a bachelors' degree in Commerce from the Calcutta University and has expertise in accounting and financial management domain. The Company Secretary acts as the Secretary of the Committee.

Composition and Attendance

During the financial year 2017-18, 6 (Six) Audit Committee meetings were held i.e. on May 5, 2017, May 10, 2017, August 2, 2017, August 10, 2017, November 13, 2017 and February 14, 2018. 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)
Mr. Amit Kumar Dabriwala (Chairman)	Independent Director	6 (6)
Mr. Atul Ruia	Joint Managing Director	6 (6)
Mr. Shweta Vyas	Independent Director	4 (6)

Attendees

The Audit Committee invites such executives, as and when it considers appropriate to be present at the meetings. The Director – Finance, the Internal Auditors and the Statutory Auditors also remain present as invitees for the meetings of Audit Committee. Mr. Amit Kumar Dabriwala, Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on September 25, 2017.

Terms of Reference of the Audit Committee

The terms of reference of the Audit Committee are in accordance with all the items listed in Part C of Schedule II of SEBI LODR Regulations 2015 and Section 177 of the Companies Act, 2013 which are as follows:

i. Oversight of the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statements are true and accurate and provide sufficient information;

ii. Recommending to the Board, appointment, re-appointment and, if required, replacement or removal of the Statutory Auditor and 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 Directors' 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 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;
    - Modified opinion(s) in the draft audit report.

v. Reviewing with the Management, quarterly Financial Statements before submission to the Board for approval;

vi. Reviewing with the Management, performance of Statutory and Internal Auditors, adequacy of 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. 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 coverage and frequency of internal audit;

xiv. 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;

xv. 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;

xvi. Obtaining an update on the Risk Management Framework and the manner in which risks are being addressed;

xvii. Review all significant transactions and arrangements entered into by the unlisted subsidiary companies;

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. Review of 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 operations;

xxiii. Review the statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

xxiv. Review the financial statements, in particular, the investments made by unlisted subsidiaries;

xxv. Review the management letters/letters of internal control weaknesses issued by the statutory auditors;

xxvi. Review the appointment, removal and terms of remuneration of the Chief Internal Auditor;

xxvii. Review the Internal Audit Report relating to internal control weaknesses;

xxviii. Review quarterly statement of deviations including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of the SEBI LODR Regulations 2015;

xxix. Review annual statement of deviations of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI LODR Regulations 2015;

xxx. Review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter; and

xxxi. Carry out such other responsibility as may be provided by the Companies Act, 2013 and the SEBI LODR Regulations 2015.

II. Nomination and Remuneration Committee

Constitution

The Company's Board has constituted a Nomination and Remuneration Committee consisting of qualified members. As on March 31, 2018, the Committee comprises of three Non-Executive Independent Directors. Ms. Shweta Vyas, Non-Executive Independent Director is the Chairperson of the Committee. The Company Secretary acts as the Secretary of the Committee.

Composition and Attendance

During the Financial Year 2017-18, 1 (one) meeting of the Nomination and Remuneration Committee was held on February 14, 2018.

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)
Mr. Shweta Vyas (Chairman)	Independent Director	1 (1)
Mr. Sivaramakrishnan Iyer	Independent Director	1 (1)
Mr. Amit Kumar Dabriwala	Independent Director	1 (1)

Ms. Shweta Vyas, Chairperson of the Nomination and Remuneration Committee attended the last Annual General Meeting of the Company held on September 25, 2017.

Terms of reference of Nomination and Remuneration Committee
The terms of reference of the Nomination and Remuneration Committee are in accordance with Part D of Schedule II of the SEBI LODR Regulations 2015 and Section 178 of the Companies Act, 2013 which are as follows:

i. Formulate the criteria for determining qualifications, positive attributes and independence of a director;

ii. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in the 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 performance of all the Directors including Independent Directors;

vi. Carry out evaluation of every 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. Development of a succession plan for the Board and to regularly review the plan;

xi. Whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of Independent Directors;

xii. To consider any other matters as may be requested by the Board.

Performance Evaluation of Directors
Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR Regulations 2015, the Board has adopted an Annual Performance Evaluation Policy which is available on the Company's website at http://www.thephoenixmills.com/PMLAnnualPerformanceEvaluationPolicy.pdf

In terms of the criteria specified in the Policy and as per the statutory provisions, the Independent Directors had a separate meeting on February 14, 2018 without the presence of the Management in which they discussed and evaluated the performance of the Chairman, Executive Directors and Key Managerial Personnel and the Board as a whole through evaluation feedback forms. The Nomination and Remuneration Committee at its meeting held on February 14, 2018 also evaluated the performance of the Individual Directors including the Independent 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 at its meeting held on May 08, 2018 has also evaluated the performance of individual directors, Board Committees and the Board and has noted its satisfaction on the outcome.

Nomination and Remuneration Policy
The Nomination and Remuneration Committee of the Board of Directors of the Company has formulated a policy for determining qualifications, positive attributes and independence of a director and other related matters provided under sub section (3) and (4) of Section 178 of the Companies Act, 2013 which is available on the Company's website at http://www.thephoenixmills.com/PMLAnnualPerformanceEvaluationPolicy.pdf

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

Details of remuneration to Directors during FY 2017-18:
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 are eligible for sitting fees of ₹ 30,000/- and ₹ 15,000/- for attending each meeting of the Board and Audit Committee, respectively. Pursuant to the approval of the shareholders at their Annual General Meeting held on September 9, 2015, the Independent Directors' Remuneration Committee of the Board of Directors determines the quantum of commission payable to the Independent Directors and makes suitable recommendations to the Board in this regard.

The Committee has accordingly, recommended that a sum of 13,00,000/- be distributed equally among the four Independent Directors who have served on the Company's Board during the financial year 2017-18. As per provisions of the Companies Act 2013 and SEBI LODR Regulations 2015, Independent Directors are not entitled to any stock options. Except as disclosed, there are no pecuniary relationships or transactions between the non-executive directors and the Company during the last financial year 2017-18.

Details of sitting fees and commission paid to Non-Executive Independent Directors during the Financial Year 2017-18 are as under:

Name of the Director	Sitting Fees paid (₹)		*Commission to be paid (₹)
	Board Meeting	Audit Committee	
	Board Meeting	Audit Committee	
Mr. Amit Kumar Dabriwala	2,10,000	90,000	3,25,000
Mr. Amit Dalal	1,50,000	NA	3,25,000
Mr. Sivaramakrishnan Iyer	1,20,000	NA	3,25,000
Ms. Shweta Vyas	1,20,000	60,000	3,25,000
Total	6,00,000	1,50,000	13,00,000

*Commission will be paid to the Independent Directors after adoption of accounts for the financial year ended March 31, 2018 by the shareholders at the ensuing Annual General Meeting.

Executive Directors:

The appointment of 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 i.e. Mr. Ashokkumar Ruia and Mr. Atul Ruia, which is recommended by the Nomination and Remuneration Committee and approved by the Board, is within the respective limits approved by the shareholders through Postal Ballot on May 25, 2015. Mr. Shishir Shrivastava, Joint Managing Director and Mr. Pradumna Kanodia, Director Finance do not draw any remuneration from the Company.

Details of remuneration paid by the Company to Executive Directors during the Financial Year ended March 31, 2018 are given below:

Name of the Director	Designation	Salary (fixed component) (₹)	Contribution to PF (₹)	Pension (₹)	Perquisites & Allowances (₹)	Commission Payable	Performanced Link Incentive	Bonus / Incentive	Total (₹)	Stock Options Granted
Mr. Ashokkumar Ruia	Chairman & Managing Director	1,00,00,000	Nil	Nil	Nil	Nil	Nil	Nil	1,00,00,000	Nil
Mr. Atul Ruia	Jt. Managing Director	1,00,00,000	Nil	Nil	Nil	Nil	Nil	Nil	1,00,00,000	Nil

Note: Severance fees and notice period is not applicable to the Executive Directors.

Details of Stock Options granted to the Executive Directors

Pursuant to The Phoenix Mills Employees Stock Option Plan 2007, Mr. Pradumna Kanodia, Director - Finance has been granted 1,05,556 stock options on March 26, 2015 at a discount of 10% to the market price of ₹ 352/- i.e at a price of ₹ 316.80/- per share. Further, Mr. Shishir Shrivastava, Joint Managing Directors has been granted 20,000 stock options on October 24, 2016 at a discount of 10% to the market price of ₹ 371/- i.e. at a price of ₹ 333.90/- per share. The options vest over a period of 5 years from the date of grant as under:

Sr. No.	Vesting date	% of Options that shall Vest
1	12 months from the Grant Date	10%
2	24 months from the Grant Date	15%
3	36 months from the Grant Date	20%
4	48 months from the Grant Date	25%
5	60 months from the Grant Date	30%
	Total	**100%**

No other Director has been granted any stock options during the financial year 2017-18

III. Stakeholders' Relationship Committee

Constitution

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 of shareholders including, non-receipt of declared dividends, non-receipt of Annual Report, revalidation of dividend warrants, approval of requests for change of address, consolidation and split of shares, etc. The Stakeholders' Relationship Committee meets as often as required.

The Stakeholders' Relationship Committee comprises of three directors of whom one is an Independent Director. Mr. Amit Kumar Dabriwala, Independent Director chairs the meetings of the Stakeholders' Relationship Committee.

The Company Secretary acts as the Secretary to the Committee.

Composition and Attendance

During the Financial Year 2017-18, 12 (twelve) meetings of Stakeholders' Relationship Committee were held i.e. on April 20, 2017, May 16, 2017, June 15, 2017, June 21, 2017, July 15, 2017, July 27, 2017, August 10, 2017, September 27, 2017, October 24, 2017, January 8, 2018, February 27, 2018 and March 3, 2018.

The composition of the Stakeholders' Relationship Committee as on March 31, 2018 and the number of meetings attended by the Committee members during the last financial year are as under:

Committee Members	Category	No. of Meetings Attended (total held)
Mr. Amit Kumar Dabriwala (Chairman)	Independent Director	12 (12)
Mr. Ashokkumar Ruia	Chairman and Managing Director	12 (12)
Mr. Atul Ruia	Joint Managing Director	12 (12)

Mr. Amit Kumar Dabriwala, Chairman of the Stakeholders' Relationship Committee attended the last Annual General Meeting of the Company held on September 25, 2017. Ms. Puja Tandon, Company Secretary, acts as the Company's Compliance Officer and is responsible for complying with the requirements of the SEBI LODR Regulations 2015. 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 financial year 2017-18, the Company had received following complaints from shareholders/investors which were solved to the satisfaction of the shareholders/investors. There were no complaints pending as at the end of the year.

Nature of Complaints	Received	Resolved	Closing/pending
Non Receipt of Demat Share Certificate(s)	4	4	0
Transmission of Shares	1	1	0
Non Receipt of Dividend	2	2	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.

IV. 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 ('CSR') 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 an 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 2017-2018, 2 (two) meetings of Corporate Social Responsibility Committee were held on May 10, 2017 and August 10, 2017.

The composition of the Corporate Social Responsibility Committee as on March 31, 2018 and the number of meetings attended by the Committee Members during the last financial year are as under:

Committee members	Category	No. of Meetings Attended (total Held)
Mr. Ashokkumar Ruia (Chairman)	Chairman and Managing Director	2 (2)
Mr. Atul Ruia	Joint Managing Director	2 (2)
Ms. Shweta Vyas	Independent Director	2 (2)

The Company's Corporate Social Responsibility Policy is disclosed on the Company's website and can be accessed at http://www.thephoenixmills.com/CSRPolicy.pdf

V. Compensation Committee

Constitution
The Compensation Committee of the Board has been constituted in accordance with the 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. As on March 31, 2018, the Committee comprises of four directors of whom three are Independent Directors. Mr. Sivaramakrishnan 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 2017-18, 7 (seven) meetings of the Compensation Committee were held on September 13, 2017, November 8, 2017, December 5, 2017, January 29, 2018, February 27, 2018, March 16, 2018 and March 27, 2018.

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. Sivaramakrishnan Iyer (Chairman)	Independent Director	6 (7)
Mr. Atul Ruia	Joint Managing Director	7 (7)
Mr. Amit Kumar Dabriwala	Independent Director	7 (7)
Ms. Shweta Vyas	Independent Director	5 (7)

VI. Finance and Investment Committee

Constitution
The Finance and Investment Committee of the Company has been constituted to make investments in its subsidiary companies, place inter corporate deposits, advance loans to its subsidiaries or other bodies corporate and 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 2017-18, 13 (thirteen) meetings of the Finance and Investment Committee were held on April 4, 2017, April 20, 2017, April 29, 2017, May 19, 2017, May 29, 2017, June 13, 2017, July 11, 2017, August 11, 2017, September 26, 2017, October 25, 2017, December 6, 2017, December 29, 2017 and January 4, 2018.

The present composition of the Finance and Investment Committee and the number of meetings attended by the Committee Members during the financial year 2017-18 are as under:

Committee members	Category	No. of Meetings Attended (total Held)
Mr. Atul Ruia	Joint Managing Director	13 (13)
Mr. Shishir Shrivastava	Joint Managing Director	12 (13)
Mr. Pradumna Kanodia	Director – Finance	13 (13)

Corporate Governance Practices of Subsidiaries

The Board has adopted effective governance procedures and practices with respect to subsidiary companies. Minutes of the Board meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are placed before the Board of Directors of the Company on a quarterly basis. The financial Results of the subsidiary companies are presented to the Audit Committee. The details in respect of material subsidiaries have been provided separately in this report.

Pursuant to Regulation 34 of the Listing Regulations, the details of the loans and advances to subsidiaries are provided in Notes to the standalone financial statements.

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 Regulation 23 of the SEBI LODR Regulations 2015, the Board of Directors of the Company have adopted policy and procedures with regard to Related Party Transactions in order to ensure 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. The Policy intends to ensure proper approval and reporting of transactions as applicable, between the Company and its related parties 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 Company's Policy on Related Party Transaction is uploaded for viewing on 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 SEBI LODR Regulations 2015, the Board of Directors of the Company have adopted the Policy on Material Subsidiaries which sets out the criteria to identify 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 'Whistle blower Policy' in line with Section 177(9) & (10) of the Companies Act, 2013 read with Rules made thereunder and Regulation 22 of the SEBI LODR Regulations 2015 is framed and implemented with a view to provide mechanism for employees and directors of the Company to raise genuine 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 Whistle Blower 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. No personnel have been denied access to the Chairman of the Audit Committee during the FY 2017-18.

The Company's Policy on Whistle Blower/Vigil Mechanism is disclosed on 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 as a whole, 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.

V. Policy on Dividend Distribution

The Company has adopted Dividend Distribution Policy in terms of the requirement of Listing Regulations which prescribes for various internal and external parameters and factors to be considered before dividend distribution. The Board discusses and evaluates financial performance of the Company and various other factors as stated in the Dividend Distribution Policy before recommending or declaring dividend. The Policy is available on the website of the Company under the weblink http://www.thephoenixmills.com/PMLPolicies.zip and also forms part of the Directors Report as Annexure I.

Material Subsidiary Companies

As per Regulation 16(1)(c) of the SEBI LODR Regulations 2015, Palladium Constructions Private Limited and Island Star Mall Developers Private Limited qualify to be a material unlisted Indian subsidiaries of the Company for the Financial Year 2017-18. In terms of Regulation 24(1) of the SEBI LODR Regulations 2015, Mr. Amit Kumar Dabriwala, Independent Director of the Company is a Director on the Board of Palladium Constructions Private Limited and Island Star Mall Developers Private Limited.

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
2014-15	09.09.2015	03.30 P.M.	Indian Merchants' Chamber, 4th floor, Walchand Hirachand Hall, Churchgate, Mumbai – 400 020
2015-16	08.09.2016		
2016-17	25.09.2017		

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

Financial Year	Particulars of Special Resolutions Passed
2014-15	None
2015-16	None
2016-17	None

iii. The Company proposes to pass the following 2 special resolutions at the ensuing AGM

- Adoption of the new set of Articles of Association of the Company as per Companies Act, 2013.
- Revision in terms of appointment of Mr. Atul Ruia.

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 2017-18. However, post closure of the financial year and upto the date of the report, the Company has issued a Postal Ballot Notice dated April 5, 2018. As on the date of this Report, the Company does not propose to pass any resolution by way of Postal Ballot.

III. Postal Ballot / E-voting

Postal Ballot Notice dated April 5, 2018

The Company passed the following special resolutions through Postal Ballot on May 11, 2018.

i. Approval of "The Phoenix Mills Limited - Employees Stock Option Plan 2018 (PML ESOP Plan 2018)"

ii. Approval of The Phoenix Mills Limited - Employees Stock Option Plan 2018 (PML ESOP Plan 2018) for the benefit of the employees of the Subsidiary(ies) of the Company (Present and Future)

Person conducting the Postal Ballot exercise

In terms of the resolution passed by the Board of directors in its meeting held on April 5, 2018, 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 5 2018 containing draft resolutions together with the explanatory statements and the Postal Ballot forms and self-addressed envelopes to the members whose names appeared on the register of members as on Friday, April 6, 2018 (cut-off date) and others concerned.

b. In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company had provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company had 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. 5.00 p.m. on Thursday, May 10, 2018. The members who opted for the E-voting could vote on or before the business hours i.e. 5.00 p.m. on Thursday, May 10, 2018.

d. After due scrutiny of all the Postal Ballot forms / E-Voting received upto the close of the working hours on Thursday, May 10, 2018, Scrutiniser submitted his final report on Friday, May 11, 2018.

e. The results of the Postal Ballot / E-Voting were declared on Friday, May 11, 2018. The date of declaration of the results of the Postal Ballot was taken as the date of passing of the resolutions.

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 (%)
Approval of "The Phoenix Mills Limited - Employees Stock Option Plan 2018 (PML ESOP Plan 2018)"	138,616,711	104,711,865 (75.54%)	33,904,846 (24.46%)
Approval of The Phoenix Mills Limited - Employees Stock Option Plan 2018 (PML ESOP Plan 2018) for the benefit of the employees of the Subsidiary(ies) of the Company (Present and Future)	138,614,861	104,709,265 (75.54%)	33,905,596 (24.46%)

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. Significant events, if any, during the financial year, are reported to the Stock Exchange and also posted on the website of the Company from time-to-time.

II. The quarterly results are submitted to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) immediately after conclusion of 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 Regulation 17(8) of the SEBI LODR Regulations 2015, 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.

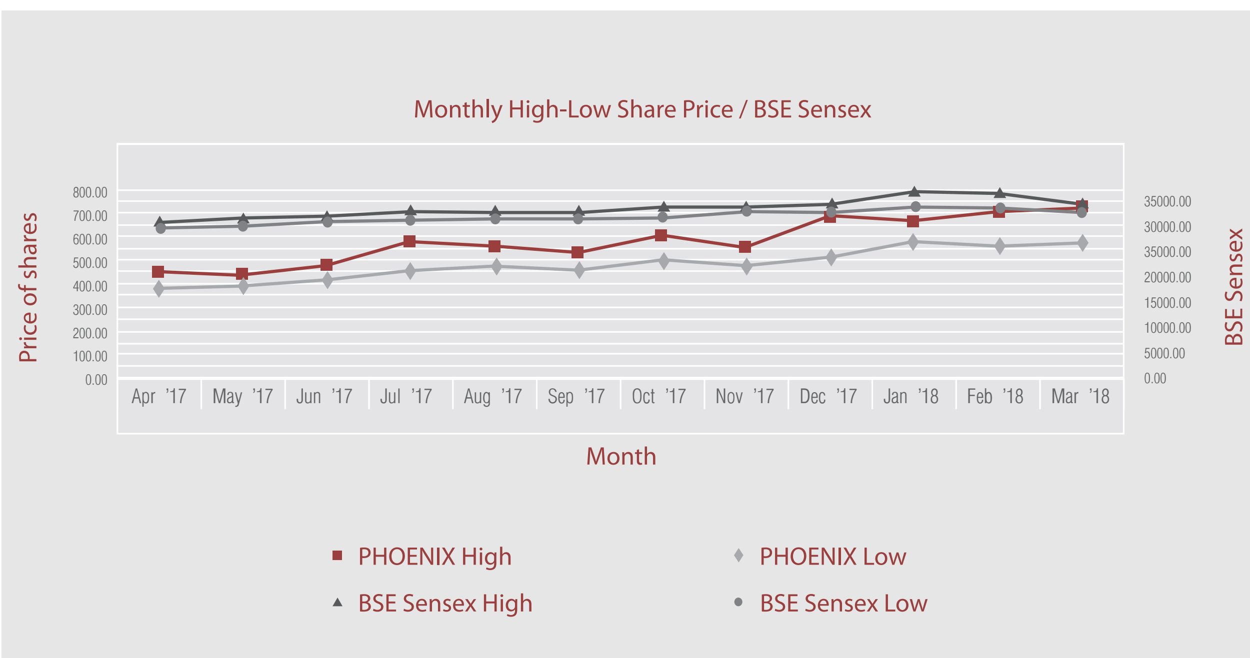
General Shareholder Information

I	**Annual General Meeting**		
	Day, Date and Time	:	Tuesday, September 18, 2018 at 4.00 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, 2018	:	8th August, 2018
	September 30, 2018	:	On or before 14th November, 2018
	December 30, 2018	:	On or before 14th February, 2019
	March 31, 2019	:	On or before 30th May, 2019
	AGM for the year ending 31st March, 2019	:	On or before 30th September, 2019
IV.	**Book Closure**	:	September 13, 2018 to September 18, 2018 (both days inclusive)
V.	**Dividend**		₹ 2.60 per equity share of ₹ 2 each (130% 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 September 30, 2018.
VII.	**Listing on Stock Exchanges**	:	The Company's securities are listed on the following Stock Exchanges **BSE Ltd.** Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 **National Stock Exchange of India Ltd.** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 The Company has already paid the annual listing fees for the year 2018-19 to the Stock Exchanges (BSE and NSE) as well as custodial fees to the depositories within the prescribed time.
VIII	**Traded Securities**		The securities of the Company have not been suspended from trading from any of the aforesaid stock exchanges during the financial year 2017-18
IX.	**Scrip Code/Symbol**	:	BSE: 503100 NSE : PHOENIXLTD
X.	**Corporate Identification Number (CIN)**	:	L17100MH1905PLC000200 Traded on the BSE Limited and National Stock Exchange of India
XI.	**Plant Locations**		The Company does not carry any manufacturing activities and hence does not have any plant locations.

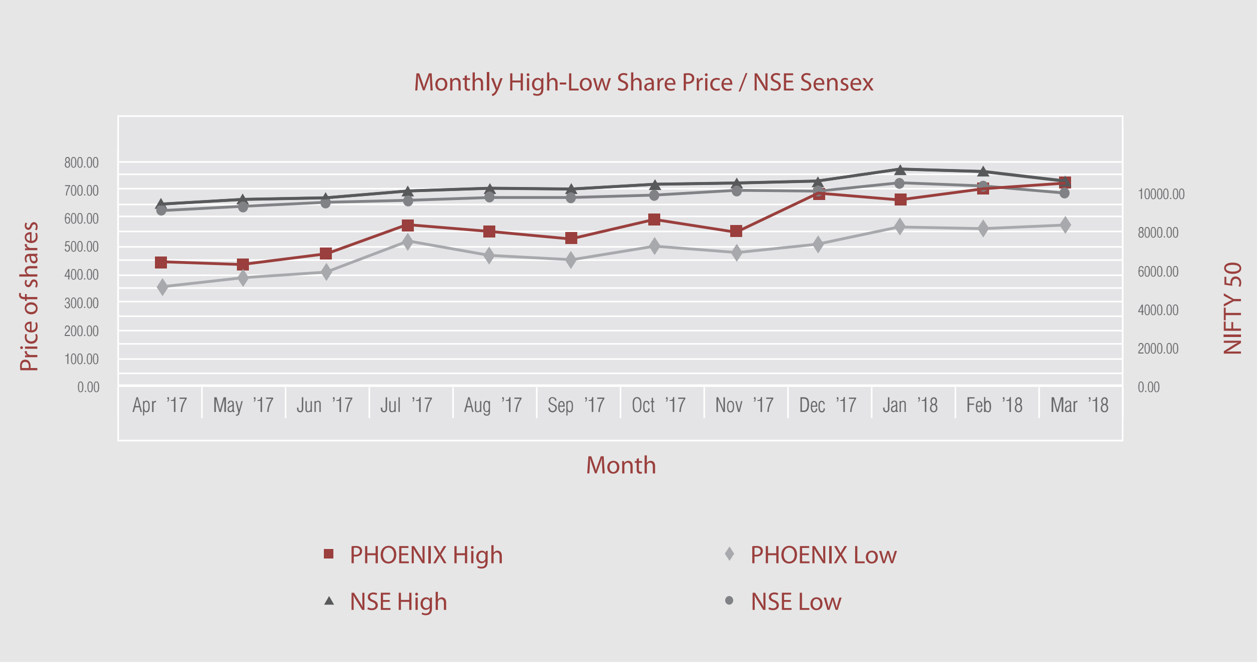
Performance in comparison with BSE Sensex and NSE Nifty

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-17	438.10	382.25	30,184.22	29,241.48	6,85,85,012
May-17	434.00	391.00	31255.28	29804.12	38,14,18,204
Jun-17	474.25	411.00	31522.87	30680.66	21,90,72,958
Jul-17	574.30	450.10	32672.66	31017.11	14,64,78,462
Aug-17	552.95	475.00	32686.48	31128.02	8,33,42,787
Sep-17	524.75	455.90	32524.11	31081.83	10,99,36,185
Oct-17	597.95	499.15	33340.17	31440.48	8,08,17,221
Nov-17	550.95	480.00	33865.95	32683.59	3,20,68,905
Dec-17	679.60	504.50	34137.97	32565.16	6,71,82,520
Jan-18	663.85	572.65	36443.98	33703.37	7,08,68,718
Feb-18	700.00	560.00	36256.83	33482.81	3,99,12,222
Mar-18	716.50	575.15	34278.63	32483.84	42,77,19,877



Month	Phoenix Mills on NSE		NIFTY		Volume
	High	Low	High	Low	(₹In Lakhs.)
Apr-17	438.85	354.00	9367.15	9075.15	10830.50
May-17	433.40	389.25	9649.6	9269.9	8140.04
Jun-17	474.45	406.00	9709.3	9448.75	10954.07
Jul-17	575.00	515.05	10114.85	9543.55	11678.39
Aug-17	553.00	468.10	10137.85	9685.55	10542.19
Sep-17	528.00	452.20	10178.95	9687.55	11581.60
Oct-17	589.00	500.00	10384.5	9831.05	11338.63
Nov-17	551.35	479.30	10490.5	10094	10750.51
Dec-17	683.00	506.35	10552.4	10033.35	15679.33
Jan-18	665.00	570.00	1171.55	10404.65	23757.96
Feb-18	699.35	561.00	11117.35	10276.3	11597.18
Mar-18	725.00	574.00	10525.5	9951.9	32144.43



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 receives the beneficiary holdings from the Depository, 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, 2018:

Sr. No.	Category	No. of Shares held	%
1.	Promoter and Promoter Group	9,62,10,882	62.82
2.	Foreign Portfolio Investor (Corporate)	4,19,23,494	27.38
3.	Mutual Funds/UTI	38,39,519	2.51
4.	Indian Public	35,62,181	2.33
5.	Private Bodies Corporate	27,67,617	1.81
6.	Foreign Institutional Investors	26,88,799	1.76
7.	Alternate Investment Funds	9,65,243	0.63
8.	Government Companies	7,86,393	0.51
9.	Others (Clearing Members, HUF & Trusts)	2,11,326	0.14
10.	Non-Residents	1,31,724	0.09
11.	Foreign Venture Capital Investors	50,000	0.03
12.	Banks/ Financial Institutions	4,562	0.00
Total		**15,31,41,740**	**100.00**

Distribution of Shareholding as at March 31, 2018:

No. of Equity Shares	No. of Shareholders	% of Total	No. of Shares	% of Total
1-500	7645	85.65	7,42,932	0.49
501 – 1000	486	5.44	3,86,301	0.25
1001 – 2000	304	3.41	4,40,696	0.29
2001 - 3000	115	1.29	2,91,082	0.19
3001 - 4000	60	0.67	2,15,765	0.14
4001 – 5000	40	0.45	1,85,434	0.12
5001 – 10000	71	0.80	5,32,251	0.35
10001 and above	205	2.30	15,03,47,279	98.18
TOTAL	**8926**	**100**	**15,31,41,740**	**100**

Dematerialization of Shares and Liquidity:
About 99.70% of the shares have been dematerialized as on March 31, 2018. 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, 2018.

Disclosure under Part F of Schedule V of the SEBI LODR Regulations 2015 in respect of unclaimed shares:
In compliance with Regulation 39(4) read with Schedule VI of the SEBI LODR Regulations 2015, the Company has opened a demat suspense account in the name of 'The Phoenix Mills Limited - Unclaimed Suspense Account' to which unclaimed shares have been transferred. Voting rights on these shares have been frozen till the rightful owner of such shares claims the shares.

Particulars	No. of shareholders	No. of equity shares
Unclaimed shares as on April 1, 2017	1435	1,534,050
Details of shareholders who approached the Company for unclaimed shares during the financial year 2017-18	28	63,800
No. of shares claimed during the financial year 2017-18	28	63,800
No. of shares transfered to IEPF demat account	896	7,47,500
Unclaimed shares as on March 31, 2018	**512**	**7,22,750**

Transfer of Shares to IEPF Demat Account:
Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, which came into effect from 7th September, 2016, shares on which dividend has not been paid or claimed for seven consecutive years or more, are to be transferred to Investor Education and Protection Suspense Account Fund (IEPF), a fund constituted by the Government of India under Section 125 of the Companies Act, 2013.

Accordingly, during the financial year 2017-18, the Company has transferred a total of 7,86,393 equity shares to the demat account of IEPF Authority on which the dividend has not been paid or claimed since 2009-10. The shareholders can claim the said shares from IEPF Authorities, by filing e-form No. IEPF-5, as prescribed under the said Rules.

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:

Financial Year	Rate of Dividend	Total pay-out	Amount paid to the shareholders	Amount unpaid to the shareholders as on March 31, 2018
2016-17	120%	36,73,98,576.00	36,39,76,464.00	34,22,112.00
Final Dividend 2015-16	22.5%	6,88,75,358.40	6,82,55,442.45	6,19,915.95
Interim Dividend 2015-16	87.5%	26,77,30,491.00	26,53,37,707.25	23,92,783.75
2014-15	110%	33,65,75,474.40	33,38,34,780.40	27,40,694.00
2013-14	110%	31,86,59,979.00	31,61,47,565.80	25,12,413.20
2012-13	110%	31,86,59,979.00	31,61,88,290.00	24,71,689.00

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:

- Transferees' PAN Cards for transfer of shares;
- Surviving joint holders' PAN Cards for deletion of name of deceased shareholder;
- Legal heirs' PAN Cards for transmission of shares;
- 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.

Details of shares held in physical and demat form as on 31st March, 2018

Category	No. of Shares	%
Physical Segment	4,70,921	0.30
Demat Segment		
NSDL (A)	5,74,64,792	37.52
CDSL (B)	9,52,06,027	62.17
Total (A+B)	15,26,70,819	99.70
TOTAL	**15,31,41,740**	**100**

Other Disclosures

Disclosure on Materially Significant Related Party Transactions

Required statements/disclosures, with respect to the related party transactions, are placed before the Audit Committee on a quarterly basis in terms of Regulation 23 of the SEBI LODR Regulations 2015 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 financial year ended March 31, 2018.

REPORT ON CORPORATE GOVERNANCE

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 the SEBI LODR Regulations 2015
The Company has complied with all the mandatory requirements of Corporate Governance as provided in the SEBI LODR Regulations 2015. The Company has also obtained a certificate from M/s. Rathi & Associates, Practicing Company Secretaries affirming the compliances which is enclosed as Annexure to the Board's Report.

Disclosure on Commodity Price Risk and Commodity Hedging
Since the Company is not engaged in the field of manufacturing goods, disclosures on commodity price risk, foreign exchange risk and commodity hedging activity are not applicable to the Company.

Compliance with the Non-Mandatory Requirements
As per Regulation 27(1) read with Part E of Schedule II to the SEBI LODR Regulations 2015, the Company has complied with the non-mandatory requirements as under:

A. The Board
The Board of the Company has an Executive Chairman of the Company hence this provision is not applicable to the Company.

B. 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.

C. Audit Qualifications
The financial statements of the Company for the Financial Year ended March 31, 2018 are unqualified.

D. Separate Posts of Chairman and CEO
For the financial year 2017-18, the position of Chairman and CEO of the Company has been kept separate. Mr. Ashokkumar Ruia performed the role of Chairman and Mr. Atul Ruia performed the role of CEO of the Company.

E. 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:

Registrar & Share Transfer Agent
Link Intime India Private Limited
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel. No.: 022-49186000
Fax No.: 022-49186060
Email: mumbai@linkintime.co.in

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

Mr. Ashokkumar Ruia
Chairman and Managing Director
DIN: 00086762

Place: Mumbai
Date: August 8, 2018

Annexure A

Code of Conduct Declaration

[Pursuant to Part D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

This is to certify that The Phoenix Mills Limited ('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 financial year ended March 31, 2018.

Shishir Shrivastava
Joint Managing Director
DIN: 01266095

Place: Mumbai
Date: June 18, 2018

Annexure B

Certification issued by CEO/CFO with respect to the Financial Statements for the Financial Year ended March 31, 2018 pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Mr. Atul Ruia, Joint Managing Director and Mr. Pradumna Kanodia, Director- Finance & Group Chief Financial Officer of The Phoenix Mills Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Audited Consolidated and Standalone Financial Results of the Company for the financial year ended March 31, 2018 along with the Audit Report from the Statutory Auditors, M/s DTS & Associates, Chartered Accountants 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 materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, or contain statements that might be misleading;
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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have also disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and what we have done or propose to do to rectify these deficiencies.
6. We have disclosed based on recent evaluation, wherever applicable, to the Company's auditors and the audit committee instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee who has a significant role in the Company's internal control system over financial reporting;
7. We have indicated to the Auditors and the Audit Committee about significant changes, if any, in internal control over financial reporting during the current financial year;
8. We have indicated to the Auditors and the Audit Committee about significant changes in the accounting policies during the period, if any, and the same has been disclosed in the notes to the financial statements;
9. We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current quarter.

Atul Ruia
Joint Managing Director
DIN: 00087396

Pradumna Kanodia
Director – Finance & Group CFO
DIN: 01602690

Place: Mumbai
Date: May 08, 2018

AUDITOR'S REPORT

To the Members of **The Phoenix Mills Limited**
Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **The Phoenix Mills Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss and(including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial Statements").

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 Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 we are 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 Ind AS standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 Ind AS Standalone 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 Ind AS Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS Standalone 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 Ind AS standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income , its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards included in these financial statements, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 10, 2017 expressed an unmodified opinion. 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act , we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

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

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

   c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

   e) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) 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 pending litigations on its financial position in its financial statements – Refer Note 35 (b) to (d) and Note 36 to the Ind AS financial statements.

      ii) The Company did not have any material foreseeable losses on 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 **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

"Annexure A" to Independent Auditors' Report referred 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 its fixed assets :

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) 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.

c) In our opinion and according to the information and explanations given to us, title deeds of immovable properties are held in the name of the company.

(ii) As Company had no inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.

(iii) The Company has not granted loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provision of Clause (iii) of paragraph 3 of the Order is not applicable to the Company.

(iv) In respect of loans, investments, guarantees and security, the Company has complied with the provisions of section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

(vi) To the best of our knowledge and explanations given to us, 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 :

a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods & 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, 2018 for a period of more than six months from the date they became payable.

b) According to the records of the Company and the information and explanations given to us, the disputed dues on account of income tax, sales tax, service tax, goods & service tax, duty of customs, duty of excise, value added tax, cess amounting to ₹ 3736.16 Lakhs that have not been deposited before appropriate authorities are as under :

Name of Statute	Nature of Dues	₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax 1961	Income Tax	789.15	A.Y 2011-12	CIT (Appeals)
Income Tax 1961	Income Tax	552.65	A.Y 2012-13	CIT (Appeals)
Income Tax 1961	Income Tax	894.36	AY 2013-14	CIT (Appeals)
Income Tax 1961	Income Tax	1500.00	AY 2015-16	CIT (Appeals)
	Total	**3736.16**		

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to a financial institution or bank or government. Company has not issued any debentures..

(ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) and in case of term loans taken by the company, the same were applied for the purpose for which those were raised.

(x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) In our opinion and according to the information and explanations given to us, the company has neither made any preferential allotment of shares nor made any fully or partly convertible debenture during the year under review. Therefore, the clause (xii) of paragraph 3 of the Order is not applicable to the company

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.

(xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

"Annexure B" to Independent Auditors' Report referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date.

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

We have audited the Internal Financial Control over financial reporting of **The Phoenix Mills Limited** ("the company") as of 31st March, 2018 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

BALANCE SHEET
AS AT 31ST MARCH 2018

₹ in Lakhs

	Particulars	Note no.	As at 31st March 2018	As at 31st March 2017
	ASSETS			
1	**Non-current assets**			
	a) Property, plant and equipment	6	63,778.70	60,575.63
	b) Capital work-in-progress	6	10,718.73	14,343.24
	c) Other intangible assets	6	1.15	0.72
	d) Financial assets			
	i) Investments	7	2,36,679.22	2,28,260.47
	ii) Loans	8	530.25	789.76
	iii) Other Financial assets	9	4,145.46	3,860.71
	e) Deferred tax assets (net)	10	1,012.27	900.38
	f) Other non-current assets	11	7,701.35	10,753.12
	(A)		**3,24,567.13**	**3,19,484.03**
2	**Current assets**			
	a) Financial assets			
	i) Trade receivables	12	1,853.70	1,922.10
	ii) Cash and cash equivalents	13	580.82	683.34
	iii) Bank Balance other than above	14	14.84	14.84
	iv) Loans	8	15,876.84	10,596.08
	v) Other Financial assets	9	4,487.11	3,474.63
	b) Current Tax Assets (net)	15	2,166.29	1,542.72
	c) Other current assets	11	413.23	875.81
	(B)		**25,392.83**	**19,109.52**
	TOTAL ASSETS (A + B)		**3,49,959.96**	**3,38,593.55**
	EQUITY AND LIABILITIES			
1	**Equity**			
	a) Share capital	16	3,062.83	3,061.34
	b) Other equity	17	2,53,780.41	2,40,147.08
	(A)		**2,56,843.24**	**2,43,208.42**
	Liabilities			
2	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	18	61,418.81	57,507.05
	b) Provisions	19	66.14	73.56
	c) Other non-current liabilities	20	12,922.23	11,083.51
	(B)		**74,407.18**	**68,664.12**
3	**Current liabilities**			
	a) Financial liabilities			
	i) Borrowings	21	1,291.18	10,257.24
	ii) Trade Payables	22	1,668.76	1,689.92
	iii) Other financial liabilities	23	9,862.11	8,169.31
	b) Provisions	19	27.73	6.76
	c) Other current liabilities	20	5,859.76	6,597.78
	(C)		**18,709.54**	**26,721.01**
	TOTAL EQUITY AND LIABILITIES (A+B+C)		**3,49,959.96**	**3,38,593.55**

Significant Accounting Policies and Notes on Financial Statements 1 to 53

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

For and on behalf of the Board of Directors

Ashokkumar R. Ruia
(Chairman & Managing Director)
DIN - 00086762

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Atul Ruia
(Jt. Managing Director)
DIN - 00087396

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Puja Tandon
(Company Secretary)
M.No.A21937

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lakhs

Particulars		Note no.	For the year ended 31st March 2018	For the year ended 31st March 2017
Revenue from operations		24	39,721.11	37,590.48
Other income		25	5,267.99	5,507.40
Total Income			**44,989.10**	**43,097.88**
Employee Benefits Expense		26	1,719.64	1,387.98
Finance costs		27	7,449.53	8,127.19
Depreciation and Amortization expense		28	4,029.42	3,006.60
Other expenses		29	12,779.18	10,822.59
Total Expenses			**25,977.77**	**23,344 .36**
Profit before exceptional items and tax			**19,011.33**	**19,753.52**
Less: Exceptional Items		40	-	3,500.00
Profit before Tax			**19,011.33**	**16,253.52**
Tax expense:		51		
- Current Tax			3,640.00	3,381.56
- Deferred Tax			(111.89)	(482.81)
Profit for the year from continuing operations	**(A)**		**15,483.22**	**13,354.77**
Other comprehensive income				
a) Item that will not be reclassified to Profit or Loss				
i) Re-measurment gain of the net defined benefit plans			(2.10)	1.61
ii) Change in fair value of Equity Investments			974.13	(90.32)
iii) Realised Gain on sale of Equity Investments			294.19	-
b) Income Tax relating to the Item that will not be reclassified to Profit or Loss			(0.73)	(0.34)
Other Comprehensive Income	**(B)**		**1,265.49**	**(89.05)**
Total Comprehensive Income	**(A+B)**		**16,748.71**	**13,265.73**
Earnings Per Share (Face Value ₹ 2)				
Basic EPS		34	**10.11**	**8.73**
Diluted EPS			**10.09**	**8.71**

Significant Accounting Policies and Notes on Financial Statements 1 to 53

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

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Puja Tandon
(Company Secretary)
M.No.A21937

CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31ST MARCH, 2018

₹ in Lakhs

		For the year ended 31st March 2018		For the year ended 31st March 2017	
A Cash Flows from Operating Activities					
Net Profit before tax as per the Statement of Profit and Loss			**19,011.33**		16,253.52
Adjustments for :					
Depreciation		**4,029.42**		3,006.60	
Exceptional Item		-		3,500.00	
Profit on assignment of rights / transfer of property under development		-		(24.69)	
Loss on Sale of Fixed Assets		-		0.46	
Net gain arising on financial assets measured at FVTPL		**(0.44)**		(96.62)	
Balances written back		-		(98.03)	
Balances in Debtors/Advances written off		-		22.91	
Provision for Doubtful Debts and Advances		**83.28**		(111.39)	
Interest Expenses		**7,449.53**		8,317.54	
Interest Income		**(1,873.81)**		(4,622.38)	
Dividend Income		**(3,281.67)**		(5.68)	
Profit on sale of Investments		**(1.80)**		(186.82)	
			6,404.51		9,701.90
Operating Cash flow before working capital changes			**25,415.84**		25,955.42
Adjustment for Working Capital changes :					
Trade and other Receivables		**3,321.67**		(2,946.27)	
Trade and other Payables		**1,062.33**		306.79	
			4,384.00		(2,639.48)
Cash generated from Operations			**29,799.84**		23,315.94
Direct Taxes Paid			**(4,263.57)**		(4,598.81)
Net Cash from Operating Activities	A		**25,536.27**		18,717.13
B Cash Flows from Investing Activities					
Purchases of Property, Plant & Equipments		**(3,608.94)**		(10,575.30)	
Inter Corporate Deposits & Loans (placed)/refunded (Net)		**(5,021.25)**		59,641.23	
Purchase of shares of Subsidiaries/Associates		**(23,344.14)**		(56,098.11)	
Sale of shares of Subsidiaries/Associates		**14,927.32**		330.17	
Sale of Mutual Fund		**250.31**		6,141.15	
Purchase of Mutual Fund		**(250.00)**		(6,125.00)	
Purchase/Sale of other Investments		**1,658.67**		(6,085.00)	
Interest Received		**2,745.59**		4,625.19	
Movement in Other Bank Balances [Net]		**(284.00)**		(687.01)	
Capital Advance		**(1,707.19)**		-	
Dividend Received		**3,281.67**		5.68	
Net Cash generated from/(used in) Investing Activities	B		**(11,351.96)**		(8,827.00)

₹ in Lakhs

		For the year ended 31st March 2018	For the year ended 31st March 2017
C Cash Flows from Financing Activities			
Proceed from long term borrowings		**3,911.76**	15,500.50
Repayment of long term borrowings		**(7,233.25)**	(7,554.76)
Repayment of short term borrowings		-	(15,000.00)
Proceeds from Issue of Shares (Net of issue expenses)		**247.15**	215.69
Interest paid		**(7,467.01)**	(8,634.43)
Dividend paid (including tax on Dividend)		**(3,745.48)**	(860.88)
Net Cash generated from/(used in) Financing Activities	C	**(14,286.83)**	(16,333.89)
D Net Increase/(Decrease) in Cash and Cash Equivalents	**A+B+C**	**(102.52)**	**(6,443.76)**
Cash and Cash equivalents at the beginning of the year		**683.34**	7,127.10
Cash and Cash equivalents at the end of the year (Refer Note No.13)		**580.82**	683.34

Notes:-

1 Components of cash and cash equivalents:		
Cash on hand	2.93	2.74
Balance with scheduled bank	577.89	680.60
	580.82	**683.34**

2 Change in liability arising from financing activities:

	1st April 2017	Cash flow	31st March 2018
Borrowings - Non current	57,507.05	3,911.76	61,418.81
Borrowings - Current	17,558.54	(7,233.25)	10,325.29

Significant Accounting Policies and Notes on Financial Statements 1 to 53

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

For and on behalf of the Board of Directors

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(Director Finance)
DIN - 01602690

Puja Tandon
(Company Secretary)
M.No.A21937

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2018

(a) Equity share capital

(₹ in Lakh)

As at 1st April 2016	Changes in equity share capital during the year	As at 1st April 2017	Changes in equity share capital during the year	As at 31st March 2018
3,059.78	1.56	3,061.34	1.49	3,062.83

(b) Statement of changes in Other equity

(₹ in Lakh)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income		Total Other Equity
	Retained Earnings	Capital Reserve	General Reserve	Securities Premium	Share Based Payment Reserve	Equity Instruments at FVOCI	Remeasurement of net defined benefit plans	
Balance as at 1st April, 2016	**69,477.40**	**184.14**	**22,917.65**	**1,34,325.83**	**42.56**	**358.75**	**19.91**	**2,27,326.23**
Profit for the year	13,354.77	-	-	-				**13,354.77**
Employee stock option expenses	-	-	-	-	169.25			**169.25**
Remeasurements gains/(loss) on defined benefit plan	-	-	-	-	-	-	1.61	**1.61**
Change in fair value of Equity Instruments at FVOCI	-	-	-	-	-	(90.32)	-	**(90.32)**
Premium on issue of Shares during the year	-	-	-	214.13	-	-	-	**214.13**
Transaction with shareholders								**-**
Final Dividend	(688.45)	-	-	-	-	-	-	**(688.45)**
Tax on Dividend	(140.15)	-	-	-	-	-	-	**(140.15)**
Balance as at 31st March 2017	**82,003.57**	**184.14**	**22,917.65**	**1,34,539.96**	**211.81**	**268.43**	**21.52**	**2,40,147.08**
Profit for the year	15,483.22	-	-	-				**15,483.22**
Employee stock option expenses	-	-	-	-	393.17			**393.17**
Remeasurements gains/(loss) on defined benefit plan	-	-	-	-	-	-	(2.83)	**(2.83)**
Change in fair value of Equity Instruments at FVOCI	-	-	-	-	-	974.13	-	**974.13**
Realised Gain on Sales of Equity Investments						294.19		**294.19**
Premium on issue of Shares during the year	-	-	-	245.66	-	-	-	**245.66**
Transaction with shareholders								**-**
Final Dividend	(3,670.75)	-	-	-	-	-	-	**(3,670.75)**
Tax on Dividend	(83.46)	-	-	-	-	-	-	**(83.46)**
Balance as at 31st March 2018	**93,732.58**	**184.14**	**22,917.65**	**1,34,785.62**	**604.98**	**1,536.75**	**18.69**	**2,53,780.41**

Significant Accounting Policies and Notes on Financial Statements 1 to 53

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

For and on behalf of the Board of Directors

Ashokkumar R. Ruia
(Chairman & Managing Director)
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(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia
(Director Finance)
DIN - 01602690

NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018

1) Corporate Information:

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.

The Company is engaged in the development and leasing of commercial and retail space. The principal place of business is at High Street Phoenix, 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting held on 8th May, 2018.

2) Basis of preparation of financial statements:

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Financial statements provide comparative information in respect of the previous year.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes on Financial Statements and are applied consistently to all the periods presented.

3) Significant Accounting Policies:

a) Functional and presentation of currency:

The financial statements are presented in Indian Rupees, which is the Company's functional currency and all amounts are rounded to the nearest rupees in lakhs.

b) Basis of measurement:

The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities which are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.
- Share Based Payments measured at fair value.

c) Use of Estimates :

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in Note 4. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

d) Property, Plant and Equipment:

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

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

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

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the Written down Value method to allocate their cost, net of their residual values, over their estimated useful lives as specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

e) Intangible assets:

Identifiable intangible assets are recognised when the Company controls the asset & it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation methods and periods

Estimated useful lives of Intangible assets are considered as 5 years. Intangible assets are amortised over its useful life using the straight-line method. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

f) Impairment of Non – Financial Assets:

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

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

g) Financial Instruments:

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

Financial Assets and investments

i) Initial recognition and measurement:

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

ii) Subsequent recognition and measurement:

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

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

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

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

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

- **Investment in Subsidiary and Associates:**
  The company has accounted for its Investment in subsidiaries and associates at cost.

iii) Derecognition:

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;
  a) The Company has transferred substantially all the risks and rewards of the assets,
  b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Financial Liabilities:

i) Initial recognition and measurement:

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

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

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

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

Gains or losses on liabilities held for trading are recognised in the statement of profit & loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

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

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

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

h) Impairment of Financial assets:
The company assesses impairment based on expected credit losses (ECL) model to the following:
- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Company follows 'simplified approach' for recognition of impairment loss allowance on

- ***Trade receivables or contract revenue receivables.***

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

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

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

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

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

i) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Foreign currency transactions:

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit & loss.

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

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

l) Equity share capital:

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

m) Revenue Recognition:

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

Revenue from license fees and other operating services

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

Interest income

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

Dividends

Dividends are recognised when the right to receive the payment is established.

n) Employees benefits:

(i) Short-term Employee benefits:

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

(ii) Post-employment benefits

a. Defined Contribution Plan

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

b. Defined benefit plan

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

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

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

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

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

(iii) Other long-term benefits

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

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

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

(iv) Share-based payments

Share-based compensation benefits are provided to employees of the group via Employee Stock Option Plan of The Phoenix Mills Limited.

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

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

  The total expense, other than in respect of options granted to employees of group companies, is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The cost of options granted to employees of group companies is debited to the cost of the investment of the respective companies. At the end of each period, the company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit & loss / Investment, with a corresponding adjustment to other equity.

o) Borrowing Cost:

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

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

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

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

p) Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

q) Provisions and contingencies:

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

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

r) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Use of significant accounting estimates, judgments and assumptions

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

(a) Depreciation and useful lives of Property, Plant and Equipment

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

(b) Investment Property

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

(c) Recoverability of trade receivables

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

(d) Defined Benefit plans

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

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

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

(g) Impairment of financial assets:
The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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

5. Standards Issued but not Effective:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers
Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS
The MCA has also carried out amendments of the following accounting standards:
i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
ii) Ind AS 40 - Investment Property (Not applicable to the company)
iii) Ind AS 12 - Income Taxes
iv) Ind AS 28 - Investments in Associates and Joint Ventures and
v) Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

Note 6
PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

	Freehold Land	Right on Leasehold Land	Building	Plant and Machinery	Vehicle	Office Furniture and Equipment	Computer Software	Total	Capital Work in Progress
Gross Block									
As at 01.04.2016	106.70	697.61	56,800.73	3,455.69	436.92	5,479.03	2.82	66,979.50	
Addition	-	-	18,433.87	269.77	135.27	522.80	-	19,361.71	
Disposal/Transfer						(114.49)		(114.49)	
As at 31.03.2017	**106.70**	**697.61**	**75,234.60**	**3,725.46**	**572.19**	**5,887.34**	**2.82**	**86,226.72**	
Addition	-	-	4,502.28	888.63	0.18	1,841.87	0.68	7,233.64	
Disposal/Transfer			-			-		-	
As at 31.03.2018	**106.70**	**697.61**	**79,736.88**	**4,614.09**	**572.37**	**7,729.21**	**3.50**	**93,460.36**	
Accumulated Depreciation									
As at 01.04.2016		**49.45**	**16,160.05**	**2,077.15**	**257.76**	**4,191.20**	**1.92**	**22,737.53**	
Depreciation charge for the year			2,100.99	308.84	74.85	521.74	0.18	3,006.60	
Disposal/Transfer						(93.04)		(93.04)	
As at 31.03.2017		**49.45**	**18,261.04**	**2,385.99**	**332.62**	**4,619.90**	**2.10**	**25,651.09**	
Depreciation charge for the year			2,882.10	366.67	68.56	711.84	0.25	4,029.42	
Disposal/Transfer						-		-	
As at 31.03.2018	**-**	**49.45**	**21,143.14**	**2,752.66**	**401.17**	**5,331.74**	**2.35**	**29,680.51**	
Net Book Value									
As at 31.03.2017	**106.70**	**648.16**	**56,973.55**	**1,339.48**	**239.59**	**1,267.43**	**0.72**	**60,575.63**	**14,343.24**
As at 31.03.2018	**106.70**	**648.16**	**58,593.74**	**1,861.43**	**171.20**	**2,397.47**	**1.15**	**63,779.85**	**10,718.73**

6.1) Capital Work in progress includes pre operative expenses of ₹ 3370.14 Lakhs (31st March 2017 ₹ 3324.24 Lakhs) refer note no 37.
6.2) Building includes 10 Shares in Sukhsagar Premises Co-op Society Ltd. of ₹ 50 each - ₹ 500

NOTE 7

NON CURRENT INVESTMENTS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
A. INVESTMENT MEASURED AT COST				
1. INVESTMENT IN EQUITY INSTRUMENTS				
i. SUBSIDIARY COMPANIES				
(Equity Shares of face value of ₹ 10/- each fully paid-up unless otherwise stated)				
839,744 (31st March 2017: 75,000) - Alliance Spaces Pvt Ltd.	2,784.73		240.73	
2 (31st March 2017 : Nil) - Alyssum Developers Private Limited (C.Y. ₹ 2,000)	0.00		-	
4,387,120 (31st March 2017: 4,387,120) - Bellona Hospitality Services Limited (Refer Note 7.1)	443.12		440.15	
25,585,930 (31st March 2017: 25,585,930) - Big Apple Real Estate Pvt. Ltd.	17,143.89		17,143.89	
1,250 (31st March 2017: 1,250) - Butala Farm Lands Pvt. Ltd. ₹ 100 each	2,500.00		2,500.00	
10,000 (31st March 2017: 10,000) - Enhance Holdings Pvt. Ltd.	3.85		3.85	
Nil (31st March 2017: 967,000) - Gangetic Hotels Pvt Ltd #	-		630.20	
15,318 (31st March 2017: Nil) - Gracework Realty & Leisure Pvt Ltd	1,000.00		-	
19,802,606 (31st March 2017: 28,676,473) - Island Star Mall Developers Pvt. Ltd. @ (Refer Note 7.1)	12,095.52		27,022.84	
100,000 (31 March 2017: Nil) - Insight Hotels & Leisures Pvt Ltd. @	10.00		-	
100,000 (31st March 2017: 100,000) - Market City Management Pvt Ltd.	10.00		10.00	
10,000 (31st March 2017: 10,000) - Market City Resources Pvt. Ltd. (Refer Note 7.1)	324.53		121.55	
9,280 (31st March 2017: 9,280) - Mugwort Land Holdings Pvt. Ltd	0.93		0.93	
31,579,841 (31st March 2017: 26,398,456) - Offbeat Developers Private Limited (Refer Note 7.1)	46,856.74		37,708.48	
17,272,662 (31st March 2017: 17,192,079) - Palladium Constructions Pvt Ltd. # (Refer Note 7.1)	22,574.20		21,900.78	
1,200,000 (31st March 2017: 1,200,000) - Pallazzio Hotels & Leisure Ltd. ₹ 100 each @ (Refer Note 7.1)	1,211.03		1,203.59	
1,321,400 (31st March 2017: 1,321,400) - Phoenix Hospitality Services Private Limited @	15,416.35		15,416.35	
10,000 (31st March 2017: 10,000) - Pinnacle Real Estate Development Pvt. Ltd.	399.94		399.94	
10,000 (31st March 2017: 10,000) - Plutocrate Asset & Capital Management Co. Pvt. Ltd.	350.00		350.00	
2 (31st March 2017: Nil) - Sparkle One Developers Private Limited (C.Y. ₹ 2000)	0.00		-	
50,000 (31st March 2017: 50,000) - Savannah Phoenix Pvt Ltd	5.65		5.65	
23,022,664 (31st March 2017: 19,669,139) - Vamona Developers Pvt. Ltd. @ (Refer Note 7.1)	23,286.35		11,918.28	
		1,46,416.83		**1,37,017.20**

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
ii. ASSOCIATES				
(Equity Shares of face value of ₹ 10/- each fully paid-up)				
3,849,058 (31st March 2017: 3,709,416) - Classic Mall Development Pvt. Limited@ (Refer Note 7.1)	10,666.57		8,161.46	
5,208 (31st March 2017: 5,208) - Classic Housing Projects Pvt. Ltd.	49.50		49.50	
626 (31st March 2017: Nil) - Starboard Hotels Pvt Ltd	0.14		-	
		10,716.21		**8,210.96**
2. INVESTMENT IN PREFERENCE SHARES				
i. SUBSIDIARY				
(Redeemable Preference Shares of Rs 10/- each fully paid-up)				
2,968,592 (31st March 2017: Nil) - Island Star Mall Developers Pvt. Ltd.	5,000.00		-	
784,000 (31st March 2017: 784,000) - Savannah Phoenix Private Limited	78.40		78.40	
		5,078.40		**78.40**
3. INVESTMENT IN DEBENTURES				
i. SUBSIDIARY				
(Compulsorily Convertible Debentures of Rs 100/- each fully paid-up)				
847,365 (31st March 2017: 847,365) - Zero Coupon Pallazzio Hotels & Leisure Ltd - Series C	6,277.79		6,277.79	
303,180 (31st March 2017: 303,180) - 0.0001% Phoenix Hospitality Co. Pvt. Ltd.	303.18		303.18	
449,664 (31st March 2017: 449,664) - Zero coupon Pallazzio Hotels & Leisure Ltd - Series G	6,349.26		6,349.26	
615,184 (31st March 2017: 615,184) - Zero coupon Pallazzio Hotels & Leisure Ltd - Series H	8,246.54		8,246.54	
769,440 (31st March 2017: 769,440) - 0% Pallazzio Hotels & Leisures Ltd.-CCD-B Series	5,120.00		5,120.00	
397,616 (31st March 2017: 397,616) - 0.0001% - Savannah Phoenix (P) Limited	287.50		287.50	
(Non Convertible Debenture of ₹ 230,000,000/- each fully paid-up)				
1 (31st March 2017: 1) - Pallazzio Hotels & Leisure Ltd - Series F	2,300.00		2,300.00	
(Optionally Fully Convertible Debentures of ₹ 100/- each fully paid-up unless otherwise stated)				
Nil (31st March 2017: 2,890,000) - 0.0001% Alliance Space Pvt Ltd.	-		2,890.00	
4,975,400 (31st March 2017: 3,648,900) - 0.0001% Bellona Hospitality Services Limited	4,975.40		3,648.90	
1,750,000 (31st March 2017: 4,250,000) - 0.0001% Blackwood Developers Pvt Ltd.(₹ 10/- each fully paid up)	175.00		425.00	
Nil (31st March 2017: 87,000,000) - 4% Gangetic Hotel Pvt Ltd. (₹ 10/- each fully paid up)#	-		8,700.00	
4,310,000 (31st March 2017: 7,000,000) - 0.0001%Graceworks Realty & Leisure Pvt Ltd.	4,310.00		7,000.00	
16,046,066 (31st March 2017: 16,046,066) - Pallazzio Hotels & Leisures Ltd	16,046.07		16,046.07	

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
2,341,350 (31st March 2017: 2,325,000) - 0.0001%Phoenix Hospitality Company Pvt.Ltd.	2,341.35		2,325.00	
95,290 (31st March 2017: 93,290) - 0.0001% Savannah Phoenix Private Limited	95.29		93.29	
6,000,000 (31st March 2017: Nil) - 0.0001% Offbeat Developers Pvt Ltd.	6,000.00		-	
ii. ASSOCIATE				
(Compulsorily Convertible Debentures of ₹ 100/- each fully paid-up)				
1,383,999 (31st March 2017: 1,383,999) 0.0001% - Star Board Hotels (P) Limited	1,384.00		1,384.00	
(Optionally Convertible Debentures of ₹ 100/- each fully paid-up)				
3,00,000 (31st March 2017: 3,00,000) 0.0001% Series B - Classic Housing Projects Pvt. Ltd.	300.00		300.00	
1,20,000 (31st March 2017: 1,20,000) 0.0001% Series C - Classic Housing Projects Pvt. Ltd.	120.00		120.00	
		64,631.38		**71,816.53**
B. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT & LOSS				
(Equity Shares of face value of ₹ 10/- each fully paid-up, unless otherwise stated)				
36,325 (31st March 2017: 36,325) - I.C.I.C.I. Bank Limited - face value of ₹ 2 each **	101.13		100.66	
20 (31st March 2017: 20)- Clariant Chemicals (India) Ltd.	0.11	**101.24**	0.14	**100.80**
C. INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
(Equity Shares of face value of ₹ 10/- each fully paid-up, unless otherwise stated)				
60,192 (31st March 2017: 60,192) - GKW Limited	337.08		304.91	
151,551 (31st March 2017: 200,641) - Graphite India Limited - face value of ₹ 2 each	1,100.94		225.12	
5,000 (31st March 2017: 5,000) - Bartraya Mall Development Co. Pvt. Ltd	0.50		0.50	
20,593,192 (31st March 2017: 20,593,192) - EWDPL (India) Pvt. Ltd. (Refer Note.41)	4,501.25		4,501.25	
10 (31st March 2017: 10) - Treasure World Developers (India) Pvt. Ltd. (Refer Note.41)	0.09		0.09	
80 (31st March 2017: 80) ordinary shares of ₹ 25/- each -fully paid of Rashtriya Mazdoor Madhyavarti Sahakari Grahak Sangh (Maryadit)	0.02		0.02	
Compulsorily Convertible Debentures of ₹ 100/- each fully paid-up				
34,000 (31st March 2017: 34,000) - 0.0001% Escort Developers Pvt Limited	34.00		34.00	
66,500 (31st March 2017: 66,500) - 0.0001% Phoenix Retail Pvt. Limited	66.50		66.50	
38,545 (31st March 2017: 38,545) - 0.0001% Vigilant Developers Pvt. Limited	38.55		38.55	

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
(Compulsorily Convertible Debentures of ₹ 10/- each fully paid-up)				
100,000,000 (31st March 2017: 100,000,000) - Treasure World Developers Pvt. Ltd. (Refer Note No.41)	10,000.00		10,000.00	
(Optional Convertible Debentures of ₹ 100/- each fully paid-up)				
39,925,600 (31st March 2017: 41,000,000) 0.0001%Insight Hotels & Leisure Pvt Ltd.(₹ 10/- each fully paid up)	3,992.56		4,100.00	
Nil (31st March 2017:21,000,000) 0.0001%Roomy Constrution Company Pvt Ltd.(₹ 10/- each Fully paid up)	-		2,100.00	
		20,071.49		**21,370.93**
D. INVESTMENT IN THE CAPITAL OF PARTNERSHIP FIRM (MEASURED AT COST)				
Phoenix Construction Company		188.67		**190.65**
Total Investments		**2,47,204.22**		**2,38,785.47**
Less: Provision for diminution in the value of investments (Refer Note No.41)		10,525.00		10,525.00
Total Investments		**2,36,679.22**		**2,28,260.47**

₹ in Lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017
1. Aggregate Value of Quoted Investment		
Book Value	1,539.26	630.83
Market Value	1,539.26	630.83
2. Aggregate Book Value of other Unquoted Investment	2,45,664.96	2,38,154.64

@ 70% shares of Island Star Mall Developers Private Limited held by the Company , 30% shares of Pallazzio Hotels & Leisure Limited , 29.50% shares of Phoenix Hospitality Company Private Limited & 48.19% shares of Classic Mall Developments Private Limited, are held subject to a non-disposal undertaking to the lender bank stating that it shall not dispose / transfer /pledge /encumber these shares owned/held in the company until the loans taken by these companies are fully repaid to the bank.
** Out of 36,325 shares, 9,975 shares are held by a Bank in their name as security
# Out of 1,72,72,662 Shares of Palladium, 80,583 Shares acquired during the year on account of merger of Gangetic Hotels Pvt Ltd in the ratio of 12:1

Note 7.1 Investments in subsidiaries & Associates includes cost of ESOP granted to employees of respective subsidiaries & Associates as under :

₹ in Lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017
Marketcity Resources Pvt Ltd	254.00	69.49
Offbeat Developers Pvt Ltd	30.04	16.45
Palladium Construction Pvt Ltd	43.22	15.69
Island Star Mall Developers Pvt. Ltd.	17.77	10.53
Vamona Developers Pvt Ltd	19.09	9.21
Classic Mall Developers Company Pvt Ltd	13.11	7.10
Pallazzio Hotels & Leisures Ltd	7.44	3.59
Bellona Hospitality Services Ltd	2.98	1.44
Total	**387.65**	**133.50**

Category wise Non Current Investment

₹ in Lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017
Financial Assets Measured at Cost	2,27,031.51	2,17,313.74
Financial Assets Measured at Fair value through Other Comprehensive Income	20,071.47	21,370.93
Financial Assets Measured at Fair value through Profit & Loss account	101.24	100.80
Total	**2,47,204.22**	**2,38,785.47**

NOTE 8
LOANS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Inter Corporate Loans and Deposits (Unsecured)				
With Related Parties (Considered Good) #	11,435.63	-	7,404.52	259.51
With Others				
Considered Good	1,843.55	300.00	1,346.01	300.00
Considered Doubtful	757.25	-	757.25	-
	2,600.80	300.00	2,103.26	300.00
Less: Provision for Doubtful Receivables	(757.25)	-	(757.25)	-
	1,843.55	300.00	1,346.01	300.00
Other Loans				
With related Party #	1,298.43	-	-	-
With others	1,299.23	230.25	1,845.55	230.25
Total	**15,876.84**	**530.25**	**10,596.08**	**789.76**

Refer Note 33

NOTE 9
OTHER FINANCIAL ASSETS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Interest Accrued on Fixed Deposits	33.69	0.75	29.88	-
Interest Accrued on Investments (CY: Non Current Amount ₹ 228)	1,432.52	0.00	1,432.51	-
Interest Accrued on ICD				
From related parties #	849.91	-	1,805.98	-
From Others	285.99	-	206.26	-
Advance to Related Parties #	1,885.00	-	-	-
Other Bank Balance *	-	4,144.71	-	3,860.71
Total	**4,487.11**	**4,145.46**	**3,474.63**	**3,860.71**

* Fixed Deposits of ₹ 4,102.17 Lakhs (31st March 2017: 3,818.17 Lakhs) earmarked towards maintenance of DSRA as per loan agreement and Fixed deposits of ₹ 42.54 Lakhs (31st March 2017: 42.54 Lakhs) is given as security for bank guarantee.
# Refer Note No.33

NOTE 10

DEFERRED TAX ASSETS (NET)

Deferred Tax is calculated, in full, on all temporary timing differences under the Balance sheet approach using prevailing tax rate. The movement on the deferred tax account is as follows:

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
At start of year	900.38	417.57
Charge/(credit) to profit or loss (Refer Note 51)	111.89	482.81
At the end of the year	**1,012.27**	**900.38**
Deferred Tax Liability	-	-
Deferred Tax Assets		
Related to Property, plant and Equipment	693.23	567.19
Disallowances under Income Tax Act, 1961	319.04	333.19
Total	**1,012.27**	**900.38**

NOTE 11

OTHER ASSETS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Unsecured, Considered Good				
Deposits with Related Parties #	-	5,567.75	150.00	5,517.75
Other Deposits *	-	488.25	-	379.86
Capital Advances				
Advance for Capital Items to Related Parties #	-	891.81	-	900.75
Others	-	512.70	-	681.56
Other Advances				
Related Party #	-	-	-	3,200.00
Others	401.62	240.84	409.25	73.20
Balance with Government Authorities	-	-	272.58	-
Unbilled Revenue	11.61	-	43.98	-
Total	**413.23**	**7,701.35**	**875.81**	**10,753.12**

Refer Note No. 33

* Deposit include rent deposit of ₹ 5,517.75 Lakhs (31st March, 2017 ₹ 5,537.75) to Private limited companies in which any director is a Director/Member

NOTE 12
TRADE RECEIVABLES

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Unsecured		
Considered Good	1,853.70	1,922.10
Considered Doubtful	819.12	782.55
	2,672.82	2,704.65
Less: Provision for Doubtful Receivables	819.12	782.55
Total	**1,853.70**	**1,922.10**

Trade Receivables include ₹ Nil (31st March 2017: ₹11.74 Lakhs) from private companies in which a director is a director / member

NOTE 13
CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Cash on hand		
Balances with Banks:	2.93	2.74
In Current Accounts		
In Dividend Accounts	392.65	504.09
	185.24	176.51
Total	**580.82**	**683.34**

NOTE 14
BANK BALANCE OTHER THAN ABOVE

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Deposit with Bank (Maturity more than 3 months & less than 12 months)	14.84	14.84
Total	**14.84**	**14.84**

(Refer note no. 35(d))

NOTE 15
CURRENT TAX ASSETS (NET)

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Advance Tax (Net of Provisions)	2,166.29	1,542.72
Total	**2,166.29**	**1,542.72**

Movement in Provision:		
At start of the year	**1,542.72**	**325.47**
Charge for the year	3,640.00	3,381.56
Tax paid during the year	4,263.57	4,598.81
At the end of the year	**2,166.29**	**1,542.72**

NOTE 16

SHARE CAPITAL

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Authorized capital		
225,000,000 Equity Shares (31st March 2017: 225,000,000) of ₹ 2 each	4,500.00	4,500.00
Total	**4,500.00**	**4,500.00**

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Issued, subscribed and paid-up capital		
Equity share capital		
153,141,740 Equity Shares (31st March 2017: 153,066,907) of ₹ 2 each	3,062.83	3,061.34
Total	**3,062.83**	**3,061.34**

Note 16.1 Reconciliation of Shares.

	As at 31st March, 2018	As at 31st March, 2017
Equity Shares outstanding at the beginning the year	15,30,66,907	15,29,88,852
Add : Issued during the year on exercise of employee options	74,833	78,055
Equity Shares outstanding at the end of the year	**15,31,41,740**	**15,30,66,907**

Note 16.2

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.

Note 16.3 Shares in the Company held by each shareholder holding more than 5 % Shares

	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ruia International Holding Company Private Limited	4,93,47,248	32.22	4,93,47,248	32.24
Senior Holdings Private Limited.	1,54,90,049	10.11	1,54,90,049	10.12
Radhakrishna Ramnarain Private Limited.	1,16,67,800	7.62	1,16,67,800	7.63
Ashok Apparels Private Limited.	96,70,665	6.31	96,70,665	6.32

Note 16.4 Issue of shares for ESOP

During the period of five years immediately preceeding the reporting date, the company has issued total 304,388 shares (2017: 229,555) on exercise of options granted under the Employees Stock Options (ESOP), wherein part consideration was received in the form of employee services.

NOTE 17

OTHER EQUITY

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017
Capital Reserve			
As per last Balance Sheet		**184.14**	**184.14**
General Reserve			
As per last Balance Sheet		**22,917.65**	**22,917.65**
Securities Premium			
As per last Balance Sheet	**1,34,539.96**		1,34,325.83
Add: On issue of shares	**245.66**		214.13
		1,34,785.62	**1,34,539.96**
Share Based Payment Reserve			
As per last Balance Sheet	**211.81**		42.56
Add: ESOP Cost for the year	**393.17**		169.25
		604.98	**211.81**
Retained Earnings			
Surplus in Profit & Loss Account			
As per last Balance Sheet	**82,003.57**		69,477.40
Add : Profit for the Current Year	**15,483.22**		13,354.77
	97,486.79		82,832.17
Final Dividend (₹ 2.40/- Per share) (P.Y. ₹0.45/-)	**(3,670.75)**		(688.45)
Tax on Dividend	**(83.46)**		(140.15)
		93,732.58	**82,003.57**
Other Comprehensive Income			
Equity Instruments at FVOCI			
As per last Balance Sheet	**268.43**		358.75
Add/(Less) For the year	**1,268.32**		(90.32)
At the end of Year		**1,536.75**	**268.43**
Remeasurement of net defined benefit plans			
As per last Balance Sheet	**21.52**		19.91
Add/(Less) For the year	**(2.83)**		1.61
At the end of Year		**18.69**	**21.52**
		2,53,780.41	**2,40,147.08**

Nature & Purpose of Reserves & Surplus

1) Capital Reserve: Capital reserve represents reserve created pursuant to the business combinations upto year end.

2) Securities Premium Reserve: Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

3) Share Based Payment Reserve: Reserve relates to stock options granted by the Group to employees under an employee stock options plan.

4) General Reserve: General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

NOTE 18
BORROWINGS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
SECURED				
Term Loans from Banks	9,034.11	61,418.81	7,301.30	57,507.05
(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 on pari passu basis.)				
Less: Amount disclosed under the head "Other Financial Liabilities" Refer Note.23	(9,034.11)	-	(7,301.30)	-
Total	**-**	**61,418.81**	**-**	**57,507.05**

₹ in Lakhs

Maturity Profile			
FY 2018-2019	9,034.11	**FY 2019-2020**	10,134.93
FY 2020-2021	11,352.89	**FY 2021-2022**	12,672.55
FY 2022-2025	27,258.44		

NOTE 19
PROVISIONS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Provision for Employee Benefits				
Gratuity	3.00	3.22	1.50	0.40
Leave Encashment	24.73	62.92	5.26	73.16
Total	**27.73**	**66.14**	**6.76**	**73.56**

NOTE 20
OTHER LIABILITIES

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non Current	Current	Non Current
Advance from Prospective Buyers	-	-	573.28	-
Income Received in Advance	37.39	-	19.19	-
Security Deposits from Occupants/Licencees	2,934.37	12,922.23	3,196.83	11,083.51
Stautory Dues	317.58	-	188.11	-
Others #	2,570.42	-	2,620.37	-
Total	**5,859.76**	**12,922.23**	**6,597.78**	**11,083.51**

Others include Advance of ₹ 1,918.80 Lakhs (31st March 2017 : 1,918.80 Lakhs) Received against the Debentures of TWDL (Refer Note No.41)

NOTE 21
BORROWINGS

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Secured		
Working Capital Loans	1,291.18	10,257.24
(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 on pari passu basis.)		
Total	**1,291.18**	**10,257.24**

NOTE 22
TRADE PAYABLES

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Micro and Small Enterprises #	-	-
Others	1,668.76	1,689.92
Total	**1,668.76**	**1,689.92**

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year as at March 31, 2018 and March 31, 2017. The above information, regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.
The disclosure pursuant to the said Act is as under:

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
a) Principal amount due to supplier under MSMED Act, 2006	-	-
b) Interest accrued and due on the above amount, unpaid	-	-
c) Payment made beyond the appointed day during the year	-	-
d) Interest paid	-	-
e) Interest due and payable for the period of delay	-	-
f) Interest remaining due and payable in succeeding year	-	-

NOTE 23
OTHER FINANCIAL LIABILITIES

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Current Maturities of Long Term Debts (Refer Note 18)	9,034.11	7,301.30
Interest Accrued but not due	368.12	385.60
Unpaid Dividends #	185.24	176.50
Creditors for Capital Items	274.64	305.91
Total	**9,862.11**	**8,169.31**

No amounts due and outstanding to be credited to Investor Education & Protection Fund

NOTE 24
REVENUE FROM OPERATIONS

₹ in Lakhs

	2017-18	2016-17
Sale of Services		
License Fees and Rental Income	**30,223.40**	28,370.73
Service Charges	**4,407.34**	4,291.38
Others	**5,090.37**	4,928.37
Total	**39,721.11**	**37,590.48**

NOTE 25
OTHER INCOME

₹ in Lakhs

		2017-18	2016-17
Interest Income			
From Investments in Debt Instruments	0.01		0.00
(Current Year ₹ 658/- Previous Year ₹ 156/-)			
From Financial Instruments carried at amortised cost	1,873.81		4,622.38
From Income Tax Refund	-		263.52
		1,873.82	4,885.90
Dividend Income		**3,281.67**	5.68
Net gain arising on financial assets measured at FVTPL		**0.44**	96.62
Profit on sale of Investments		**1.80**	186.82
Miscellaneous Receipts		**110.26**	209.67
Profit on assignment of rights / transfer of property under development		-	24.69
Sundry Balances written back		-	98.02
Total		**5,267.99**	**5,507.40**

NOTE 26
EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

	2017-18	2016-17
Salaries, Wages & Bonus	**1,566.15**	1,295.92
Contribution to Provident Fund & Other Funds	**32.35**	27.60
Gratuity and Leave encashment	**23.19**	18.98
Share based payment cost	**56.55**	27.28
Staff Welfare Expenses	**41.40**	18.20
Total	**1,719.64**	**1,387.98**

NOTE 27
FINANCE COSTS

₹ in Lakhs

	2017-18	2016-17
Interest Expenses	**7,217.59**	8,015.58
Other Borrowing Costs	**231.94**	111.61
Total	**7,449.53**	**8,127.19**

NOTE 28
DEPRECIATION AND AMORTISATION EXPENSE

₹ in Lakhs

	2017-18	2016-17
Depreciation and Amortisation	**4,029.42**	3,006.60
Total	**4,029.42**	**3,006.60**

NOTE 29
OTHER EXPENSES

₹ in Lakhs

		2017-18	2016-17
Electricity		**4,307.12**	4,132.56
Repairs and Maintenance:-			
Buildings	788.56		584.52
Plant & Machinery	409.67		336.27
Others	187.40		151.01
		1,385.63	1,071.80
Insurance		**77.48**	69.15
Rent		**23.97**	24.00
Rates & Taxes		**803.66**	792.40
Water Charges		**185.92**	257.04
Legal and Professional charges		**1,419.15**	984.42
Travelling Expenses		**125.52**	123.69
Auditors' Remuneration (Ref Note 29.1)		**39.50**	60.00
Directors' sitting fees & Commission		**6.60**	18.85
Compensation		**175.80**	157.40
Donation		**208.43**	111.00
Loss on Sale of Property, Plant and Equipment		**-**	0.46
Advertisement & Sales Promotion		**1,621.45**	1,302.00
Provision for Doubtful Debts		**83.28**	(88.48)
Rebate and settlement		**53.69**	81.17
Bank charges		**1.54**	3.98
Housekeeping and other services		**953.81**	866.82
Security Charges		**697.18**	490.36
Sundry Balances written off		**5.96**	-
Share of Loss from a Partnership Firm		**1.98**	1.85
Miscellaneous Expenses		**601.51**	362.12
Total		**12,779.18**	**10,822.59**

NOTE 29.1

AUDITORS' REMUNERATION

₹ in Lakhs

Particulars	2017-18	2016-17
Audit fees	39.50	53.50
Tax Audit	-	6.50
Total	**39.50**	**60.00**

30. Disclosure as per Ind As – 19 "Employee Benefits".

(A) Expenses recognised for Defined Contribution Plan :

Employer's Contribution to Provident and Pension Fund ₹ 29.67 Lakhs (PY ₹ 25.37 Lakhs).
Employer's Contribution to ESIC ₹ 1.09 Lakhs (PY ₹ 0.44 Lakhs)

The Company makes contributions towards provident fund and pension fund for qualifying employees to the Regional Provident Fund Commissioner.

(B) Expenses recognised 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.

i) Change in Defined Benefit Obligation during the year

₹ in Lakhs

Particulars	2017-18	2016-17
	Gratuity (Funded)	Gratuity (Funded)
Present value of the obligation at the beginning of the year	101.79	91.89
Current Service Cost	7.76	7.55
Interest Cost	7.86	7.47
Actuarial (Gain) / Loss on Obligation	0.99	(2.15)
Benefits Paid	(17.67)	(2.97)
Present value of the obligation at the end of the year	100.73	101.79

ii) Change in Fair Value of Assets and Obligations

₹ in Lakhs

Particulars	2017-18	2016-17
	Gratuity (Funded)	Gratuity (Funded)
Fair value of Plan Assets at the beginning of the year	99.89	86.95
Expected Return on plan assets	7.19	6.51
Contribution	6.20	9.94
Benefits paid during the year	(17.67)	(2.96)
Actuarial (gain)/loss on Plan Asset	(1.10)	(0.54)
Fair value of Plan Assets at the end of the year	94.51	99.90

iii) Amount to be recognized in Balance sheet

₹ in Lakhs

Particulars	2017-18	2016-17
	Gratuity (Funded)	Gratuity (Funded)
Present Value of Defined Benefit Obligation	100.73	101.79
Fair value of Plan Assets at the end of the year	94.51	99.89
Amount to be recognized in Balance sheet	6.22	1.90

iv) Current/Non-Current bifurcation

₹ in Lakhs

Particulars	2017-18	2016-17
	Gratuity (Funded)	Gratuity (Funded)
Current Benefit Obligation	3.00	1.50
Non - Current Benefit Obligation	3.22	0.40

v) Expense recognised in the statement of Profit and Loss for the year

₹ in Lakhs

Particulars	2017-18	2016-17
	Gratuity (Funded)	Gratuity (Funded)
Current Service Cost	7.76	7.55
Interest cost on Obligation	0.66	0.96
Net Actuarial (Gain) / Loss recognised in the year	-	-
Net Cost Included in Personnel Expenses	8.42	8.51

vi) Recognised in Other Comprehensive (Income)/Loss at Period-End

₹ in Lakhs

Particulars	2017-18	2016-17
	Gratuity (Funded)	Gratuity (Funded)
Amount recognized in OCI, Beginning of Period	(21.52)	(19.91)
Remeasurement due to :		
Effect of Change in financial assumptions	(5.89)	1.44
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	6.88	(3.59)
Actuarial (Gains)/Losses	0.99	(2.15)
Return on plan assets (excluding interest)	1.10	0.54
Total remeasurements recognized in OCI	2.83	(1.61)
Amount recognized in OCI, End of Period	**(18.69)**	**(21.52)**

vii) Maturity profile of defined benefit obligation

Particulars	2017-18	2016-17
Within the next 12 months	15.79	9.52
between 2 to 5 Years	33.76	47.39
between 5 to 10 Years	51.18	39.24

viii) Actuarial Assumptions used for estimating defined benefit obligations

Particulars	2017-18	2016-17
Discount Rate	7.50% P.A.	7.70% P.A.
Salary Escalation Rate	7.50% P.A	7.50% P.A.
Expected Return on Plan Assets	7.50%	8.50%
Mortality Rate	IALM (2006-08)	IALM (2006-08)
Withdrawal Rate	5.00%	5.00%
The Weighted Average Duration of the Plan	11.58 years	10.89 years
No. of Employees	114	102
Average Age	37.51	38.95
Total Salary	59.14	47.09
Average Salary	0.52	0.46
Average Service	6.72	8.28
Accrued Benefit	138.49	125.09
Actuarial Liability	100.73	101.79

Notes:

1. Salary escalation rate is arrived after taking into account regular increments, price inflation and promotion and other relevant factors such as supply and demand in employment market.
2. Discount rate is based on prevailing market yields of Indian Government Securities as at balance sheet date for estimated term of obligations.
3. Attrition rate/ withdrawal rate is based on Company's policy towards retention of employees, historical data and industry outlook.
4. Expected contribution to defined benefit plans for financial year 2018-19 is ₹ 3/- Lakhs. (P.Y. ₹ 1.50 Lakhs.)
5. The above information is certified by actuary.

ix) Sensitivity analysis:

Increase/ (decrease) on present value of defined benefits obligations at the end of the year:

₹ in Lakhs

Particulars	Effect on Gratuity obligation		
	Change in assumption	2017-18	2016-17
Discount rate	+1%	93.74	94.98
	-1%	108.72	109.59
Salary Escalation rate	+1%	103.29	104.74
	-1%	97.70	98.43
Withdrawal rate	+1%	103.22	103.54
	-1%	97.84	99.74

These gratuity plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk
A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk
The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

C) Unfunded Schemes – Earned Leaves

₹ in Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Present value of unfunded obligations	87.65	78.42
Expenses recognised in the statement of profit and loss	14.77	10.47
In Other comprehensive income		
Actuarial (Gain) / Loss - Plan liabilities	-	-
Actuarial (Gain) / Loss - Return On Plan Assets	-	-
Net (Income)/ Expense For the period Recognized in OCI	-	-
Discount rate (per annum)	8.25%	7.50%
Salary escalation rate (per annum)	7.50%	7.50%

31. The Company is mainly engaged in real estate activities catering to Indian customers. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 - Operating Segments. Managing Director (the 'Chief Operational Decision Maker' as defined in Ind AS 108) monitors the operating results of the company's business for the purpose of making decisions about resource allocation and performance assessment.

The revenues from transactions with a single customer does not exceed 10 per cent or more of the company's revenues.

32. The company provides units at its mall on License basis for which it charges license fee. The license agreements are generally for the period of 1 year to 5 years. The terms also provide for escalation of License fees and other charges on a periodical basis. Generally, the company has a right to terminate the license agreement by giving 6 months notice.

33. In view of the Ind As 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31st March 2018 is as under:

a) **RELATIONSHIPS**
Category I : Subsidiaries of the Company (Control Exists)
Alliance Spaces Private Limited
Alyssum Developers Private Limited (Subsidiary from 17/03/2017)
Big Apple Real Estate Private Limited
Bellona Hospitality Services Limited
Blackwood Developers Private Limited
Butala Farm Lands Private Limited
Enhance Holding Private Limited
Gangetic Developers Private Limited
Graceworks Realty & Leisure Private Limited
Insight Hotels & Leisures Private Limited (Subsidiary from 05/05/2017)
Island Star Mall Developers Private Limited
Market City Management Private Limited
Marketcity Resources Private Limited
Mugwort Land Holdings Private Limited

Offbeat Developers Private Limited
Palladium Constructions Private Limited
Pallazzio Hotels and Leisure Limited
Phoenix Hospitality Company Private Limited
Pinnacle Real Estate Development Private Limited
Plutocrat Assets and Capital Management Private Limited
Sangam Infrabuild corporation Private Limited
Sparkle One Mall Developers Private Limited (Subsidiary from 29/08/2017)
Savannah Phoenix Private Limited
Upal Developers Private Limited
Vamona Developers Private Limited

Category II : Associates of the Company
Classic Housing Projects Private Limited
Classic Mall Development Company Private Limited
Columbus Investment Advisory Private Limited (Associates from 04/10/2017)
Mirabel Entertainment Private Limited
Starboard Hotels Private Limited

Category III : Key Managerial Personnel

Key Person	Designation
Ashokkumar Ruia	Chairman & Managing Director
Atul Ruia	Jt. Managing Director
Shishir Shrivastava	Jt. Managing Director

Category IV : Enterprises over which Key Managerial Personnel are able to exercise significant control
R.R.Hosiery Private Limited
R.R. Hosiery
Phoenix Construction Company
Phoenix Retails Private Limited
Vigilance Developers Private Limited
Padmashil Hospitality & Leisures Private Limited

Category V : Relatives of Key Managerial Personnel
Gayatri Ruia

b. Transactions during the year:

(₹ in Lakhs)

	TRANSACTIONS	Category I	Category II	Category III	Category IV	Category V	Total
1	Rent, Compensation & Other recoveries	428.13	75.59	-	-	19.53	523.25
		(170.63)	(66.89)	-	-	(19.19)	(256.71)
2	Interest Received	1,215.06	31.44	-	-	-	1,246.50
		(3,428.55)	(580.48)	-	-	-	(4,009.03)
3	Interest Paid	-	-	-	-	-	-
		-	(1,116.16)	-	-	-	(1,116.16)
4	Administrative & other exp.	1,053.19	-	-	-	54.93	1,108.12
		(730.04)	-	-	-	(55.69)	(785.73)
5	Remuneration/Salaries/Other Expenses	-	-	203.27	-	-	203.27
		-	-	(201.38)	-	-	(201.38)
6	Loss From Firm	-	-	-	1.98	-	1.98
		-	-	-	(1.85)	-	(1.85)
7	ICD Taken	-	-	-	-	-	-
		-	(100.00)	-	-	-	(100.00)

(₹ in Lakhs)

	TRANSACTIONS	Category I	Category II	Category III	Category IV	Category V	Total
8	ICD Repaid	-	-	-	-	-	-
		-	(15,100.00)	-	-	-	(15,100.00)
9	ICD Returned by parties	41,519.25	345.00	-	-	-	41,864.25
		(85,725.71)	(9,084.18)	-	-	-	(94,809.89)
10	ICD Given	42,775.10	345.00	-	-	-	43,120.10
		(31,787.35)	(2,600.00)	-	-	-	(34,387.35)
11	Advance Given	1,885.00	-	-	-	-	1,885.00
		-	-	-	-	-	-
12	Deposit Given	-	-	-	-	-	-
		(100.00)	-	-	-	-	(100.00)
13	Deposit Returned by the parties	-	-	-	-	-	
		(16,457.54)	-	-	-	-	(16,457.54)
14	Loan Given	-	-	-	-	-	-
		-	-	-	-	-	-
15	Loan repaid by parties	1,130.68	-	-	-	-	1,130.68
		-	-	-	-	-	-
16	Investment in Shares	5,000.00	-	-	-	-	5,000.00
		-	-	-	-	-	-
17	Investment in OFCD/CCD	9,504.41	-	-	-	-	9,504.41
		(44,132.84)	-	-	-	-	(44,132.84)
18	ICD Interest Written Off	-	-	-	-	-	-
		(3,500.00)	-	-	-	-	(3,500.00)
19	Share/OCD/OFCD Application money given	9,716.00	-	-	-	-	9,716.00
		(39,012.84)	-	-	-	-	(39,012.84)
20	Share/OCD/OFCD Application money returned	9,716.00	-	-	-	-	9,716.00
		-	-	-	-	-	-
21	OCD /OFCD redeemed	16,790.00	-	-	-	-	16,790.00
		-	-	-	-	-	-

c) The following balances were due from / to the related parties as on 31-03-2018

(₹ in Lakhs)

	PARTICULARS	Category I	Category II	Category III	Category IV	Category V	Total
1	Investment in Equity Shares / Preference shares	1,51,495.23	10,716.21	-	-	-	1,62,211.44
		(1,37,095.60)	(8,210.96)	-	-	-	(1,45,306.56)
2	Investment in OCD/CCD	66,819.94	1,804.00	-	105.05	-	68,728.99
		(70,012.53)	(1,804.00)	-	(105.05)	-	(71,921.58)
3	Investment in Capital of Partnership Firm	-	-	-	188.67	-	188.67
		-	-	-	(190.65)	-	(190.65)
4	Advances Given	2,756.81	20.00	-	-	-	2,776.81
		(4,080.75)	(20.00)	-	-	-	(4,100.75)
5	Inter Corporate Deposits	11,435.63	-	-	-	-	11,435.63
		(7,664.03)	-	-	-	-	(7,664.03)
6	Interest Accrued on ICD	849.91	-	-	-	-	849.91
		(1805.98)	-	-	-	-	(1805.98)
7	Loans Given	1,298.43	-	-	-	-	1,298.43
		-	-	-	-	-	-

(₹ in Lakhs)

	PARTICULARS	Category I	Category II	Category III	Category IV	Category V	Total
8	Advances Received	1.50	-	-	1.50	-	3.00
		(1.50)	-	-	(1.50)	-	(3.00)
9	Trade Receivables	11.62	33.20	-	-	4.25	49.06
		(143.09)	-	-	(11.74)	-	(154.83)
10	Trade Payables	45.60	1.32	-	219.22	-	266.14
		(4.60)	(1.32)	-	(219.24)	-	(225.16)
11	Deposits Given	50.00	-	-	5,517.75	-	5,567.75
		(50.00)	-	-	(5,517.75)	-	(5,567.75)

Note : Figures in brackets are pertaining to the previous year.

1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
2. Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. These balances are unsecured and their settlement occurs through the normal banking channel.
3. Administrative expenses paid to subsidiaries include ₹ 630.00 Lakhs (P.Y. ₹ 503.21 Lakhs) paid to Marketcity Resources Pvt Ltd towards the provision of personnel services including one of the key managerial personnel.

Compensation of key management personnel:

The remuneration of director and other member of key management personnel during the year was as follows:

₹ in Lakhs

Particulars	2017-18	2016-17
Short-term benefits	203.27	201.38
Other long term benefits	56.42	53.50

34. EARNING PER SHARE (EPS)

₹ in Lakhs

Basic as well as Diluted EPS	2017-18	2016-17
Net Profit after Tax (₹ in Lakhs)	15,483.22	13,354.77
Weighted Average No. of Equity Shares for Basic EPS	15,30,86,782	15,30,49,774
Dilution due to ESOPs Granted	4,31,331	2,86,219
Weighted Average No. of Equity Shares for Diluted EPS	15,35,18,113	153,335,993
Nominal Value of Equity Shares (₹)	2	2
Basic Earning Per Share (₹)	10.11	8.73
Diluted Earning Per Share (₹)	10.09	8.71

35. 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 ₹ 2844.17 Lakhs (P.Y. ₹ 2987.26 Lakhs) net of advance paid.

b. The Income tax assessments of the Company have been completed up to Assessment Year 2015-16. The disputed tax demand outstanding upto the said Assessment Year is ₹ 5148.72 Lakhs (P.Y. ₹ 2726.22 Lakhs). The Company as well as the Income Tax Department are in appeal before the Appellate Authorities. The impact thereof, if any, on the tax position can be ascertained only after the disposal of the 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 ₹ Nil (P.Y. ₹ 203.08 Lakhs) to the company, against which the company has filed an appeal with the Service Tax Tribunal. During the year the company received the Tribunal's decision in it's favour.

d. Demand notices received on account of arrears of Provident Fund dues aggregating to ₹ 24.72 Lakhs (P.Y. ₹ 24.72 Lakhs) are disputed by the Company. The Company has paid ₹ 10 Lakhs and has also furnished a Bank Guarantee for ₹ 14.71 Lakhs against the said P.F. demands to the P.F. authorities.

e. Other Claims against the company not acknowledged as debts of ₹ 83.96/- Lakhs (P.Y ₹83.96/- Lakhs)

f. Outstanding guarantees given by Banks of ₹23.10 Lakhs (P.Y. ₹ 27.70 Lakhs).

The above litigations in "b" and "d" are not expected to have any material adverse effect on the financial position of the company.

36. Municipal Corporation of Greater Mumbai has raised demand of ₹ 1193.13 Lakhs towards property tax up to 31st March, 2018 As per the interim order of Bombay High Court 50% of the property tax demand has been paid by the company. The balance amount would be payable on the final outcome of the petition. The Company has made the necessary provisions in the books on conservative basis.

37. Project Development Expenditure

(In respect of Projects upto 31st March 2018, included under Capital Work-in-Progress)

Preoperative Income / Expenses transferred to capital work-in-progress:-

₹ in Lakhs

Particulars	2017-18	2016-17
As at the Beginning of the year	3324.24	3,048.39
Interest & Finance Charges	-	229.95
Property Taxes Provision/ net of Reversal	45.90	45.90
As at the end of the year	**3370.14**	**3,324.24**

38. Loans and Advances in the nature of Loans given to Subsidiaries and Associates:

₹ in Lakhs

Sr. No.	Particulars	Relationship	As at 31st March 2018	Maximum balance during the year	As at 31st March 2017	Maximum balance during the year
1	Pinnacle Real Estate Developers Private Limited	Subsidiary	3.21	12.80	12.80	531.08
2	Enhance Holding Private Limited	Subsidiary	1293.22	1293.22	1,293.22	1,293.22
3	Butala Farm Lands Private Limited	Subsidiary	2.00	2.00	2.00	2.00
4	Vamona Developers Private Limited	Subsidiary	564.65	3376.00	Nil	5,791.14
5	Bellona Hospitality Services Limited	Subsidiary	3742.53	4323.21	4,873.21	4,873.21
6	Phoenix Hospitality Co. Private Limited	Subsidiary	503.34	503.34	316.73	2,505.70
7	Pallazio Hotels & Leisures Limited	Subsidiary	1861.00	1861.00	1,861.00	33,748.54
8	Graceworks Realty & Leisures Limited	Subsidiary	0.04	1480.00	785.68	11,073.63
9	Upal Developers Private Limited	Subsidiary	Nil	Nil	Nil	1,819.79
10	Offbeat Developers Private Limited	Subsidiary	Nil	13075.51	259.51	11,453.58
11	Big Apple Real Estate Private Limited	Subsidiary	Nil	Nil	Nil	2,448.17
12	Gangetic Hotels Private Limited *	Subsidiary	Nil	Nil	Nil	8,837.40
13	Blackwood Developers (P) Ltd	Subsidiary	51.24	325.09	65.86	1,266.30

₹ in Lakhs

Sr. No.	Particulars	Relationship	As at 31st March 2018	Maximum balance during the year	As at 31st March 2017	Maximum balance during the year
14	Alliance Spaces Private Limited	Subsidiary	NIl	1010.00	265.19	4,050.00
15	Palladium Constructions Private Limited	Subsidiary	5427.85	11513.00	Nil	Nil
16	Plutocrate Asset & Capital Management Private Limited	Subsidiary	40.56	40.56	Nil	Nil
17	Insight Hotels & Leisures Limited	Subsidiary	94.34	94.34	Nil	Nil
18	Starboard Hotels Private Limited	Associate	Nil	345.00	Nil	8,461.75

*The Company has merged into Palladium Constructions Pvt.Ltd. (Fellow Subsidiary) wef 27/10/2017

Notes :

(i) Butala Farm Lands Private Limited is having investment in equity shares of fellow subsidiary company - Vamona Developers Private Limited.

(ii) Phoenix Hospitality Co. Private Limited is having investments in equity shares of fellow Subsidiaries - Alliance Spaces Private Limited and Palladium Constructions Private Limited as well as in the Associate company – Starboard Hotels Private Limited.

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 and 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, 385 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. Exceptional items for the previous year ended 31st March, 2017 pertains to the reversal of interest of ₹ 3,500 lakhs accrued on loan advanced to wholly owned subsidiary Pallazzio Hotels & Leisure Ltd.

41. The Company carries, as at the year end, Investments of ₹4,501.25 lakhs in the equity shares of Entertainment World Developers Limited (EWDL), ₹ 10,000 lakhs in FCDs of Treasure world Developers Pvt. Ltd. (TWDPL), subsidiary of EWDL and interest accrued thereon, upto 31-03-2012, of ₹ 1,432.51 lakhs (net of TDS). The company had exercised the put option available as per the Share and Debenture Subscription Deed for the said FCDs in earlier year against which EWDL has paid a part amount of ₹ 1,918.80 Lakhs in November 2013. Pending receipt of the balance consideration, the amount received has not been adjusted against the investments/ accrued Interest and has been shown under other liability. The Networth of EWDL/TWDPL has been eroded as per latest available unaudited accounts as at 31-03-2015. The Company's Board has, out of abundant caution and as a prudent practice in line with the standard accounting practices, made an impairment provision of ₹ 2,100 Lakh in the year ended 31st March 2016 and ₹ 8,425 Lakh for the year ended 31st March 2015. While the Company would continue its efforts for the recovery of the dues against the put option exercised by it on the FCDs, in the opinion of the Board, considering the realisable value of assets of EWDL & its subsidiaries, the impairment provisions against these investments are adequate.

42. Capital work in progress includes ₹ 10,511.29 Lakhs (P.Y. ₹ 10,465.39 Lakhs) comprising mainly the cost incurred on acquiring long term tenancies on the plot of land admeasuring 7617.51 sq mtrs at High Street Phoenix. The Company is exploring various alternatives for the development of the said plot of land.

43. 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 there from, if any.

44. Additional information as required under Section 186 (4) of the Companies Act, 2013 :

a. Investment made in Body Corporate are mentioned in Note 7.

b. No Guarantee is given by the Company.

c. Loans given by the company to Body Corporate or Person are as under:

₹ in Lakhs

Particulars	As at 31s March, 2018	Purpose
Bellona Hospitality Services Limited	3742.53	General Corporate Purpose
Butala Farm Lands Private Limited	2.00	General Corporate Purpose
Enhance Holding Private Limited	1293.22	General Corporate Purpose
Pallazio Hotels & Leisures Limited	1861.00	General Corporate Purpose
Phoenix Hospitality Co. Private Limited	503.34	General Corporate Purpose
Pinnacle Real Estate Developers Private Limited	3.21	General Corporate Purpose
Vamona Developers Pvt Ltd.	564.65	General Corporate Purpose
Graceworks Realty & Leisures Limited	0.04	General Corporate Purpose
Plutocrate Asset & Capital Management Private Limited	40.56	General Corporate Purpose
Palladium Construction Pvt Ltd	5427.85	General Corporate Purpose
Insight Hotels & Leisures Limited	94.34	General Corporate Purpose
Blackwood Developers Pvt Ltd	51.24	General Corporate Purpose
Academy Printers Pvt Ltd.	25.33	General Corporate Purpose
Accuraform Pvt Ltd	42.85	General Corporate Purpose
Alpha Stich-Art Pvt.Ltd.	57.86	General Corporate Purpose
Anushikha Investments Pvt. Ltd.	294.94	General Corporate Purpose
ERP Infrastructure Projects Pvt Ltd	121.24	General Corporate Purpose
Ganjam Trading Company Pvt Ltd	99.72	General Corporate Purpose
Hbs Realtors Pvt Ltd.	203.21	General Corporate Purpose
Kalani Industries Pvt Ltd	941.98	General Corporate Purpose
Pratitha Multitrading Pvt Ltd.	26.15	General Corporate Purpose
Prime Hitech Textile LLP	200.00	General Corporate Purpose
Prosperity Metals Pvt. Ltd.	110.33	General Corporate Purpose
Shailaja Finance Limited	1385.00	General Corporate Purpose
Sona Promoters Pvt Ltd	55.40	General Corporate Purpose
Sunflag Commercial Enterprises Ltd	221.60	General Corporate Purpose
Swaran Financial Pvt Ltd	166.47	General Corporate Purpose
Treasure World Developers Pvt.Ltd.	57.25	General Corporate Purpose
York Financial Services Pvt. Ltd.	135.84	General Corporate Purpose
Risewell Housing LLP.	40.85	General Corporate Purpose

45. The Company is a partner in a partnership firm M/s. Phoenix Construction Company. The accounts of the partnership firm have been finalised upto the financial year 2016-17. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:-

Sr. No.	Name of the Partners	Profit Sharing Ratio	Total Capital as on	
			31-03-2017	31-03-2016
1	The Phoenix Mills Ltd	50%	159.77	161.63
2	Gold Seal Holding Pvt. Ltd.	50%	111.21	113.08

The Company has accounted for its share of loss amounting to ₹ 1.98 Lakhs (P.Y.₹ 1.85 Lakhs) pertaining to the financial year 2016-17 in the year. The share of profit/loss for the current financial year will be accounted in the books of the Company on the finalisation of the accounts of the firm.

46. Event after Reporting date :

The Board of Directors have recommended dividend of ₹ 2.60 per fully paid up equity share of ₹ 2 /- each, aggregating ₹ 4684.34 lakhs, including ₹702.65 lakhs dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on March 31, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

47. Corporate Social Responsibility:

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year is ₹ 323.48 Lakhs (P.Y. ₹ 353.24 Lakhs).

(b) Expenditure related to Corporate Social Responsibility is ₹ 162.58 Lakhs (Previous Year ₹ 90.13 Lakhs).

Details of Amount spent towards CSR given below;

₹ in Lakhs

Particulars	2017-18	2016-17
Construction of check dams	130.00	75.00
Promoting Employment enhancing vocation skills amongst differently – abled children	32.58	15.13
Total	**162.58**	**90.13**

48 Fair Value of Financial Assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

₹ in Lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at fair value through Profit and Loss				
Investments				
- in Equity shares	101.24	101.24	100.80	100.80
Financial assets designated at fair value through Other Comprehensive Income				
Investments				
- in Equity shares*	5,939.88	5,939.88	5,031.89	5,031.89
- Compulsorily Convertible Debentures	10,139.05	10,139.05	10,139.05	10,139.05
- Optionaly Convertible Debentures	3,992.56	3,992.56	6,200.00	6,200.00
Financial assets designated at amortised cost				
Trade Receivables	1,853.70	1,853.70	1,922.10	1,922.10
Cash and Cash Equivalents	580.82	580.82	683.34	683.34
Loans and Advances	16,407.09	16,407.09	11,385.84	11,385.84
Deposits with Banks	4,159.55	4,159.55	3,875.55	3,875.55

₹ in Lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Other financial assets	4,487.86	4,487.86	3,474.63	3,474.63
Total	**47,661.75**	**47,661.75**	**42,813.20**	**42,813.20**
Financial liabilities designated at amortised cost				
Borrowings - Variable rate	71,744.10	71,744.10	75,065.59	75,065.59
Trade payables and others	1,668.76	1,668.76	1,689.92	1,689.92
Other financial liabilities	827.99	827.99	868.01	868.01
Total	**74,240.85**	**74,240.85**	**77,623.52**	**77,623.52**

*In respect of Investment in equity shares of EWDL having carrying value of ₹ 4501.24 Lakhs and in CCD's of TWDPL having carrying value of ₹ 10,000 Lakhs, the financial information on the assets and liabilities position of these companies for determining the fair value for the current period is not available, same has been carried at cost.

49,090 Shares of Graphite India Limited have been sold during the year and amount realised is ₹ 360.33 Lakhs. Profit recognised on the same is ₹ 294.19 Lakhs.

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The following methods and assumptions were used to estimate the fair values

1 Fair value of the Equity Shares are based on price quoted on stock exchange.
2 Fair value of unquoted equity shares and CCD's is taken at net asset value.
3 Fair value of Long term Borrowings is calculated based on discounted cash flow.
4 Fair value of Financial Assets & Financial Liability(except Long term Borrowings) are carried at amortised cost and is not materially different from it’s carrying cost.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company’s asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

₹ in Lakhs

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets /Liabilities measured at fair value						
Financial Assets:						
Investments						
- in Equity shares	1,539.26	-	4,501.86	630.83	-	4,501.86
- Optionally Convertible Debentures	-	-	3,992.56	-	-	6,200.00
- Compulsorily Convertible Debentures	-	-	10,139.05	-	-	10,139.05

There are no reclassification of financial instruments between level 2 and level 3

Reconciliation of fair value of measurement categorised within level 3 of the value hierarchy

₹ in Lakhs

Particulars	
Fair value as at 1st April, 2016	14,800.40
Purchase/Sales of Financial Instruments	6,041.51
Amount transferred to/from level 3	-
Fair value as at 31st March, 2017	20,840.91
Purchase/Sales of Financial Instruments	(2,207.44)
Amount transferred to/from level 3	-
Fair value as at 31st March, 2018	18,633.47

Financial Instruments measured at Fair value - Level III

Type	Valuation Technique	Significant Observable Input	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in unquoted equity shares, OFCDs and CCDs	Adjusted NAV (Net Asset Value) method. Adjusted NAV method involves determination of fair values of asset/liability/business based on its book value with appropriate relevant adjustments.	Not Appicable	Not Appicable

49 Financial risk Management:

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

- **Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

Foreign currency risk

The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk pertaining to funds borrowed at floating interest rates. Almost 100% of the company's borrowings are linked to BR + Margin. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

Increase/ (decrease) in Interest cost of Long term borrowings for the year:

Change in Rate of Interest	Effect on Profit/(Loss) before tax	
	2017-18	2016-17
+1%/-1%	717.44	750.66

Commodity and Other price risk

The Company is not exposed to the commodity and other price risk.

- **Credit Risk**

Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

Trade and other receivables:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular followup, engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings.

The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast spectrum. The Company also takes security deposits, advances , post dated cheques etc from its customers, which mitigate the credit risk to an extent.

Cash and cash equivalents an other investments
The Company is exposed to counter party risk relating to medium term deposits with banks.
The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings.

Exposure to credit risk
The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31.2018 and March 31, 2017 is as follows:

₹ in Lakhs

Particulars	As at 31/03/2018	As at 31/03/2017
Financial assets for which loss allowances are measured using 12 months Expected Credit Losses (ECL):		
Other Investments	1,539.25	309.43
Cash and cash equivalents	580.82	683.34
Bank Deposits	4,159.56	3,875.56
Loans	16,407.11	11,385.84
Other financial assets	4,487.11	3,474.63
Financial assets for which loss allowances are measured using Life time Expected Credit Losses (ECL):		
Trade receivables	1,853.70	1,922.10

Life time Expected credit loss for Trade receivables under simplified approch

₹ in Lakhs

Ageing of Trade Receivables	Past Due				Total
	0-90 days	90-180 days	180 - 360 days	over 360 days	
As at 31st March, 2018					
Gross Carrying Amount	660.18	226.93	68.93	1,716.78	2,672.82
Expected credit losses (Loss allowance provision)	1.62	4.26	5.70	807.54	819.12
Net Carrying Amount	**658.56**	**222.67**	**63.23**	**909.24**	**1,853.70**
As at 31st March, 2017					
Gross Carrying Amount	1,303.14	145.44	105.57	1,150.50	2,704.65
Expected credit losses (Loss allowance provision)	11.12	2.72	20.74	747.97	782.55
Net Carrying Amount	**1,292.02**	**142.72**	**84.83**	**402.53**	**1,922.10**

₹ in Lakhs

Reconciliation of Changes in the life time expected credit loss allowance:	2017-18	2016-17
Loss allowance on 1st April,	782.55	893.94
Provided during the year	83.28	-
Reversal of provision	(46.70)	(111.39)
Loss allowance on 31st March	**819.13**	**782.55**

Cash and Cash equivalents, other Investments, Loans and other financial assets are neither past due nor impaired. Management is of the view that these financial assets are considered good and 12 months ECL is, accordingly, not provided.

- **Liquidity risk**
  Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

  The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

  The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants , these loans become callable to the extent of failture at the option of lenders, except where exemption is provided by lender.

₹ in Lakhs

Particulars	As at March 31, 2018					
	Carrying Amount	On Demand	Less than 12 months	2- 5 years	>5 years	Total
Borrowings	71,744.10	1,291.18	9,034.11	48,331.50	13,087.31	71,744.10
Other Financial Liabilities	828.00	828.00	-	-	-	828.00
Trade and other payables	1,668.76	-	1,668.76	-	-	1,668.76

₹ in Lakhs

Particulars	As at March 31, 2017					
	Carrying Amount	On Demand	Less than 12 months	2- 5 years	>5 years	Total
Borrowings	75,065.59	10,257.24	7,301.30	39,228.60	18,278.45	75,065.59
Other Financial Liabilities	868.01	868.01	-	-	-	868.01
Trade and other payables	1,689.92	-	1,689.92	-	-	1,689.92

50. Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2018 and March 31, 2017.
For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.

₹ in Lakhs

Particulars	As at 31/03/2018	As at 31/03/2017
Loans and Borrowings	71,744.10	75,065.59
Less: Cash and cash equivalents + Bank Deposits	4,740.37	4,558.89
Net Debt	67,003.73	70,506.70
Total Capital	2,56,843.25	2,43,208.42
Capital+Net Debt	3,23,846.97	3,13,715.12
Gearing Ratio	21%	22%

51 Taxation

(₹ In Lakhs)

Particulars	2017-18	2016-17
Income tax related to items charged or credited to profit or loss during the year:		
A Statement of Profit or Loss		
1 Current Income Tax (Including Tax Adjustments of earlier years)	**3,640.00**	3,381.56
	3,640.00	3,381.56
2 Deferred Tax expenses/ (benefits):		
Relating to origination and reversal of temporary differences	**(111.89)**	(482.81)
	(111.89)	(482.81)
Total Income tax Expenses (1 to 2)	**3,528.11**	**2,898.74**
B Reconciliation of Current Tax expenses:		
Profit /(Loss) from Continuing operations	**19,011.33**	16,253.52
Applicable Tax Rate	**34.608%**	34.608%
Computed tax expenses	**6,579.44**	5,625.02
Additional allowances for tax purpose	**(176.07)**	(262.67)
Additional allowances for House Property Income	**(3,249.63)**	(2,996.13)
Income not allowed/exempt for tax purposes	**(1,311.87)**	(52.62)
Expenses not allowed for tax purposes	**2,051.90**	785.14
Other temporary (allowances)/Disallowances	**(253.78)**	130.22
Tax paid at lower rate	-	(5.90)
Additional Tax payable due to MAT provisions	-	158.50
	3,640.00	**3,381.56**
Effective Tax Rate	**19.15%**	20.81%
C Deferred Tax Recognised in statement of profit and Loss relates to the following:		
Difference between book & tax depreciation	**126.04**	465.32
Expenses allowable on payment basis	**(14.15)**	17.50
Deferred Tax Rate Change Impact	-	-
Deferred Tax Asset	**111.89**	**482.82**
D Reconciliation of deferred tax asset / (liabilities):		
Balance at the beginning of the year	**900.38**	417.57
Tax expenses / (income) during the period	**111.89**	482.81
Balance at the closing of the year	**1,012.27**	900.38

52. Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company has granted stock options under the following employee stock option scheme:

1. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2011. During the year 1,99,998 Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2011.

2. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2015. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2015.

Each option when exercised would be converted into one fully paid-up equity share of ` 2 each of the Company. The options granted under ESOP 2011 and options granted under the ESOS 2015 scheme carry no rights to dividends and no voting rights till the date of exercise.

ESOP 2007

Date of grant	Number of options (Gross)	Exercise Price	Date of vesting	Vesting period	Fair Value of Option
10-Jun-08	6,50,000	270.00	09-Jun-16	12	153.26
25-Mar-15	10,556	316.80	25-Mar-16	12	118.69
25-Mar-15	15,833	316.80	25-Mar-17	24	138.36
25-Mar-15	21,111	316.80	25-Mar-18	36	154.97
25-Mar-15	26,389	316.80	25-Mar-19	48	169.26
25-Mar-15	31,667	316.80	25-Mar-20	60	181.67
24-Oct-16	1,25,000	333.90	23-Oct-17	12	112.84
24-Oct-16	1,87,500	333.90	23-Oct-18	24	128.32
24-Oct-16	2,50,000	333.90	23-Oct-19	36	144.12
24-Oct-16	3,12,500	333.90	23-Oct-20	48	158.33
24-Oct-16	3,75,000	333.90	23-Oct-21	60	171.52

B. Measurement of fair values

i. Equity-settled share-based payment arrangements"

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behavior.

Grant Date	ESOP 2007		
	24-Oct-16	**25-Mar-15**	**10-Jun-08**
Vesting Period/ Expected Life	From grant date - 12 months to 60 months	From grant date - 12 months to 60 months	1 to 8 years
Fair value of option at grant date	112.84 - 171.52	118.69 - 181.67	153.26
Share price at grant date	371.00	353.05	274.07
Exercise price	333.90	316.80	270.00
Historical volatility	31.1% - 29.6%	35%	45%
Time to Maturity (Years)	2.50 years to 6.50 years	2.50 years to 6.50 years	1 years to 8 years
Dividend Yield	0.66%	0.80%	0.63%
Risk-free Rate	6.85%	8.23%	8.07%

Weighted average remaining contractual life of the options as at 31-Mar-18 - 1.87 (31-Mar-17 - 2.34) years

VALUATION METHODOLOGY, APPROACH & ANALYSIS:

Particulars	Description of the inputs used
Market Price of the optioned Stock	For ESOP weighted average market price as available from the website of BSE as on the date of grant. This price holds good for our Black Scholes Fair Valuation analysis for the grants made by the company on 21st October, 2016.
Exercise price	The exercise price as per the Employees Stock Option Scheme 2007 formulated by the Company per equity share is ₹ 333.90/-
Time to Maturity/Expected Life of the Option	It is the period for which the Company expects the options to be alive. The minimum life of stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the option cannot be exercised. As per the' scheme, options are vested to the employees over a period of five years as under:

Vesting Date	Maximum % of Option that shall vest
12 Months from Grant Date	10%
24 Months from Grant Date	15%
36 Months from Grant Date	20%
48 Months from Grant Date	25%
60 Months from Grant Date	30%

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2018

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.
Option Exercise Period	Option can be Exercise anytime in three year from the Vesting date.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March, 2018	31 March, 2018	31 March, 2017	31 March, 2017
Options outstanding as at the beginning of the year	13,35,001	332.68	1,79,056	302.54
Add: Options granted during the year	-	-	12,40,000	333.90
Less: Options lapsed during the year	1,39,500	333.90	6,000	270.00
Less: Options exercised during the year	74,833	330.28	78,055	276.33
Options outstanding as at the year end	11,20,668	332.69	13,35,001	332.68

53. 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

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

For and on behalf of the Board of Directors

Ashokkumar R. Ruia
(Chairman & Managing Director)
DIN - 00086762

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Atul Ruia
(Jt. Managing Director)
DIN - 00087396

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Puja Tandon
(Company Secretary)
M.No.A21937

AUDITOR'S REPORT

To The Members of **THE PHOENIX MILLS LIMITED**
Report on the Consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of **THE PHOENIX MILLS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Associates comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and changes in the equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended..

The respective Board of Directors of the companies included in the Group and of its associates are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (1) and (2) of the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and it's associates as at 31st March, 2018, and their consolidated profit including total comprehensive income, their consolidated cash flows and the statement of changes in equity for the year ended on that date.

Other Matters

1. We did not audit the financial statements of twenty two subsidiaries, whose financial statements reflect total assets of ₹ 5,12,555.16 lakhs as at 31st March, 2018, total revenues of ₹ 84,467.95 lakhs and net cash outflow of ₹ 2,135.66 lakhs for the year ended on that date and of three associates which reflects Group's share of net profit of ₹ 190.41 Lakhs for the year ended march 31, 2018, as considered in the consolidated Ind AS financial statements. These financial statements and other financial information have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements,

in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

2. The comparative financial information of the Group including its associates for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standard (Ind AS), included in these Consolidated Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated May 10, 2017 expressed an unmodified opinion.

   Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on the separate financial statements and the other financials information of subsidiaries and associates, as referred in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

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

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and its associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 42(ii) to (v) to the consolidated Ind AS financial statements.

   ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associates.

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

"Annexure A" to Independent Auditors' Report referred of even date on the consolidated Ind AS Financial Statements.

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

We have audited the Internal Financial Controls over financial reporting of **The Phoenix Mills Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India as of 31st March, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year then ended.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to separate financial statements of 22 subsidiaries and 3 associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates.

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2018

₹ in Lakhs

	Particulars	Note no.	As at 31st March 2018	As at 31st March 2017
	ASSETS			
1	**Non-current assets**			
	Property, plant and equipment	6	5,29,393.07	4,17,130.15
	Capital work-in-progress	6	50,250.66	32,774.64
	Other Intangible assets	6	252.42	258.92
	Intangible assets under development	6	0.31	72.00
	Goodwill on consolidation		37,106.95	32,727.71
	Financial assets			
	- Investments	7	49,783.67	40,957.40
	- Loan	8	630.39	889.76
	- Other	9	9,004.38	11,641.26
	Deferred tax assets (net)	10	8,477.39	12,517.17
	Other non-current assets	11	19,968.07	11,274.47
	(A)		**7,04,867.31**	**5,60,129.89**
2	**Current assets**			
	Inventories	12	66,149.52	94,549.67
	Financial assets			
	- Investments	13	33,116.71	-
	- Trade receivables	14	12,915.33	14,701.15
	- Cash and cash equivalents	15	3,432.96	6,412.83
	- Bank Balance other than above	16	1,056.89	1,711.37
	- Loans	8	3,164.03	3,397.81
	- Other	9	2,552.59	2,291.18
	Current Tax Assets (net)	17	10,057.77	12,196.33
	Other current assets	11	12,421.35	5,419.74
	(B)		**1,44,867.15**	**1,40,680.08**
	TOTAL ASSETS (A + B)		**8,49,734.46**	**7,00,809.98**
	EQUITY AND LIABILITIES			
1	**Equity**			
	Equity share capital	18	3,062.83	3,061.34
	Other equity	19	2,82,108.09	2,11,944.42
	Equity attributable to the owners		**2,85,170.92**	**2,15,005.76**
	Non-controlling interest		46,610.36	27,965.33
	(A)		**3,31,781.28**	**2,42,971.09**
	Liabilities			
2	**Non-current liabilities**			
	Financial liabilities			
	- Borrowings	20	3,19,719.15	3,10,657.55
	- Trade Payables	21	57.59	388.78
	- Other financial liabilities	22	1,210.55	966.46
	Provisions	23	5,348.17	4,426.15
	Deferred tax liabilities (Net)	24	18.08	-
	Other non-current liabilities	25	35,565.83	28,964.37
	(B)		**3,61,919.37**	**3,45,403.31**
3	**Current liabilities**			
	Financial liabilities			
	- Borrowings	26	25,371.92	24,763.88
	- Trade Payables	21	10,421.56	10,770.89
	- Other financial liabilities	22	77,284.66	30,304.99
	Provisions	23	5,653.71	3,452.03
	Other current liabilities	25	37,289.04	42,590.44
	Current tax Liabilities (net)	27	12.92	553.34
	(C)		**1,56,033.81**	**1,12,435.57**
	TOTAL EQUITY AND LIABILITIES (A+B+C)		**8,49,734.46**	**7,00,809.98**

Significant Accounting Policies and Notes on Financials Statements 1 to 61

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

For and on behalf of the Board of Directors

Ashokkumar R. Ruia
(Chairman & Managing Director)
DIN - 00086762

Atul Ruia
(Jt. Managing Director)
DIN - 00087396

Puja Tandon
(Company Secretary)
M.No.A21937

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia
(Director Finance)
DIN - 01602690

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lakhs

Sr No.	Particulars	Note no.		For the year ended 31st March 2018	For the year ended 31st March 2017
	Income				
I	Revenue from operations	28		1,61,975.14	1,82,460.70
II	Other income	29		5,562.32	4,716.91
III	**Total Income**			**1,67,537.46**	**1,87,177.61**
	Cost of Materials/Construction	30		17,688.19	28,272.88
	Change in Inventory	31		(4,497.78)	(3,608.71)
	Employee Benefits Expenses	32		14,727.24	14,026.05
	Depreciation and Amortisation	6		19,828.16	19,530.73
	Finance Costs	33		34,760.73	42,302.52
	Other Expenses	34		56,319.18	59,076.98
IV	**Total Expenses**			**1,38,825.71**	**1,59,600.46**
V	**Profit before Tax**			**28,711.75**	**27,577.15**
VI	**Tax expense:**	35			
	Current Income Tax		6,872.20		7,925.16
	Minimum Alternate Tax credit entitlement		(3,205.18)		(1,250.06)
	Deferred Tax		3,903.99		1,994.30
	Tax Adjustments of earlier years		8.58	7,579.59	(93.64)
VII	**Profit after tax**			**21,132.16**	**19,001.40**
	Share of Profit/(Loss) in Associates			4,423.01	95.07
VIII	**Profit for the year**			**25,555.17**	**19,096.47**
IX	**Other comprehensive income**				
	a) Item that will not be reclassified to Profit or Loss				
	i) Re-measurment gain of the net defined benefit plans			16.76	(18.02)
	ii) Gain/(Loss) on Equity Instruments at fair value through other comprehensive Income			10,893.58	(53.79)
	iii) Realised Gain on sale of Investments			1,741.76	-
	b) Income Tax relating to the Item that will not be reclassified to Profit or Loss			1.69	10.30
	Other Comprehensive Income/(Loss)			**12,653.78**	**(61.51)**
X	**Total Comprehensive Income for the year (VIII + IX)**			**38,208.95**	**19,034.96**
	Net Profit attributable to				
	a) Owners of the company			24,216.06	16,792.13
	b) Non Controlling Interest			1,339.11	2,304.33
	Other Comprehensive Income attributable to				
	a) Owners of the company			12,648.60	(57.11)
	b) Non Controlling Interest			5.18	(4.40)
	Total Comprehensive Income attributable to				
	a) Owners of the company			36,864.66	16,735.02
	b) Non Controlling Interest			1,344.29	2,299.93
	Basic and Diluted EPS (Face Value ₹2)	41			
	Basic EPS			**15.82**	**10.97**
	Diluted EPS			**15.77**	**10.97**

Significant Accounting Policies and Notes on Financials Statements 1 to 61

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

For and on behalf of the Board of Directors

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DIN - 00086762

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Atul Ruia
(Jt. Managing Director)
DIN - 00087396

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Puja Tandon
(Company Secretary)
M.No.A21937

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31ST MARCH, 2018

(₹ In Lakhs)

				2017-2018		2016-2017	
A	**CASH FLOWS FROM OPERATING ACTIVITIES**						
	Net Profit before tax as per the Statement of Profit or Loss				**28,711.75**		**27,577.15**
	Adjustments for :						
	Depreciation			19,828.16		19,530.73	
	(Profit)/Loss on Assets sold/discarded			644.69		778.96	
	Balances in Debtors/Advances written off			7.07		92.55	
	Provision for Doubtful Debts and Advances			467.16		1,120.35	
	Interest Expenses			34,760.73		42,302.52	
	Interest Income			(1,675.74)		(3,212.82)	
	Dividend Income			(140.13)		(41.29)	
	Profit on sale of Investments			(2,060.12)		(368.46)	
	Net gain arising on financial assets measured at FVTPL			(1,219.58)		(96.62)	
	Compensation on relinquishment of rights			-		(24.69)	
	Balances written back			(21.76)		(440.97)	
					50,590.48		59,640.26
	Operating Cash flow before working capital changes				**79,302.22**		**87,217.41**
	Adjustment for Working Capital changes :						
	Trade and other Receivables			(10,811.61)		27,414.63	
	Inventories			28,400.15		37,846.52	
	Trade and other Payables			56,957.17		(6,217.47)	
					74,545.71		59,043.68
	Cash generated from Operations				**1,53,847.93**		**1,46,261.09**
	Direct Taxes Paid				(2,077.47)		(4,375.63)
	Net Cash from Operating Activities		A		**1,51,770.46**		**1,41,885.46**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**						
	Purchases of Property, Plant & Equipments			(1,50,149.18)		(18,468.81)	
	Sale of Property, Plant & Equipments			15.57		-	
	Inter Corporate Deposits & Loans (placed)/refunded (Net)			493.16		4,518.01	
	Purchase of other Investments			(6,835.11)		(26,791.65)	
	Purchase of Mutual Funds			(1,68,834.23)			
	Sale of Mutual Funds			1,39,116.66			
	Sale of other Investments			2,431.85		2,503.81	
	Interest Received			1,133.67		2,841.78	
	Dividend Received			140.13		41.29	
	Net Cash generated from/(used in) Investing Activities		B		**(1,82,487.47)**		**(35,355.57)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**						
	Proceeds from long term borrowings			1,63,556.57		49,037.97	
	Repayment of long term borrowings			(1,60,067.72)		(76,389.76)	
	Short term loans availed / (repaid)(Net)			608.04		444.85	
	Interest paid			(35,163.51)		(43,206.96)	
	Proceeds from Shares issue to Non Controlling Shareholders			62,975.28		(40,072.85)	
	Issue of Equity Share			247.16		215.69	
	Dividend paid (including tax on Dividend)			(4,418.68)		(828.60)	
	Net Cash generated from/(used in) Financing Activities		C		**27,737.14**		**(1,10,799.66)**
D	**Net Increase/(Decrease) in Cash and Cash Equivalents**		A+B+C		(2,979.87)		(4,269.77)
	Cash and Cash equivalents at the beginning of the year				**6,412.83**		**10,682.60**
	Cash and Cash equivalents at the end of the year (Refer Note No. 15)				**3,432.96**		**6,412.83**

Notes:-

1 Components of cash and cash equivalents:

Cash on hand	39.96	29.23
Balance with scheduled bank	3,393.00	6,383.60
	3,432.96	**6,412.83**

2 Change in liability arising from financing activities:

	1st April 2017	Cash flow	31st March 2018
Borrowings - Non current	3,10,657.55	9,061.59	3,19,719.15
Borrowings - Current	27,132.28	(5,572.74)	21,559.53

Significant Accounting Policies and Notes on Financials Statements 1 to 61

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

For and on behalf of the Board of Directors

Ashokkumar R. Ruia
(Chairman & Managing Director)
DIN - 00086762

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Atul Ruia
(Jt. Managing Director)
DIN - 00087396

Pradumna Kanodia
(Director Finance)
DIN - 01602690

Puja Tandon
(Company Secretary)
M.No.A21937

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED ON 31ST MARCH, 2018

(a) Equity share capital

(₹ In Lakhs)

Particulars	As at 1st April, 2016	Changes in equity share capital during the year	As at 31st March, 2017	Changes in equity share capital during the year	As at 31st March, 2018
Equity Share Capital	3,059.78	1.56	3,061.34	1.49	3,062.83

(b) Statement of changes in Other equity

(₹ In Lakhs)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income		Total Other Equity	Non Controling Interest	Total
	Capital Reserve	Securities Premium	General Reserve	Share based payment reserve	Retained earning	Re-measurment gain of the net defined benefit plans	Gain/(Loss) on Equity instruments at fair value			
Balance as at 1st April, 2016	**185.25**	**1,34,325.83**	**22,918.36**	**42.56**	**41,993.43**	**19.91**	**185.34**	**1,99,670.68**	**47,894.11**	**2,47,564.79**
Securities Premium On Issuse of Shares	-	214.13	-	-	-	-	-	214.13	-	214.13
Final Dividend	-	-	-	-	(688.45)	-	-	(688.45)	-	(688.45)
Tax on Dividend	-	-	-	-	(140.15)	-	-	(140.15)	-	(140.15)
ESOPs Cost for the year	-	-	-	295.56	-	-	-	295.56	-	295.56
Profit for the year	-	-	-	-	16,792.13	-	-	16,792.13	2,304.33	19,096.46
Other Comprehensive Income	-	-	-	-	-	1.61	(58.72)	(57.11)	(4.40)	(61.51)
Impact of Acquisition/Disposal/ Change in Controling Interest	-	-	-	-	(4,148.64)	-	6.27	(4,142.37)	(22,228.71)	(26,371.03)
Balance as at 31st March, 2017	**185.25**	**1,34,539.96**	**22,918.36**	**338.12**	**53,808.32**	**21.52**	**132.89**	**2,11,944.42**	**27,965.33**	**2,39,909.80**
Securities Premium On Issuse of Shares	-	245.66	-	-	-	-	-	245.66	-	245.66
Final Dividend	-	-	-	-	(3,670.75)	-	-	(3,670.75)	-	(3,670.75)
Tax on Dividend	-	-	-	-	(747.94)	-	-	(747.94)	-	(747.94)
ESOPs Cost for the year	-	-	-	612.61	-	-	-	612.61	-	612.61
Profit for the year	-	-	-	-	24,216.06	-	-	24,216.06	1,339.11	25,555.17
Other Comprehensive Income	-	-	-	-	-	-	12,648.60	12,648.60	5.18	12,653.78
Impact of Acquisition/Disposal/ Change in Controling Interest	-	-	-	-	36,851.98	7.45		36,589.43	17,300.74	54,160.12
Balance as at 31st March, 2018	**185.25**	**1,34,785.62**	**22,918.36**	**950.73**	**1,10,457.67**	**28.97**	**12,809.71**	**2,82,108.09**	**46,610.36**	**3,28,718.45**

Significant Accounting Policies and Notes on Financials Statements 1 to 61

The notes referred to above form an integral part of the Financial Statements

As per our report of even date

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

For and on behalf of the Board of Directors

Ashokkumar R. Ruia
(Chairman & Managing Director)
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(Company Secretary)
M.No.A21937

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia
(Director Finance)
DIN - 01602690

1. Corporate and General Information

The Phoenix Mills Ltd ("PML" or "Parent") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is at 462 Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India.

Group is engaged in operation and management of mall, construction of commercial and residential property, hotel business in India.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting dated 8th May, 2018.

2. Basis of Preparation of Financial Statement

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes to Financial Statements. The accounting policies have been applied consistently over all the periods presented in this consolidated financial statement.

3. Significant Accounting Policies

3.1. Basis of Measurement

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

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

The consolidated financial statements are presented in Indian Rupees, which is the Group's functional currency and all amounts are rounded to the nearest rupees in lakhs

3.2. Basis of consolidation

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

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

Consolidation Procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

c) Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d) Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

e) All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

f) Carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity are eliminated. Business combinations policy explains how the related goodwill is accounted at the time of acquisition of subsidiary.

g) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

h) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures. The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

3.3. Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree 's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities recognized and contingent liabilities assumed. In the case of bargain purchase, resultant gain is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's identifiable net assets.

3.4. Property, Plant and Equipment

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

3.5. Intangible Assets

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

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

3.6. Financial Instrument:

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

Financial Assets and investments

i) Initial recognition and measurement:

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

ii) Subsequent recognition and measurement:

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

- **Debt instrument at amortised cost:**

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

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

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

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

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

- **Equity instruments:**

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

- **Investment in Associates:**

  The Group has accounted for its Investment in associates at cost.

iii) Derecognition:

A financial asset is primarily derecognised i.e. removed from Group's financial statements when:

- The rights to receive cash flows from asset have expired, or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

a) The Group has transferred substantially all the risks and rewards of the assets,

b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

iv) Trade receivables:

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

Financial Liabilities:

i) Initial recognition and measurement:

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement:

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

Financial liabilities at fair value through profit and loss

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

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

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

Financial liabilities at amortised cost:

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

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

iii) Trade and other payables:

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

iv) Derecognition:

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

3.7. Impairment of Assets

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

Impairment of Goodwill

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

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

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

Impairment of Non – Financial Asset:

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

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

Impairment of Financial asset:

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Group follows 'simplified approach' for recognition of impairment loss allowance on

- *Trade receivables or contract revenue receivables.*

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

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

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

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

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

3.8. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9. Inventories

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

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

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

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

3.10. Foreign currency transactions:

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non-monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit or loss, except in respect of long term foreign currency monetary items which are outstanding as on transition date, where the group has availed the optional exemption under Ind AS 101 for capitalization of exchange difference to the cost of property, plant & equipment and intangible assets.

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

The Group presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

3.12. Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

3.13. Revenue recognition

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

Revenue from license fees and other operating services

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

Revenue from sale of properties

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

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

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

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

Interest income

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

Dividends

Dividends are recognised when the right to receive the payment is established.

3.14. Borrowing Costs

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

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

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

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

3.15. Employee Benefits

(i) *Short-term Employee benefits:*

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

(ii) *Post-employment benefits*

a. Defined Contribution Plan

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

b. Defined benefit plan

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

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

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

The interest cost on defined benefit obligation and expected return on plan assets is recognised under finance cost.

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

(iii) *Other long-term benefits*

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

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

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

(iv) *Share-based payments*

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

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

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

3.16. Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.17. Provisions and contingencies

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

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

3.18. Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Use of significant accounting estimates, judgments and assumptions

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

(a) Depreciation and useful lives of Property, Plant and Equipment

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

(b) Investment Property

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

(c) Recoverability of trade receivables

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

(d) Defined Benefit plans

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

(e) Treatment of Security Deposit for Lease Rentals

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

(f) Provisions

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

(g) Impairment of financial assets

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

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

(h) Fair Value measurement

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

5. Standards Issued but not Effective:

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

ii) Ind AS 40 - Investment Property (Not applicable to the company)

iii) Ind AS 12 - Income Taxes

iv) Ind AS 28 - Investments in Associates and Joint Ventures and

v) Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

Note 6

PORPERTY, PLANT & EQUIPMENT

₹ in Lakhs

	Tangible Assets						Intangible Assets			Total	Capital Work In Progress	Intangible Assets under Development
	Freehold Land	LeaseHold Land	Building	Plant and Machinery	Motor Car, Lorries & Vehicles	Office Furniture & Equipments	Software	Goodwill (Acquired)	Licenses & Franchises			
Gross Block												
As At 1st April 2016	**59,323.88**	**697.61**	**3,14,940.99**	**70,301.63**	**860.64**	**56,561.11**	**696.97**	**17.05**	**10.50**	**5,03,410.38**		
Addition	1,752.89	-	46,641.84	2,049.26	203.25	6,034.29	32.28	-	-	56,713.81		
Adjustments/Deletions	6,742.56	-	36,487.44	12,025.97	44.72	3,381.71	38.32	17.05	-	58,737.77		
As at 31st March 2017	**54,334.21**	**697.61**	**3,25,095.39**	**60,324.92**	**1,019.17**	**59,213.69**	**690.93**	**-**	**10.50**	**5,01,386.42**		
Addition	87,307.64	-	36,520.50	2,737.33	116.75	6,387.70	120.40	26.16	-	1,33,216.48		
Adjustments/Deletions	-	-	839.97	226.36	60.52	204.89	62.85	-	-	1,394.59		
As at 31st March 2018	**1,41,641.85**	**697.61**	**3,60,775.92**	**62,835.89**	**1,075.40**	**65,396.50**	**748.48**	**26.16**	**10.50**	**6,33,208.31**		
Accumulated Depreciation												
As At 1st April 2016	**-**	**49.45**	**31,791.36**	**16,739.49**	**425.80**	**18,883.96**	**343.57**	**6.82**	**0.88**	**68,241.33**		
Depreciation charge for the year	-	-	7,255.35	5,347.25	135.69	6,714.29	66.90	10.23	1.02	19,530.73		
Deductions / Adjustments	-	-	2,019.91	2,275.48	1.66	(509.25)	(30.14)	17.05	-	3,774.71		
As at 31st March 2017	**-**	**49.45**	**37,026.80**	**19,811.26**	**559.83**	**26,107.50**	**440.61**	**-**	**1.90**	**83,997.35**		
Depreciation charge for the year	-	-	8,174.85	4,649.45	128.74	6,722.06	152.04	-	1.02	19,828.16		
Deductions / Adjustments	-	-	29.84	79.43	23.30	67.27	62.85	-	-	262.69		
As at 31st March 2018	**-**	**49.45**	**45,171.81**	**24,381.28**	**665.27**	**32,762.29**	**529.80**	**-**	**2.92**	**1,03,562.82**		
Net Book Value												
As at 31st March 2018	**1,41,641.85**	**648.16**	**3,15,604.11**	**38,454.61**	**410.13**	**32,634.21**	**218.68**	**26.16**	**7.58**	**5,29,645.49**	**50,250.66**	**0.31**
As at 31st March 2017	54,334.21	648.16	2,88,068.59	40,513.66	459.34	33,106.19	250.32	-	8.60	4,17,389.07	32,774.64	72.00

NOTES-

(i) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 20 (A) and Note 26

(ii) Capital Work in Progress includes pre-operative expenses of ₹ 3,370.14 lakhs (31st March 2017 ₹ ₹ 3,324.24 lakhs)

(iii) Building Includes 10 shares in Sukhsagar Premises Co-op. Society Ltd. of 10 each

NOTE 7

NON CURRENT INVESTMENTS

(₹ In Lakhs)

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
A INVESTMENTS MEASURED AT COST				
1. INVESTMENT IN EQUITY INSTRUMENTS				
In Associates				
Equity shares of ₹ 10/- each fully Paid up, unless otherwise stated.				
5,208 (P.Y. 5,208) Classic Housing Projects Pvt. Ltd.	1,408.28		1,392.58	
2,500,000 (P.Y. 2,500,626) Star Board Hotels Pvt. Ltd.	125.13		378.47	
5,000 (P.Y. 5,000) Mirabel Entertainment Pvt Ltd.	5.79		13.03	
38,49,058 (P.Y. 3,709,416) - Classic Mall Development Pvt. Limited	25,167.02		18,172.72	
5,000 (P.Y. Nil) Columbus Investment & Advisory Pvt Ltd	56.90		-	
		26,763.12		19,956.80
2. INVESTMENT IN DEBENTURES				
In Associates				
a) Compulsorily Fully Convertible Debentures (CCD) of ₹ 100 /- each fully paid up				
7,000 (P.Y. 7,000) CCD's in Mirabel Entertainment Pvt Ltd.	7.00		7.00	
351,564 (P.Y. 351,564) CCD's in Star Board Hotels Pvt Ltd.	351.56		351.56	
1,383,999 (P.Y. 1,383,999) 0.0001% - Star Board Hotels Pvt Ltd	1,384.00		1,384.00	
		1,742.56		1,742.56
b) Optionally Convertible Debentures (OCD) of ₹ 100 /- each fully paid up			-	
3,00,000 (P.Y. 300,000), 0.001% Series B Optionally Convertible Debentures in Classic Housing Projects Pvt. Ltd.	300.00		300.00	
1,20,000 (P.Y. 120,000) 0.001% Series C Optionally Convertible Debentures in Classic Housing Projects Pvt. Ltd.	120.00		120.00	
		420.00		420.00
B INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS				
INVESTMENT IN EQUITY INSTRUMENTS OF FACE VALUE ₹ 10/- EACH FULLY PAID UP UNLESS OTHERWISE STATED				
36,325 (P.Y. 36,325) - I.C.I.C.I. Bank Limited - face value of ₹ 2 each **	101.13		100.66	
20 (P.Y. 20) Clariant Chemicals (India) Ltd.	0.11		0.14	
		101.24		100.80
C INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Equity shares of ₹ 10/- each fully Paid up, unless otherwise stated.				
36,86,484 (P.Y. 36,86,484) Galaxy Entertainment Corporation Ltd.	626.30		707.80	
1,620,551 (P.Y. 1,949,090) Graphite India Limited face value of ₹ 2 each	4,038.33		2,186.88	
584,726 (P.Y. 584,726) GKW Limited	11,008.63		2,575.10	
10 (P.Y. 10) Treasure World Developers Pvt. Ltd.	0.09		0.09	
25,356,940 (P.Y. 25,356,940) Entertainment World Developers Ltd (Refer Note No. 47)	5,792.70		5,792.70	
5,000 (P.Y. 5000) Bartraya Mall Development Co. Pvt. Ltd	0.50		0.50	
2,500,000 (P.Y. 2,500,000) Galaxy Entertainment India Pvt Ltd.	250.00		250.00	
80 (P.Y. 80) ordinary shares of ₹ 25/- each -fully paid of Rashtriya Mazdoor Madhyavarti Sahakari Grahak Sangh (Maryadit)	0.02		0.02	
1,000 (P.Y. 1000) The Cosmos Co-operative Bank Ltd Shares of ₹ 100 Each fully paid	1.00		1.00	
5,000 (P.Y. 5000) The Saraswat Co-op Bank Ltd.	0.50		0.50	
		21,718.07		11,514.59

(₹ In Lakhs)

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
Investments In Preference Shares				
1,000,000 (P.Y. 1,000,000) 7% Cumulative Optionally Convertible Preference Shares fully paid up of Galaxy Entertainment India Pvt Ltd.	100.00		100.00	
250,000 (P.Y. 250,000) 7% Cumulative Optionally Convertible Preference Shares each Re. 0.50 paid up of Galaxy Entertainment India Pvt Ltd.	1.25		1.25	
50,000 (P.Y. 50,000) 10.50% Perpetual Non-cumulative Preference shares of ₹ 10 each in The Saraswat Co-Operative Bank Limited	5.00		5.00	
		106.25		106.25
Investments in Debentures				
a) Compulsorily Fully Convertible Debentures				
66,500 (P.Y. 66500) 0.0001% - Phoenix Retail Pvt. Limited - Face value ₹ 100 each.	66.50		66.50	
38,545 (P.Y. 38,545) 0.0001% - Vigilant Developers Pvt. Limited - Face value ₹ 100 each.	38.55		38.55	
4,000 (P.Y. 4,000) CCD's in ACME Hospitality Services Pvt Ltd. - Face value ₹ 100 each.	4.00		4.00	
Nil (P.Y. 7,000) Insight Hotels & Leisure Pvt. Ltd. - Face value ₹ 100 each. (Subsidiary with effect from 05/05/2017)	-		7.00	
34,000 (P.Y. 34,000) 0.0001% - Escort Developers Pvt Limited - Face value ₹ 100 each.	34.00		34.00	
100,000,000 (P.Y. 100,000,000) Treasure World Developers Pvt. Ltd. - Face value ₹ 10 each. (refer note no. 47)	10,000.00		10,000.00	
		10,143.05		10,150.05
b) Optionally Convertible Debentures				
Nil (P.Y. 61,000,000) 0.0001% Optionally Convertible Debentures of ₹ 10 each Fully paid in Insight Hotels Leisures Pvt Ltd.	-		6,100.00	
Nil (P.Y. 21,000,000) 0.0001% Optionally Convertible Debentures of ₹ 10 each fully paid in Roomy Construction Company Pvt Ltd.	-		2,100.00	
25,000 (P.Y. Nil) 0.0001% Optional Fully Convertible Debentures of ₹ 100 each fully paid Up UPAL Hotels Pvt Ltd.	25.00		-	
		25.00		8,200.00
D INVESTMENT IN CAPITAL OF PARTNERSHIP FIRM (MEASURED AT COST)				
Phoenix Construction Company		188.67		190.65
E OTHERS				
7 years - National Savings Certificates		0.70		0.70
(Deposited with State Government and other authorities as security)				
		61,208.67		**52,382.40**
Less: Aggregate provision for diminution in value of investments (Refer Note No. 47)		(11,425.00)		(11,425.00)
Total Non- Current Investments		**49,783.67**		**40,957.40**

₹ in Lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017
1. Aggregate value of Quoted Investments:		
Book Value	15,774.50	5,570.58
Market Value	15,774.50	5,570.58
2. Aggregate book value of other Unquoted Investments:	**45,434.17**	**46,811.82**

** Out of 36,325 shares, 9,975 shares are held by a Bank in their name as security

48.19% shares of Classic Mall Developments Private Limited are held subject to a non-disposal undertaking to the lender bank stating that it shall not dispose / transfer / pledge /encumber these shares owned/held in the company until the loans taken by these companies are fully repaid to the bank Investments in Equity Shares of Classic Mall Development Company Pvt Ltd includes cost of ESOP granted to employees of ₹ 13.11 lakhs (P.Y. ₹ 7.10 lakhs)

₹ in Lakhs

Category wise Non Current Investments	As at 31st March, 2018	As at 31st March, 2017
Financial Assets Measured at Cost	29,114.36	22,310.02
Financial Assets Measured at Fair value through Other Comprehensive Income	31,993.07	29,971.58
Financial Assets Measured at Fair value through Profit & Loss account	101.24	100.80
Total	**61,208.67**	**52,382.40**

Note 7.1 Investments in Associates includes cost of ESOP granted to employees of respective Associates as under :

₹ in Lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017
Classic Mall Developers Company Pvt Ltd	13.11	7.10
	13.11	**7.10**

NOTE 8

FINANCIAL ASSETS- LOANS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Inter Corporate Loans and Deposits				
Unsecured, Considered good				
With related parties #	-	21.25	259.51	-
With Others				
Considered good	330.39	3,142.78	630.25	3,397.81
Considered doubtful	-	757.25	-	-
		3,900.03	-	-
Less : Provision for doubtful receivables	-	(757.25)	-	-
	-	3,142.78	-	-
Other Loans				
Other Advance	300.00	-	-	-
	630.39	**3,164.03**	**889.76**	**3,397.81**

Refer Note no. 40

NOTE 9

OTHER FINANCIAL ASSETS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Fixed Deposit with Bank (Maturity more than 12 Months)*	8,163.58	-	11,410.42	-
Interest accrued but not due on Fixed Deposit	823.55	114.39	100.84	152.43
Interest accrued on Investments	-	1,451.48	-	1,432.51
Interest accrued on ICD's	-	276.10	-	437.67
Unbilled revenue	-	672.66	-	268.57
Deposits	17.25	37.96	130.00	-
	9,004.38	**2,552.59**	**11,641.26**	**2,291.18**

* Fixed Deposits of The Phoenix Mills Ltd of ₹ 4102.17 Lakhs (P.Y. ₹ 3,817.63 Lakhs) earmarked towards maintenance of DSRA as per loan agreement and Fixed deposits of ₹ 42.54 Lakhs (P.Y. ₹ 42.54 Lakhs) is given as security for bank guarantee.

* Deposit of Offbeat Developers Pvt Ltd of ₹ Nil (P.Y. ₹ 2,000 lakhs) earmarked toward maintenance of DSRA.

* Deposit of Pallazzio Hotel & Leisure Ltd of ₹ 570.41 lakhs (P.Y. ₹ 2,228.24 lakhs) earmarked for EPCG license, liquor license and bank guarantee given to pollution control board & electricity distribution company.

* Fixed deposit of Palladium constructions pvt Ltd of ₹ 113.92 lakhs (P.Y ₹ 113.92 lakhs) Furnished as Bank Guarantee to the Karnataka VAT Authorities towards the tax demand for Financial Year 2013-14.

* Deposit of Upal Developers Pvt Ltd of ₹ 3 lakhs (P.Y ₹ Nil) Given as security for Bank Guarantee.

* Deposit of Upal Developers Pvt Ltd of ₹ 357 lakhs (P.Y. ₹ 357 lakhs) earmarked toward maintenance of DSRA.

NOTE 10

DEFERRED TAX ASSETS (NET)

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Deferred Tax Assets				
Disallowance under the Income Tax Act. 1961	2,301.90		5,286.05	
Carry Forward of Losses & Depreciation	9,277.99		7,243.25	
		11,579.99		12,529.30
Deferred Tax Liability				
Related to Fixed Assets	(2,747.36)	-	(12.13)	-
Fair value of gain on Investment	(355.14)	(3,102.50)	-	(12.13)
		8,477.39		**12,517.17**

NOTE 11

OTHER NON FINANCIAL ASSETS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
(Unsecured Considered Good)				
Capital Advances				
With Related Party #	20.00	-	2,207.71	-
Others	7,096.94	-	639.56	-
Deposits				
Deposits with related parties #	5,517.75	-	471.42	-
Security Deposits	1,028.84	39.50	1,005.27	229.69
Other Deposits	720.78	-	307.14	-
Others				
Advances recoverable in cash or kind	3,044.80	643.46	3,871.51	702.39
Prepaid Expenses	82.87	697.48	0.50	738.14
Advance to Vendors	397.19	2,786.86	471.82	1,265.41
Balance with statutory/government authorities	2,058.90	8,254.05	2,299.54	2,484.11
	19,968.07	**12,421.35**	**11,274.47**	**5,419.74**

Refer Note no. 40

NOTE 12

INVENTORIES

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Realty Work- In- Progress	43,192.13		65,655.76	
Finished Realty Stock	22,414.19		28,361.22	
Food & Beverages	543.10		505.24	
Stores and spares	0.10	66,149.52	27.45	94,549.67
		66,149.52		**94,549.67**

NOTE 13

CURRENT INVESTMENTS (MEASURED AT FAIR VALUE THROUGH PROFIT & LOSS)

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
2,083,953.142 Units (P.Y. Nil) of Aditya Birla Sun Life Floating Rate Fund Short Term – Growth Regular Plan	4,815.46		-	
677,019.567 Units (P.Y. Nil) of India Bulls Liquid Fund- Existing Plan – Growth	11,439.32		-	
2,595,909.979 Units (P.Y. Nil) of JM High Liquidity Fund - Growth Option	1,229.84		-	
50,972.207 Units (P.Y. Nil) of Invesco India Ultra Short Term Fund – Growth	1,215.02		-	
147,316.88 Units (P.Y. Nil) of L&T Liquid Fund - Regular Growth	3,499.98		-	
72,399.15 Units (P.Y. Nil) of Kotak Floater Short Term- Growth (Regular Plan)	2,059.45		-	
91,366.236 Units (P.Y. Nil) of Principal Cash Management Fund - Regular Plan Growth	1,540.81		-	
58,950.099 Units (P.Y. Nil) of Edelweiss Liquid -Fund Regular Plan Growth	1,309.66		-	
48,284.414 Units (P.Y. Nil) of Reliance Liquid Fund- Treasury Plan - Growth Plan - Growth Option	2,038.69		-	
116271.987 Units (P.Y. Nil) of Invesco India Liquid Fund	2,771.55		-	
61709.476 Units (P.Y. Nil) of UTI Money Market Fund	1,196.93		-	
		33,116.71		-
		33,116.71		-

NOTE 14

TRADE RECEIVABLES

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Unsecured				
Considered good #	12,915.33		14,701.15	
Considered doubtful	2,495.96		3,778.00	
Less : Provision for Doubtful receivables	(2,495.96)		(3,778.00)	
		12,915.33		14,701.15
		12,915.33		**14,701.15**

Trade Receivables include ₹ Nil (P.Y. ₹ 11.74 Lakhs) from private companies in which a director is a director / Member

NOTE 15

CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Cash on hand	39.96		29.23	
Balances with banks				
In Current Accounts	3,202.02		5,825.25	
In Fixed Deposits				
Deposits with original maturity of less than three months	5.00		381.85	
In dividend account	185.24		176.50	
Cheques on hand	0.74		-	
		3,432.96		6,412.83
		3,432.96		**6,412.83**

NOTE 16

BANK BALANCE OTHER THAN ABOVE

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
In Fixed Deposits				
Deposits with original maturity of more than three months and less than One Year #	1,056.89		1,711.37	
		1,056.89		1,711.37
		1,056.89		**1,711.37**

Fixed Deposit of Offbeat Developers Pvt Ltd of ₹ Nil (P.Y. ₹ 290.63 lakhs) earmarked toward maintaining of DSRA as per loan agreement with IndusInd Bank and Fixed Deposit of ₹ 68.66 lakhs (P.Y. ₹ 230.33 lakhs) given as security for Bank gurantee.
Term Deposit of Island star mall private limited of ₹ 15.34 lakhs (P.Y ₹ 14.06 lakhs) earmarked to Bank Guarantee given to Joint Commissioner of Commercial Taxes (Appeals) at Bangalore for disputed tax demand.
Fixed Deposit of Upal Developers private limited of ₹ 21.24 lakhs (P.Y ₹ 19.95 lakhs) given as security for bank guarantee.

NOTE 17

CURRENT TAX ASSETS (NET)

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Advance income tax (net of provision)	9,280.82		9,921.99	
Minimum Alternate Tax Credit Receivable	776.95		2,274.34	
		10,057.77		12,196.33
		10,057.77		**12,196.33**

NOTE 18

SHARE CAPITAL

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Authorised		
225,000,000 Equity Shares (P.Y. 225,000,000) of ₹ 2 each	4,500.00	4,500.00
Issued, subscribed and paid up		
153,141,740 Equity Shares (P.Y. 153,066,907) of ₹ 2 each	3,062.83	3,061.34
	3,062.83	**3,061.34**

Note 18.1

RECONCILIATION OF NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

	As at 31st March, 2018	As at 31st March, 2017
Equity Shares outstanding at the beginning the year	15,30,66,907	15,29,88,852
Add : Issued during the year on exercise of employee options	74,833	78,055
Shares outstanding at the end of the year	**15,31,41,740**	**15,30,66,907**

Note 18.2 Terms and Rights attached to equity shareholders:-

The Company has only one class equity shares having face value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. Equity shareholder are also entitled to dividend as and when proposed by the Board of Directors and approved by Share holders in Annual General Meeting. In the event of liquidation of the company, the holder of Equity shares will be entitled to receive remaining assets of the company, after distribution of ll preferential amounts which shall be in proportion to the number of shares held by the shareholders.

Note 18.3 Shares in the Company held by each shareholder holding more than 5 % Shares

Particulars	31st March, 2018		31st March, 2017	
Name of Shareholder	Number of shares	% of Holding	Number of shares	% of Holding
Ruia International Holding Company Private Limited	4,93,47,248	32.22	4,93,47,248	32.24
Senior Holdings Private Limited.	1,54,90,049	10.11	1,54,90,049	10.12
Radhakrishna Ramnarain Private Limited.	1,16,67,800	7.62	1,16,67,800	7.63
Ashok Apparels Private Limited.	96,70,665	6.31	96,70,665	6.32

Note 18.4 Issue of shares for ESOP - PML

During the period of five years immediately preceding reporting date, the company has issued total 3,04,388 shares (2017:229,555 Shares) on exercise of options granted under the Employees Stock Options (ESOP), wherein part consideration was received in the form of employee services.

NOTE 19

OTHER EQUITY

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
Capital Reserves				
As per Last Balance Sheet		**185.25**		185.25
General Reserve				
As per Last Balance Sheet		**22,918.36**		22,918.36
Securities Premium Account				
As per Last Balance Sheet	1,34,539.96		1,34,325.83	
Add:- On Issue of Shares	245.66		214.13	
		1,34,785.62		1,34,539.96
Share Based Payment Reserve				
As per last Balance Sheet	338.12		42.56	
Add: ESOPs Cost for the year	612.61		295.56	
		950.73		338.12
Retained Earnings				
Surplus/(defecit) in the Statement of profit and loss				
As per Last Balance Sheet	53,808.32		41,993.43	
Net Profit for the year	24,216.06		16,792.13	
Impact of Acquisition/Disposal/Change in Controlling Interest	36,851.98		(4,148.59)	
Final Dividend (₹ 2.40/- Per share) (P.Y. ₹ 2.20/-)	(3,670.75)		(688.45)	
Tax on Dividends	(747.94)		(140.15)	
		1,10,457.67		53,808.32
Other Comprehensive Income				
As per Last Balance Sheet	154.41		205.25	
Movement in OCI (net)during the year	12,648.60		(57.11)	
Impact of Acquisition/Disposal/Change in Controlling Interest	7.44	**12,810.46**	6.27	154.41
Total Other Equity		**2,82,108.09**		**2,11,944.42**

Nature & Purpose of Reserves & Surplus

1) Capital Reserve: Capital reserve represents reserve created pursuant to the business combinations upto year end.

2) Securities Premium Reserve: Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

3) Share Based Payment Reserve: Reserve relates to stock options granted by the Group to employees under an employee stock options plan.

4) General Reserve: General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

NOTE 20
BORROWINGS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Secured				
Loans from Financial Institution	15,908.50	433.97	8,649.43	520.73
Loans from Banks	2,95,563.75	20,274.56	2,93,571.60	26,611.55
Vehicle Loans	12.05	851.00	25.07	-
Unsecured				
0.0001% Series A Optionally Convertible Debentures of ₹ 100 each	-	-	176.60	-
Zero Coupon Non Convertible Fully Redeemable Non Transferable Debentures series "F"	2,300.00	-	2,300.00	-
Optionally Fully Convertible Unsecured Debentures (OFCD) "Series I"	5,934.85	-	5,934.85	-
Less: Amount disclosed under the head "Other Current Liabilities" (Note 22)	-	(21,559.53)	-	(27,132.28)
	3,19,719.15	**-**	**3,10,657.55**	**-**

A) (i) Loans of ₹ 70,452.92 Lakhs (P.Y ₹ 64,808.35 Lakhs) of The Phoenix Mills Limited by Equitable Mortgage of deposit of Title deeds in respect of certain immovable properties situated at High Street Phoenix, Senapati Bapat Marg , Lower Parel, Mumbai and by hypothecation of rentals receivable from licencees.

(ii) Loans of ₹ 56,575.90 Lakhs (P.Y ₹ 62,573.29 Lakhs)for Pallazzio Hotels & Leisure Limited, are secured by Equitable Mortgage of deposit of title deeds in respect of certain immovable properties goods, movable properties, including movable machinery, machinery spares, tools and accessories both present and future.

(iii) Loan of ₹ 59,252.09 Lakhs (PY ₹ 48,871.39 Lakhs) of Vamona Developers Pvt Ltd, secured by future Lease Rent Receivables and a paripassu charge over the land and building of the Mall i.e. Phoenix Marketcity at Viman Nagar, Pune.

(iv) Loans of ₹ 41,476.87 lakhs (P.Y. ₹ 44,427.19 lakhs) for Island Star Mall Developers Private Limited,are secured on paripassu basis by equitable mortgage of immovable properties namely 'Mall Building' and 'Multiplex Building', admeasuring approximately 93,529 sq. mts. in aggregate, alongwith an undivided interest to the extent of approximately 21,915.59 Sq. Mts. in the land appurtenant to the said structures forming an undivided part of the plot area of approximately 59,995 sq. mts., situated at Whitefield, Bengaluru and hypothecation of lease rental/ sales receivable from retailers and lien on the DSRA/ ESCROW Account.

(v) Loans of ₹ 63,174.39 Lakhs (P.Y ₹ 69,725.82 Lakhs)for Offbeat Developers Private Limited are secured by paripassu charge over specified area of land and building of Retail mall and first paripassu charge on escrow of lease rental from mall and art guild house at kurla -mumbai, Loans of ₹ Nil (P.Y 12,500 lakhs) is secured by exclusive charge by way of registered mortgage on entire land of phase II (Art Guild House) along with the super structures built thereon (present and future) and on all moveable fixed assets and current assets including receivables/future receipts and escrow receipts pertaining to Art Guild House project.

(vi) Loans of ₹ 7,930.72 Lakhs (P.Y ₹ 8,329.36 Lakhs) of Upal Developers Private Limited are secured by Equitable mortgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, and assignment of future rental.

(vii) Loans of ₹ 8,361.14 Lakhs (P.Y ₹ 8,351.68 Lakhs) of Blackwood Developers Private Limited are secured by Equitable mortgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, and assignment of future rental.

(viii) Loans of ₹ 16,101.38 lakhs (P.Y ₹ 12,498.23 lakhs) for Palladium Constructions Private Limited,are secured on paripassu basis by equitable mortgage of immovable properties namely 'Phase 1 (Tower-1-5)' of Project One Bangalore West, 'Phase 2 (Tower-6)' of Project One Bangalore West, admeasuring approximately 14,87,000 sq. ft. in aggregate and Paripassu charge over Courtyard Marriott,Agra is a c. 189 key 5 Star hotel, Loan amount includes Bank over draft facility.

(ix) Loans of ₹ 8,980.85 Lakhs (P.Y ₹ 9,000.00 Lakhs) for Graceworks Realty & Leisure Private Limited, is secured by first and exclusive registered mortgage of immovable property situated at Kurla (Mumbai), and hypothecation of lease rental, lease deposit and sales proceeds.

B Vehicle Loans are secured by the hypothecation of respective vehicles.

C Maturity Profile of Long Term Borrowings are as under:

1) Repayment of Loans from Financials Institutions will be as under:

₹ in Lakhs

Year	For the Year Ended 2018	For the Year Ended 2017
FY 2017-18	-	520.72
FY 2018-19	1,039.74	661.10
FY 2019-20	1,410.68	801.48
FY 2020-21	1,621.98	952.98
FY 2021-22	1,858.40	1,123.73
FY 2022-23	2,123.51	1,316.73
FY 2023-24	2,420.24	1,534.27
FY 2024-25	2,751.76	1,778.83
FY 2025-26	1,548.72	480.29
FY 2026-27	1,173.30	-
FY 2027-28	1,065.26	-

2) Repayment of Loans from Banks will be as under:

₹ in Lakhs

Year	For the Year Ended 2018	For the Year Ended 2017
FY 2017-18	-	25,339.34
FY 2018-19	19,632.43	30,655.04
FY 2019-20	22,765.28	29,957.03
FY 2020-21	31,447.64	34,487.80
FY 2021-22	41,243.90	38,437.79
FY 2022-23	43,182.63	41,149.62
FY 2023-24	35,712.77	45,238.30
FY 2024-25	31,496.15	35,330.86
FY 2025-26	20,465.30	11,428.80
FY 2026-27	16,347.01	7,802.46
FY 2027-28	16,606.85	8,124.99
FY 2028-29	15,772.32	9,374.99
FY 2029-30	10,572.38	9,999.99
FY 2030-31	9,999.99	-

3) Vehicle Loans are repayable within 1 to 5 years.

D Terms & Conditions of Debentures are as under :

I) Unsecured

Pallazzio Leisure & Hotels Limited has issued two zero coupon fully redeemable non convertible unsecured debentures to body corporate of ₹ 2,300.00 Lakhs each [including the holding company, Phoenix Mills Limited] with an underlying right to occupy the certain portion of Company's premises. The Company has an option but not an obligation to redeem the series F debentures, only collectively during the option window period of three months from (a) the expiry of 7 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders are allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2.5%, quarterly compounded (b) the expiry of 14 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders are allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption] by the Company at an annualized rate equivalent to the average interest rate by the lenders for that year plus 2%, quarterly compounded.

"Pallazzio Leisure & Hotels Limited has issued 21,980,912 (PY 59,34,846) Optionally Fully Convertible ""Series I"" Unsecured Debentures (OFCD) of ₹ 100 each to body corporate [including the holding company, Phoenix Mills Limited] at face value. Pallazzio Leisure & Hotels Limited has an option to convert OFCD into Equity shares at any time after 30th March 2017 . In case of conversion, 1 OFCD of ₹ 100 each will be converted into such number of Equity shares of ₹ 100 each at a premium of ₹ 575 per share. Further at the option of Pallazzio Leisure & Hotels Limited , OFCD may be redeemed within 10 years from the date of allotment in one or more tranches at a premium not exceeding ₹ 10 per OFCD. The OFCDs carries coupon rate @4% which will accrue only at the time of redemption & it will be payable at the time of redemption of the instrument by the Company. OFCD are convertible into fixed number of equity shares at fixed price and at the option of the Company and hence meet the definition of equity based on the management intention / judgement that it would exercise the option of conversion."

Graceworks Realty & Leisure Private Limited has issued 6,01,183, 0.0001% Series A Optionally Convertible Debenture holders have an option to convert the debentures into equity shares on or before March, 2020. Each debenture is convertible into equity shares of ₹ 10 each fully paid at premium of ₹ 2400 on the date of conversion. Graceworks Realty & Leisure Private Limited has an option to redeem the shares in one or more tranches at the redemption premium not exceeding ₹ 10/- per Optionally Convertible Debenture.

Graceworks Realty & Leisure Private Limited has issued 43,10,000 ,0.0001% Optionally Fully Convertible Debenture holders have an option to convert the debentures into equity shares on or before October 1, 2026. Each debenture is convertible into equity shares of ₹ 10 each fully paid at premium of ₹ 1740 on the date of conversion. Graceworks Realty & Leisure Private Limited has an option to redeem the shares in one or more tranches at the redemption premium not exceeding ₹ 10/- per Optionally Fully Convertible Debenture on or before October 1, 2026.

NOTE 21

TRADE PAYABLES

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	**Current**	**Non Current**	**Current**
Micro and Small Enterprises*	-	14.47	-	14.18
Others	57.59	10,407.09	388.78	10,756.71
	57.59	**10,421.56**	**388.78**	**10,770.89**
*** The disclosure pursuant to the said Act under:**				
a) Principal amount remaining unpaid to suppliers		14.47		14.18
b) Principal amount paid to beyond due date		-		-
c) Amount of interest paid under section 16		-		-
d) Amount of interest due and remaining unpaid		-		-
e) Amount of interest accrued and remaining unpaid		-		-
f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the above Act.		-		-

NOTE 22

OTHER FINANCIAL LIABILITIES

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Current maturities of long-term borrowings	-	21,559.53	-	27,132.28
Retention Payable to Contractors	167.13	-	949.12	-
Interest accrued but not due on borrowings	-	682.97	-	977.10
Interest accrued and due on borrowings from Related party	-	245.90	-	425.64
Interest accrued and due on borrowings from others	-	71.10	-	-
Creditors for Capital Expenditure	1,043.42	54,725.16	17.34	1,769.97
	1,210.55	**77,284.66**	**966.46**	**30,304.99**

NOTE 23

PROVISIONS

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Provision for Employee Benefits				
Gratuity	182.95	40.62	170.21	37.52
Leave Encashment	355.32	252.78	314.95	226.87
Other Provisions				
Property Tax #	-	3,851.00	-	2,874.00
Others	-	1,509.32	165.38	313.64
Provision for premium on redemption of zero coupon non convertible debentures series "F" **	4,809.89	-	3,775.61	-
	5,348.17	**5,653.71**	**4,426.15**	**3,452.03**

**The Subsidiary company Pallazzio Hotels & Leisure has an option but not an obligation to redeem the NCD collectively only during the specified window period along with redemption premium. Considering the long term nature of the instrument, other uncertainties as regards exercising of the option, the company is of the view that the event is contingent in nature. However in order to comply with the requirements of the generally accepted accounting principles, the company has made a provision for redemption premium payable (if any) and the same was adjusted against the securities premium account in accordance with section 52 of the Companies Act, 2013 till 31st March 2015 and after 1st April 2015 the said premium has been debited to statement of profit and loss."

Movement in Provision for Property Tax

₹ in Lakhs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Opening Balance	2874.00	1897.00
Add: Provision during the year	977.00	977.00
Closing Balance	**3851.00**	**2874.00**

NOTE 24

DEFERRED TAX LIABILITY

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Related to Fixed Assets	18.08	-
	18.08	-

NOTE 25
OTHER NON FINANCIAL LIABILITIES

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current	Non Current	Current
Statutory Dues	-	7,409.72	-	3,659.77
Other Payables #	179.60	7,937.88	-	15,271.02
Security Deposits/Advance From Occupants/Licensees or Customers	35,014.93	15,532.17	28,579.07	23,207.58
Deposits received from related party	-	125.00	-	125.00
Deposit received from Customers	371.30	-	-	-
Other Deposit	-	-	1.00	-
Income Received in Advance	-	6,099.03	384.30	150.57
Unpaid Dividends*	-	185.24	-	176.50
	35,565.83	**37,289.04**	**28,964.37**	**42,590.44**

* These Figures do not include any amounts, due and outstanding to be credited to Investor Education & Protection Fund
# Others include advance of ₹ 1,918.80 Lakhs (P.Y. ₹ 1,918.80 Lakhs) received against the debentures of TWDL (Refer Note No. 47)

NOTE 26
SHORT TERM BORROWINGS

(₹ In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Secured		
Loans from Bank	20,199.31	24,170.37
Unsecured		
Loans and Advances from related parties	4,842.24	170.90
Loan from Others	330.37	422.61
	25,371.92	**24,763.88**

Bank Overdraft/Cash Credit facility of ₹ 18,116.62 lakhs (P.Y. ₹ 21,689.49 Lakhs) are secured against assets stated in Note 20 (A) (i) to (ix)

NOTE 27
CURRENT TAX LIABILITIES

(₹ In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Tax Provision (net of taxes paid)	12.92	553.34
	12.92	**553.34**

NOTE 28
REVENUE FROM OPERATIONS

(₹ In Lakhs)

	2017-18	2016-17
Sales		
From Reality Sales	15,617.33	32,050.13
License Fees and Rental Income	76,239.07	78,459.06
Service Charges	31,216.22	33,812.43
Room Rent Income	13,936.85	12,296.62
Food, Beverages and Banquet Income	17,228.71	15,388.63
Other Operating Income	7,736.96	10,453.83
	1,61,975.14	**1,82,460.70**

NOTE 29

OTHER INCOME

(₹ In Lakhs)

	2017-18	2016-17
Interest	1,675.74	3,212.82
Dividend Income	140.13	41.29
Income from assets measured at fair value through Profit & Loss		
Profit on sale of Financial Assets	2,060.12	368.46
Financial assets remeasured at FVTPL	1,219.58	96.62
Profit on assignment of rights / transfer of property under development	-	24.69
Profit on sale of Assets	0.24	0.44
Others		
Project Technical Services	167.15	-
Foreign Exchange Gain/(Loss)	0.01	-
Miscellaneous Receipts	277.59	531.62
Balance/(Provisions) Written Back	21.76	440.97
	5,562.32	**4,716.91**

NOTE 30

COST OF MATERIALS/CONSTRUCTION

(₹ In Lakhs)

	2017-18		2016-17	
Food and Beverage Consumed				
Purchases	4,887.34		4,358.68	
Realty				
Construction & Other related costs	12,800.85		23,914.20	
		17,688.19		**28,272.88**

NOTE 31

CHANGE IN INVENTORY

(₹ In Lakhs)

	2017-18		2016-17	
Food and Beverage Consumed				
Stock at beginning of the year	505.24		603.05	
Stock at closing of the year	543.10		505.24	
Net (Increase)/Decrease		**(37.86)**		**97.81**
Realty				
Opening Work In Progress	93,578.08		1,06,834.01	
Closing work in progress	71,242.89		93,578.08	
Transfer to fixed Assets/Adjustment for de-subsidization	26,810.07		17,021.66	
Net (Increase)/Decrease		**(4,474.88)**		**(3,765.73)**
Opening Finished Goods	128.16		25,243.78	
Closing Finished Goods	113.20		128.16	
Inventory Capitalised/Transfer to CWIP	-		25,056.41	
		14.96		**59.21**
		(4,497.78)		**(3,608.71)**

NOTE 32

EMPLOYEE BENEFITS EXPENSE

(₹ In Lakhs)

	2017-18	2016-17
Salaries, Wages & Bonus	13,480.99	12,813.09
Contribution to Provident Fund & Other Funds	454.67	451.41
Gratuity and Leave encashment	266.08	211.65
Staff Welfare Expenses	367.50	389.11
Share based payments cost	158.00	160.79
	14,727.24	**14,026.05**

NOTE 33

FINANCE COSTS

(₹ In Lakhs)

	2017-18	2016-17
Interest Expenses	32,905.22	40,737.36
Premium on Non Convertible Debenture	1,034.28	988.15
Other Borrowing Costs	821.23	577.01
	34,760.73	**42,302.52**

NOTE 34

OTHER EXPENSES

(₹ In Lakhs)

	2017-18		2016-17	
Electricity		17,504.71		19,372.57
Repairs and Maintenance:-				
Buildings	1,787.43		1,724.77	
Machinery & Vehicles	2,582.67		2,866.55	
Others	822.32		890.56	
		5,192.42		5,481.88
Foreign Exchange (Gain)/Loss		37.74		(7.41)
Insurance		461.34		464.31
Stores and Operating Supplies		1,620.41		1,547.48
Rent, Rates & Taxes		625.98		628.37
Property Tax		4,301.30		4,398.20
Water Charges		679.47		900.24
Communication expenses		446.33		410.59
Postage & Courier		5.92		6.04
Prinitng & stationary expenses		154.47		129.61
Legal and Professional charges		3,390.87		2,337.83
Travelling Expenses		573.67		614.55
Auditors' Remuneration		146.41		173.70
Car Hire charges		-		321.08
Directors' sitting fees & Commission		10.80		23.65
Compensation		184.08		433.86
Donation		222.79		122.22
Loss on Assets Sold/Discarded		536.22		779.40
Loss on Cancellation of Unit		108.70		-
Advertisement & Sales Promotion		7,887.97		8,357.64

(₹ In Lakhs)

	2017-18		2016-17	
Bank charges		104.56		87.05
Brokerage		206.62		209.18
Rebate & Settlement		604.69		780.03
Bad debts & Sundry balances written off	7.07		92.55	
Provision for Doubtful Debts & Advances	467.16	474.23	1,120.35	1,212.90
Parking Expenses		274.87		390.20
Office Expenses		112.32		44.50
Management Fee		1,152.31		782.39
Security Charges		3,595.47		3,324.60
Housekeeping Expenses		2,783.60		3,170.78
General Expenses		959.15		970.07
Other Miscellaneous Expenses		1,957.78		1,607.64
Share of Loss from a Partnership Firm		1.98		1.85
		56,319.18		**59,076.98**

35 Taxation

Income tax related to items charged or credited to profit or loss during the year:

(₹ In Lakhs)

		2017-18	2016-17
A	**Statement of Profit or Loss**		
	1. Current Income Tax	6,872.20	7,925.16
		6,872.20	**7,925.16**
	2. Adjustments in respect of Income Tax of previous year		
	Current Income Tax	8.58	(93.64)
		8.58	**(93.64)**
	3. Minimum Alternate Tax credit entitlement	(3,205.18)	(1,250.06)
		(3,205.18)	**(1,250.06)**
	4. Deferred Tax expenses/ (benefits):		
	Relating to origination and reversal of temporary differences	3,903.99	1,994.30
		3,903.99	**1,994.30**
	Total Income tax Expenses (1 to 4)	**7,579.59**	**8,575.76**
B	**Reconciliation of Current Tax expenses:**		
	Profit /(Loss) from Continuing operations	28,711.75	27,577.15
	Applicable Tax Rate	34.608%	34.608%
	Computed tax expenses	**9,937.56**	**9,543.90**
	Additional allowances As per Income Tax Act	(8,001.20)	(9,578.73)
	Income not allowed/exempt for tax purposes	(2,079.23)	(1,061.95)
	Expenses not allowed for tax purposes	3,115.39	1,806.79
	Carry Forward Loss utilised	(1,533.49)	2,457.91
	Other temporary allowances	(361.28)	268.60
	Additional Tax payable due to MAT provisions	3,151.03	1,434.61
	Non Taxable Subsidiarie and Effect of Differential Tax Rate	(551.18)	1,710.33
		3,675.60	**6,581.46**
	Effective Tax Rate	12.802%	23.87%
C	**Deferred Tax Recognised in statement of profit and Loss relates to the following:**		
	Accelerated depreciation for tax purpose	1,968.17	3,118.47
	Remeasurement Gain on Mutual Fund	372.96	-
	Expenses allowable on payment basis	(1,353.85)	(511.53)
	Provision for loss allowance	(27.38)	2,802.20

(₹ In Lakhs)

		2017-18	2016-17
	Other temporary differences	2,377.57	(2,328.28)
	Unused Carry Forward losses	566.52	(1,086.57)
	Deferred Tax Liabilities/ (Asset)	**3,903.99**	**1,994.29**
D	**Reconciliation of deferred tax liabilites/(asset) net:**		
	Opening balance as on 1st April	(12,517.17)	(10,958.55)
	Tax expenses/ (income) for the year	3,903.99	1,994.30
	Add/(Less): On Account of Acquisition/Merger/Disposal of Subsidiary	153.87	(3,552.92)
	Closing balance as on 31st March	**(8,459.31)**	**(12,517.17)**

E. The Group has not recognised any deferred tax liabilities for taxes that would be payable on the Group's share in unremitted earnings of certain of its subsidiaries because the Group controls when the liability will be incurred and it is probable that the liability will not be incurred in the foreseeable future.

F. In Case of certain Subsidiaries Deferred Tax Assets has not been recognised on Carry Forward Losses.

36 Fair Value of Financial Assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

(₹ In Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at fair value through Profit and Loss				
Investments				
- in Equity shares	101.24	101.24	100.80	100.80
Financial assets designated at fair value through Other Comprehensive Income				
Investments				
- Equity Shares *	21,718.77	21,718.77	11,515.29	11,515.29
- Preference Shares	106.25	106.25	106.25	106.25
- Compulsorily Convertible Debentures	10,143.05	10,143.05	10,150.05	10,150.05
- Optionally Compulsorily Convertible Debentures	25.00	25.00	8,200.00	8,200.00
- Capital Investment in Partnership Firm	188.67	188.67	190.65	190.65
Trade Receivables	12,915.33	12,915.33	14,701.15	14,701.15
Cash and Cash Equivalents	3,432.96	3,432.96	6,412.83	6,412.83
Loans and Advances	3,794.42	3,794.42	4,287.58	4,287.58
Deposits with Banks	1,056.89	1,056.89	1,711.37	1,711.37
Other financial assets	11,556.98	11,556.98	13,932.43	13,932.43
Total	**65,039.56**	**65,039.56**	**71,308.40**	**71,308.40**
Financial liabilities designated at amortised cost				
Borrowings	3,46,376.05	3,46,376.05	3,62,553.71	3,62,553.71
Trade payables and others	10,479.14	10,479.14	11,159.67	11,159.67
Other financial liabilities	77,284.66	77,284.66	4,139.18	4,139.18
Total	**4,34,139.85**	**4,34,139.85**	**3,77,852.56**	**3,77,852.56**

*In respect of Investment in equity shares of EWDL having carrying value of ₹ 5,792.70 Lakhs and in CCD's of TWDPL having carrying value of ₹ 10,000 Lakhs, the financial information on the assets and liabilities position of these companies for determining the fair value for the current period is not available, same has been carried at cost.

During the year, groups sold equity investments recognised at fair value through other comprehensive income having fair value of ₹ 2,736.25 Lakhs on the respective date of sale to maximise the returns.

Fair valuation techniques:

The Group maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the easurement date.

The following methods and assumptions were used to estimate the fair values

1. Fair value of the Equity Shares are based on price quoted on stock exchange.

2. Fair value of unquoted equity shares and CCD's is taken at intrinsic value.

3. Fair value of Long term Borrowings is calculated based on discounted cash flow.

4. Fair value of Financial Assets & Financial Liability(except Long term Borrowings) are carried at amortised cost and is not materially different from it's carrying cost.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(₹ In Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets /Liabilities measured at fair value						
Financial Asset:						
Investments						
- in Equity shares	15,775.20	-	6,044.81	5,571.28	-	6,044.81
- Compulsorily Convertible Debentures	-	-	10,143.05	-	-	10,150.05
- Optionally Compulsorily Convertible Debentures	-	-	25.00	-	-	8,200.00
- Preference Shares	-	-	106.25	-	-	106.25

Reconciliation of fair value of mesurement categorised within level 3 of the value hierarchy

(₹ In Lakhs)

Particulars	
Fair value as at 1st April, 2016	10,256.30
Purchase/Sales of Financial Instruments	8,200.00
Amount transferred to/from level 3	-
Fair value as at 31st March, 2017	18,456.30
Purchase/Sales of Financial Instruments	(8,182.00)
Amount transferred to/from level 3	-
Fair value as at 31st March, 2018	10,274.30

Financial Instruments measured at Fair value - Level III

Type	Valuation Technique	Significant Observable Input	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in unquoted equity shares, OFCDs and CCDs	Adjusted NAV (Net Asset Value) method. Adjusted NAV method involves determination of fair values of asset/liability/business based on its book value with appropriate relevant adjustments.	Not Appicable	Not Appicable

37. Financial risk Management:

The Group's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

- **Market risk:**

  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

- **Foreign currency risk**

  Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
  The Group is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The Group generally transacts in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency.
  The Group is exposed to insignificant foreign exchange risk as at the respective reporting dates.

- **Interest rate risk**

  Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. Almost 100% of the company's borrowings are linked to BR + 1.75% p.a. floating at Monthly rest including TP. With all other variables held constant, the following table demonstrates the impact of change in interest rate on borrowing cost on floating rate portion of loans.

  Increase/ (decrease) in Interest cost of Long term borrowings for the year:

(₹ In Lakhs)

Change in Rate of Interest	Effect on Profit/(Loss) before tax	
	2017-18	**2016-17**
+1%/-1%	3,210 .04	3,377.90

- **Commodity and Other price risk**

  The Group is not exposed to the commodity and other price risk.

- **Credit Risk**

  Credit risk is the risk of financial loss to the Group that a customer or counter party to a financial instrument fails to meet its obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

  Trade and other receivables:

  The Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Group periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Group continues regular followup , engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings.
  The Group is not exposed to concentration of credit risk to any one single customer since services are provided to vast specturm and hence, the concentration of risk with respect to trade receivables is low. The Group also takes security deposits, advances , post dated cheques etc from its customers, which mitigate the credit risk to an extent.

Cash and cash equivalents an other investments

The Group is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds. The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances other than those required for its day to day operations.

Exposure to credit risk

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31.2018 and March 31, 2017 is as follows:

Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):

(₹ In Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Other Investments		
Cash and cash equivalents	3,432.96	6,412.83
Bank Deposits	1,056.89	1,711.37
Loans	3,794.42	4,287.58
Other financial assets	11,556.98	13,932.43
Financial assets for which loss allowances is measured using Life time Expected Credit Losses (ECL):		
Trade receivables	12,915.33	14,701.15

Life time Expected credit loss for Trade receivables under simplified approach

(₹ In Lakhs)

Aging of Trade Receivables	Past Due				Total
	0-90 days	90-180 days	180 - 360 days	over 360 days	
As at 31st March, 2018					
Gross Carrying Amount	9,565.25	988.62	1,082.52	3,774.90	15,411.29
Expected credit losses (Loss allowance provision)	74.54	68.06	225.03	2,128.33	2,495.97
Net Carrying Amount	**9,490.71**	**920.57**	**857.49**	**1,646.57**	**12,915.33**
As at 31st March, 2017					
Gross Carrying Amount	10,217.92	2,163.28	1,390.35	4,707.60	18,479.15
Expected credit losses (Loss allowance provision)	20.84	25.77	150.57	3,580.82	3,778.00
Net Carrying Amount	**10,197.08**	**2,137.51**	**1,239.78**	**1,126.78**	**14,701.15**

Reconciliation of Changes in the life time expected credit loss allowance:

(₹ In Lakhs)

	2017-18	2016-17
Loss allowance on 1 April,	3,778.00	7,144.90
Provided during the year	615.45	1,120.35
Amount written off during the year / Adjusted against provision	(1,897.48)	(4,356.39)
On Account of Disposal of Subsidiary	-	(130.86)
Loss allowance on 31st March,	2,495.96	3,778.00

Cash and Cash equivalent, other Investment, Loans an other financial assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

- **Liquidity risk**

  Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

  The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

  The Group is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels and also cash deposits with banks to mitigate the risk of default in repayments. In the event of any failure to meet these covenants , these loans become callable to the extent of failure at the option of lenders, except where exemption is provided by lender.

(₹ In Lakhs)

Particulars	As at March 31, 2018					
	Carrying Amount	On Demand	Less than 12 months	1 - 5 years	>5 years	Total
Borrowings	3,59,970.87	36,759.01	23,311.52	1,37,652.47	1,62,247.88	3,59,970.87
Other Financial Liabilities	5,163.29	3,911.86	1,251.43	-	-	5,163.29
Trade and other payables	9,003.83	2,870.32	6,058.00	75.52	-	9,003.83

(₹ In Lakhs)

Particulars	As at March 31, 2017					
	Carrying Amount	On Demand	Less than 12 months	1 - 5 years	>5 years	Total
Borrowings	3,62,553.71	21,362.59	32,351.20	1,07,205.02	2,01,634.91	3,62,553.72
Other Financial Liabilities	4,139.18	3,665.48	473.70	-	-	4,139.18
Trade and other payables	11,159.67	4,653.08	6,249.22	257.37	-	11,159.67

38. Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2018 and March 31, 2017.
For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.

(₹ In Lakhs)

Pariculars	As At 31-03-2018	As At 31-03-2017
Loans and Borrowings	3,46,376.05	3,62,553.71
Less: Cash and cash equivalents + Bank Deposits	4,489.85	8,124.20
Net Debt	3,41,886.20	3,54,429.51
Total Capital	2,85,170.93	2,18,718.78
Capital+Net Debt	6,27,057.12	5,73,148.29
Gearing Ratio	54.52%	61.84%

39. Segment Reporting

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system as per Ind AS 108. The Group has two reportable segments as under:

Reportable Segment	Nature of operations
Property and related services	Providing mall /office areas on license basis and development of commercial / residential properties
Hospitality	Operation of hotels and restaurants

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker. The measurement principles of segments are consistent with those used in Significant Accounting Policies with following additional policies for segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(₹ In Lakhs)

Sr no.	Particulars	Property & Related Services		Hospitality Services		Unallocted		Total	
		2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
A	**Revenue**								
	Revenue From Operations	1,27,599.44	1,51,928.70	34,375.70	30,532.00	-	-	1,61,975.14	1,82,460.70
	Other Income	-	-	-	-	5,562.32	4,716.91	5,562.32	4,716.91
	Total	**1,27,599.44**	**1,51,928.70**	**34,375.70**	**30,532.00**	**5,562.32**	**4,716.91**	**1,67,537.56**	**1,87,177.61**
B	**Results**								
1	Profit Before Tax & Interest	54,508.81	60,932.31	3,401.35	4,230.45	5,562.32	4,716.91	63,472.48	69,879.67
2	Less: Interest	-	-	-	-	(34,760.73)	(42,302.52)	(34,760.73)	(42,302.52)
	Profit Before Tax & Exceptional Item	**54,508.81**	**60,932.31**	**3,401.35**	**4,230.45**	**(29,198.41)**	**(37,585.61)**	**28,711.75**	**27,577.15**
	Less: Provision for Tax	-	-	-	-	(7,579.59)	(8,575.76)	(7,579.59)	(8,575.76)
	Net Profit after Tax	**54,508.81**	**60,932.31**	**3,401.35**	**4,230.45**	**(36,778.00)**	**(46,161.37)**	**21,132.16**	**19,001.39**
	Add/(less) Share of Profit/(loss) from Associates	-	-	-	-	-	-	4,423.01	95.07
	Profit After Tax	**54,508.81**	**60,932.31**	**3,401.35**	**4,230.45**	**(36,778.00)**	**(46,161.37)**	**25,555.17**	**19,096.46**
C	**Other Information**								
	Segment Assets	6,11,304.40	4,75,139.20	1,19,797.14	1,28,275.46	1,18,632.92	97395.32	8,49,734.46	7,00,809.98
	Segment Liabilities	4,26,778.35	3,59,789.28	91,156.75	98,049.50	18.08	-	5,17,953.18	4,57,838.88
D	**Other Disclosures**								
	Capital Expenditure	54,785.92	53,017.66	1,309.87	3,078.13	-	-	56,095.79	56,095.79
	Investment in Associates	-	-	-	-	-	-	26,763.12	19,956.80
	Depreciation	13,588.47	12,069.63	6,239.69	7,461.10	-	-	19,828.16	19,530.73

All the activities of the Group and its subsidiaries are located in India. There are no secondary reportable segments.

40. Related Party Disclosure

In view of the Ind As 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31st March, 2018 is as under:

a) RELATIONSHIPS

Category I: Associates

Classic Housing Projects Private Limited
Mirabel Entertainment Private Limited
Starboard Hotels Private Limited
Classic Mall Development Pvt Ltd (Associate from 31/03/2017)
Columbus Investment Advisory Private Limited (wef 04/10/2017)

Category II: Key Managerial Personnels

Key Person	Designation
Ashokkumar R Ruia	Chairman & Managing Director
Atul Ruia	Jt. Managing Director
Shishir Shrivastava	Jt. Managing Director

Category III: Other Related Parties where common control exists

R.R.Hosiery Private Limited
R.R. Hosiery
Phoenix Retail Private Limited
Ruia International Holdings Company Private Limited
Phoenix Construction Company
Vigilance Developers Private Limited
Padmashil Hospitality & Leisures Private Limited

Category IV: Relatives of Key Managerial Personnel

Gayatri A Ruia

b) Transactions During the year

(₹ In Lakhs)

Sr.No.	TRANSACTIONS	Category I	Category II	Category III	Category IV	Total
1	Rent, Compensation & Other recoveries	351.99	-	-	19.53	371.52
		(226.50)	-	-	(19.19)	(245.69)
2	Interest Received	35.23	-	-	-	35.23
		(770.27)	-	-	-	(770.27)
3	Remuneration/Salaries/Other Expense	-	203.27	-	-	203.27
		-	(201.38)	-	-	(201.38)
4	Administrative & Other Charges paid (Excluding Service Tax)	1.24	7.96	-	116.22	125.42
		(2.60)	(11.91)	-	(61.03)	(75.53)
5	ICD Given	345.00	-	-	-	345.00
		(15,139.18)	-	-	-	(15,139.18)
6	ICD returned by Parties	365.00	-	-	-	365.00
		(21,473.21)	-	-	-	(21,473.21)
7	ICD received	4,750.00	-	-	-	4,750.00
		-	-	-	-	-
8	Interest Paid	273.22	-	-	-	273.22
		-	-	-	-	-
9	Share of Loss from partnership firm	-	-	1.98	-	1.98
		-	-	(1.85)	-	(1.85)
10	Advances Given	-	-	-	-	-
		(61.83)	-	-	-	(61.83)

c) The following balances were due from / to the related parties as on 31-03-2018

(₹ In Lakhs)

Sr.No.	Balances	Category I	Category II	Category III	Category IV	Total
1	Investment in Equity Shares / pref shares	26,763.12	-	-	-	26,763.12
		(19,956.80)	-	-	-	(19,956.80)
2	Investment in OCD/CCD	2,162.56	-	109.05	-	2271.61
		(2,162.56)	-	(109.05)	-	(2,271.61)
3	Investment in Capital of Partnership Firm	-	-	188.67	-	188.67
		-	-	(190.65)	-	(190.65)
4	Capital Advances	20.00	-	-	-	20.00
		(20.00)	-	-	-	(20.00)
5	Loans Taken	4,750.00	-	92.24	-	4,842.24
		(170.90)	-	(92.24)	-	(263.14)
6	Inter Corporate Deposits Given	21.25	-	-	-	21.25
		(259.51)	-	-	-	(259.51)
7	Advances Received	-	-	1.50	-	1.50
		-	-	(1.50)	-	(1.50)
8	Trade receivables	473.09	-	-	4.25	477.33
		(453.14)	-	(11.74)	-	(464.88)

(₹ In Lakhs)

Sr.No.	Balances	Category I	Category II	Category III	Category IV	Total
9	Trade Payables	2.43	-	234.90	-	237.33
		(3.66)	-	(234.92)	-	(238.57)
10	Deposits received	125.00	-	-	-	125.00
		(125.00)	-	-	-	(125.00)
11	Interest Payable	245.90	-	-	-	245.90
		-	-	-	-	-
12	Deposits Given	-	-	5,517.75	-	5,517.75
		-	-	(2,659.13)	-	(2,659.13)

Compensation of Key management personnel

The remuneration of director and other member of key management personnel during the year was as follows:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Short-term benefits	203.27	201.38
Other long term benefits	56.42	53.50

Note: Figures in brackets indicates previous year figure.
1.The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
2.Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through banking channel.

41. Earnings Per Share

Basic as well as Diluted EPS	2017-18	2016-17
Net Profit after Tax (₹ in Lakhs)	24,216.06	16,792.13
Weighted Average No. of Equity Shares for Basic EPS	15,30,86,782	15,30,49,774
Dilution due to ESOPs Granted	4,31,331	2,86,219
Weighted Average No. of Equity Shares for Diluted EPS	15,35,18,113	15,33,35,993
Nominal Value of Equity Shares	2	2
Basic Earnings Per Share	15.82	10.97
Diluted Earnings Per Share	15.77	10.97

42. Contingent liabilities not provided for in respect of: -

i) Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts is ₹ 5715.50 Lakhs (P.Y. ₹ 6249.02 Lakhs) net of advance paid.

ii) Disputed Statutory demands on account of :

(₹ in Lakhs)

Sr No	Particulars	31st March 2018	31st March 2017
1	Income Tax	5,843.98	2,863.32
2	Service Tax	4,217.98	1,628.60
3	VAT	2,145.21	1,523.96
4	Luxury Tax	20.91	-

iii) Demand notices received on account of arrears of Provident Fund dues ₹ 82.12 lakhs (P.Y. ₹ 82.12 lakhs) are disputed by the Company. The Company's has paid ₹ 10 lakhs and has also furnished a Bank Guarantee for ₹ 14.71 lakhs against P.F. demands to the P.F. authorities.

iv) Other Claims against the company not acknowledged of ₹ 1,924.96 lakhs (P.Y ₹ 105.41 lakhs)

v) Demand against property tax of ₹ 5583.19 lakhs (P.Y. ₹ 6023.23 lakhs). However provision for the same made in book

vi) Outstanding guarantees given by Banks ₹ 459.58 lakhs (P.Y. ₹ 437.97 lakhs).

vii) Guarantees given by the company for EPCG Licence ₹ 274.58 lakhs (P.Y. ₹ 1614.09 lakhs).

viii) The above litigations in (ii),(iii) & (v) are not expected to have any material adverse effect on the financial position of the company.

43. Expenditure incurred during construction period :

The Group's various projects relating to construction of commercial, retail, hotel and entertainment complexes are in progress. The expenditure incurred during the construction period is treated as "Project Development Expenditure" pending capitalisation. The same has been included under Capital Work In Progress and will be apportioned to fixed assets on the completion of the project.

The details of Project Development Expenditure as on the date of Balance sheet are as under:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Opening Balance Expenditure	**3324.24**	**3,048.38**
Interest & Finance Charges	-	229.96
Property Taxes	45.90	45.90
Closing Balance	**3370.14**	**3,324.24**

44. The Subsidiary companies considered in these consolidated financial statements are:

Sr no.	Name of the Company	Country of incorporation	Proportion of Effective Ownership interest 2017-2018	Proportion of Effective Ownership interest 2016-2017
1	Alliance Spaces Private Limited (Subsidiary of PHCPL)	India	75.02%	33.01%
2	Blackwood Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
3	Bellona Hospitality Services Limited	India	100.00%	100.00%
4	Big Apple Real Estate Private Limited (BARE)	India	100.00%	100.00%
5	Butala Farm Lands Private Limited	India	100.00%	100.00%
6	Enhance Holdings Private Limited	India	100.00%	100.00%
7	Gangetic Developers Private Limited (Subsidiary of BARE)	India	97.08%	58.61%
8	Grace Works Realty & Leisure Private Limited (Subsidiary of PHCPL)	India	66.69%	44.02%
9	Island Star Mall Developers Private Limited (ISML)	India	70.00%	100.00%
10	Market City Resources Private Limited (MCRPL)	India	100.00%	100.00%
11	Market City Management Private Limited	India	100.00%	100.00%
12	Mugwort Land Holding Private Limited	India	94.86%	94.86%
13	Offbeat Developers Private Limited	India	100.00%	83.60%
14	Palladium Constructions Private Limited	India	79.45%	79.52%
15	Pallazzio Hotels & Leisure Limited	India	72.98%	58.51%
16	Phoenix Hospitality Company Private Limited (PHCPL)	India	56.92%	56.92%
17	Pinnacle Real Estate Development Private Limited	India	100.00%	100.00%
18	Plutocrat Assets And Capital Management Private Limited	India	100.00%	100.00%
19	Sangam Infrabuild Corporation Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
20	Upal Developers Private Limited (Subsidiary of BARE)	India	100.00%	100.00%
21	Vamona Developers Private Limited	India	99.97%	86.55%
22	Savannah Phoenix Pvt Ltd	India	100.00%	100.00%
23	Insight Hotels & Leisure Private Limited	India	100.00%	-
24	Alysum Developers Pvt Ltd (Subsidiary of ISML)	India	70.01%	100.00%
25	Sparkle One Mall Developers Private Limited (Subsidiary of ISML)	India	70.01%	-

45. The associate companies considered in the consolidated financial statements are:

Sr no.	Name of the Company	Country of incorporation	Proportion of Effective Ownership interest 2017-2018	Proportion of Effective Ownership interest 2016-2017
1	Classic Housing Projects Pvt ltd	India	50.00%	50.00%
2	Starboard Hotels Private Limited	India	28.47%	28.47%
3	Mirabel Entertainment Private Limited (Associate through PHCPL)	India	28.47%	28.47%
4	Classic Mall Development Company Private Limited	India	50.00%	48.19%
5	Columbus Investment Advisory Private Limited (Associate through MCRPL from 04/10/2017)	India	50.00%	-

46. Capital work in progress includes ₹ 10,511.29 Lakhs (P.Y. ₹ 10,465.39 Lakhs) comprising mainly the cost incurred on acquiring long term tenancies on the plot of land admeasuring 7617.51 sq mtrs at High Street Phoenix. The Company is exploring various alternatives for the development of the said plot of land.

47. The Group carries, as at the year end, Investments of ₹ 5,792.70 lakhs in the equity shares of Entertainment World Developers Limited (EWDL), ₹ 10,000 lakhs in FCDs of Treasure world Developers Pvt. Ltd. (TWDPL), subsidiary of EWDL and interest accrued thereon, upto 31-03-2012, of ₹ 1,432.51 lakhs (net of TDS). The company had exercised the put option available as per the Share and Debenture Subscription Deed for the said FCDs in earlier year against which EWDL has paid a part amount of ₹ 1,918.80 Lakhs in November 2013. Pending receipt of the balance consideration, the amount received has not been adjusted against the investments/ accrued Interest and has been shown under other liability. The Networth of EWDL/TWDPL has been eroded as per latest available unaudited accounts as at 31-03-2015. The Company's Board has, out of abundant caution and as a prudent practice in line with the standard accounting practices, made an impairment provision of ₹ 2,300 Lakh in the year ended 31st March 2016 and ₹ 9,125 Lakh for the year ended 31st March 2015. While the Company would continue its efforts for the recovery of the dues against the put option exercised by it on the FCDs, in the opinion of the Board, considering the realisable value of assets of EWDL & its subsidiaries, the impairment provisions against these investments are adequate.

48. The balances in respect of trade receivables & payables and loans and advances, as appearing in the books of accounts are subject to confirmations from the respective parties and are pending reconciliations/adjustments arising there from, if any.

49. The Group provides units at its mall on License basis for which it charges license fee. The license agreements are generally for the period of 1 year to 5 years. The terms also provide for escalation of License fees and other charges on a periodical basis. Generally, the company has a right to terminate the license agreement by giving 6 months' notice.

50. The Company is a partner in a partnership firm M/s. Phoenix Construction Company. The accounts of the partnership firm have been finalised upto the financial year 2016-17. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:-

(₹ in Lakhs)

Sr. No.	Name of the Partners	Profit Sharing Ratio	Total Capital on 31-03-2017	Total Capital on 31-03-2016
1	The Phoenix Mills Ltd	50%	159.77	161.64
2	Gold Seal Holding Pvt. Ltd.	50%	111.21	113.08

The Company has accounted for its share of loss amounting to ₹ 1.98 Lakhs (P.Y. ₹ 1.85 Lakhs) pertaining to the financial year 2016-17 in the year. The share of profit/loss for the current financial year will be accounted in the books of the Company on the finalisation of the accounts of the firm.

51. Event after Reporting date :

a) The Board of Directors have recommended dividend of ₹ 2.60 per fully paid up equity share of ₹ 2 /- each, aggregating ₹ 4684.34 lakhs, including ₹ 702.65 lakhs dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on March 31, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

b) The Island Star Mall Developers Pvt Ltd has subsequent to the end of the financial year issued 5,33,78,204/- equity shares of ₹ 10/- each to Canada Pension Plan Investment Board at premium of ₹ 165.81/-, thereby reducing holding company's stake from 70% to 51%.

52. Additional information as required under Section 186 (4) of the Companies Act, 2013 :

a. Investment made in Body Corporate are mentioned in Note 7.

b. No Guarantee is given by the Company.

c. Loans given by the company to Body Corporate or Person are as under:

(₹ In Lakhs)

Particulars	As at 31s March, 2018	Purpose
Academy Printers Pvt Ltd.	25.33	General Corporate Purpose
Accuraform Pvt Ltd	42.85	General Corporate Purpose
Alpha Stich-Art Pvt.Ltd.	57.86	General Corporate Purpose
Anushikha Investments Pvt. Ltd.	294.94	General Corporate Purpose
ERP Infrastructure Projects Pvt Ltd	121.24	General Corporate Purpose
Ganjam Trading Company Pvt Ltd	99.72	General Corporate Purpose
Hbs Realtors Pvt Ltd.	203.21	General Corporate Purpose
Kalani Industries Pvt Ltd	941.98	General Corporate Purpose
Pratitha Multitrading Pvt Ltd.	26.15	General Corporate Purpose
Prime Hitech Textile LLP	200.00	General Corporate Purpose
Prosperity Metals Pvt. Ltd.	110.33	General Corporate Purpose
Shailaja Finance Limited	1,385.00	General Corporate Purpose
Sona Promoters Pvt Ltd	55.40	General Corporate Purpose
Sunflag Commercial Enterprises Ltd	221.60	General Corporate Purpose
Swaran Financial Pvt Ltd	166.47	General Corporate Purpose
Treasure World Developers Pvt.Ltd.	57.25	General Corporate Purpose
York Financial Services Pvt. Ltd.	135.84	General Corporate Purpose
Risewell Housing LLP.	40.85	General Corporate Purpose

53. Corporate Social Responsibility:

a. CSR amount required to be spent by the company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof during the year is ₹ 327.96 lakhs (P.Y. ₹ 353.24 lakhs).

b. Expenditure related to Corporate Social Responsibility is ₹ 162.58/- lakhs (Previous Year ₹ 90.35 lakhs).
Details of Amount spent towards CSR given below:

(₹ In Lakhs)

Particulars	2017-18	2016-17
Construction of check dams	130.00	75.00
Promoting Employment enhancing vocation skills amongst differently – abled children	32.58	15.35
Total	**162.58**	**90.35**

54. Investment In Associates

The Group has investment in Classic Mall Development Company Private Limited (CMPL), which was subsidiary upto 31st March, 2017. The company's interest in associate is accounted using the equity method in the consolidated financial statements. The summarised financial information of the company's investment in associate is given below, which excludes profit and loss information for financial year 2016-17 since same is consolidated as subsidiary in that year.

(₹ in Lakhs)

Summarised balance sheet	As at 31st March, 2018	As at 31st March, 2017
Current assets	36,663.67	25,997.92
Current Liabilities	3,972.52	2,621.62
Net current assets	**32,691.15**	**23,376.30**
Non-current assets	70,522.90	66,423.08
Non-current liabilities	56,355.26	52,088.81
Net non-current assets	**14,167.64**	**14,334.27**
Net assets	**46,858.79**	**37,710.57**

Summarised statement of profit or loss

(₹ in lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Net Profit for the year	8,978.38	7,547.06
Other comprehensive income	68.62	(3.12)
Total Comprehensive income	**9,047.00**	**7,543.94**
Group's share of profit	**4,523.50**	**3,635.43**

55. During the year, Gangetic Hotel Pvt Ltd (GHPL), subsidiary of the company amalgamated into Palladium Constructions Pvt Ltd (PCPL), another subsidiary of company in terms of scheme of amalgamation approved by the National Company Law Tribunal, Mumbai & Allahabad as per its order dated 20th July, 2017 and 27th October, 2017 respectively and filed with Registrar of Companies on 3rd November 2017. The appointed date of amalgamation as per scheme is 1st April, 2016. The company received 2,53,150 equity share of PCPL as consideration in lieu of investment in GHPL. The previous year figures has been re-casted to include the post amalgamation audited financial statement of PCPL.

56. Non-Controlling Interest:

a. Details of non-wholly owned subsidiaries that have material non-controlling interests (NCI):

(₹ in lakhs)

Particulars	Place of incorporation and principal place of business	Proportion of ownership interests by NCI	Proportion of voting interest held by NCI	Total comprehensive income allocated to NCI	Accumulated NCI
Pallazio Hotels & Leisure Limited	Mumbai - India	Nil	27.02%	(643.53)	**734.21**
Palladium Construction Pvt Ltd	Bangalore and Agra - India	20.55%	20.55%	750.86	**11,435.93**
Grace Works Realty & Leisure Private Limited	Mumbai - India	33.31%	33.31%	(614.62)	**(835.49)**
Island Star Mall Developers Pvt Ltd	Bangalore - India	30.00%	30.00%	1,932.06	**27,084.85**

b. Information relating to Non-Controlling Interest:

Summarised financial information before intragroup eliminations in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below.

(₹ In lakhs)

Particulars	Pallazio Hotels & Leisure Limited		Palladium Construction Pvt Ltd	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Current Assets	3,679.09	4,945.42	74,681.68	72,538.28
Non Current Assets	1,03,846.46	1,10,452.40	17,281.57	18,356.41
Total Assets	**1,07,525.55**	**1,15,397.82**	**91,963.25**	**90,894.69**
Current Liabilities	16,667.89	17,498.73	19,959.61	17,863.13
Non Current Liabilities	66,148.62	70,815.81	16,438.41	12,463.34
Total Liabilities	**82,816.50**	**88,314.54**	**36,398.02**	**30,326.47**
Equity attributable to owners of the Company	23,974.84	24,829.78	44,129.31	49,909.30
Non-controlling interests	734.21	2,253.50	11,435.93	10,658.92

Particulars	Grace Works Realty & Leisure Private Limited		Island Star Mall Developers Pvt Ltd	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Current Assets	1,005.97	1,520.02	47,744.17	24,513.08
Non Current Assets	25,516.82	25,755.82	92,011.96	53,907.59
Total Assets	26,522.79	27,275.85	1,39,756.13	78,420.67
Current Liabilities	13,150.21	10,001.66	5,932.08	8,684.28
Non Current Liabilities	9,876.20	9,795.00	43,496.00	46,352.11
Total Liabilities	**23,026.41**	**19,796.66**	**49,428.08**	**55,036.40**
Equity attributable to owners of the Company	4,331.87	7,479.19	63,243.20	23,384.27
Non-controlling interests	(835.49)	-	27,084.85	-

Particulars	Pallazio Hotels & Leisure Limited		Palladium Construction Pvt Ltd	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Revenue	27,975.89	25,586.12	19,956.65	26,506.20
Expenses (including tax)	30,389.78	27,942.16	16,302.85	24,722.28
Profit for the year	(2,413.89)	(2,356.04)	3,653.80	1,783.92
Other Comprehensive Income	32.22	(1.37)	-	-
Total Comprehensive Income	**(2,381.67)**	**(2,357.41)**	**3,653.80**	**1,783.92**
Total Comprehensive Income attributable to NCI	(643.53)	(977.47)	750.86	1,025.88
Net cash (outflow) from operating activities	9,531.89	8,593.55	4,683.05	1,675.20
Net cash (outflow) / inflow from investing activities	1,618.35	473.37	4,291.57	362.76
Net cash inflow from financing activities	(12,524.47)	(6,697.92)	158.51	(1,986.98)
Net cash (outflow) / inflow	**(1,374.23)**	**2,369.00**	**232.96**	**50.99**

Particulars	Grace Works Realty & Leisure Private Limited		Island Star Mall Developers Pvt Ltd	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Revenue	2,194.41	1,809.70	22,992.95	17,181.91
Expenses (including tax)	3,291.36	3,502.90	16,542.78	21,918.30
Profit for the year	(1,096.95)	(1,693.20)	6,450.17	(4,736.38)
Other Comprehensive Income	(1.60)	0.92	(9.97)	25.03
Total Comprehensive Income	**(1,098.55)**	**(1,692.28)**	**6,440.19**	**(4,711.35)**
Total Comprehensive Income attributable to NCI	(614.62)	(947.34)	1,932.06	-
Net cash (outflow) from operating activities	1,366.52	1,370.45	13,217.94	10,701.20
Net cash (outflow) / inflow from investing activities	(631.99)	(34.42)	(63,030.05)	(4,008.06)
Net cash inflow from financing activities	(446.51)	(2,751.95)	49,828.59	(6,692.78)
Net cash (outflow) / inflow	**144.53**	**(228.44)**	**16.48**	**0.36**

57. Details required as per Schedule III of the Companies Act 2013 as below:-

i) Details of Net Assets & share in profit or loss

(₹ in Lakhs)

SR No.	Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share In other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount	As % of consolidated Profit	Amount
	1. Parent	**77.41%**	**2,56,843.25**	**60.59%**	**15,483.21**	**10.00%**	**12,653.78**	**73.64%**	**28,136.99**
	Subsidiaries								
	A) Indian								
1	Alliance Spaces Private Limited	5.14%	17,040.33	-0.93%	-238.08	0.00%	-	-0.62%	-238.08
2	Blackwood Developers Private Limited	1.30%	4,305.41	0.83%	212.01	0.01%	1.17	0.56%	213.17
3	Bellona Hospitality Services Limited	4.05%	13,448.38	-6.03%	-1,540.22	89.83%	11,367.02	25.72%	9,826.80
4	Big Apple Real Estate Private Limited	3.61%	11,990.53	0.00%	0.11	0.00%	-	0.00%	0.11
5	Butala Farm Lands Private Limited	0.15%	497.85	0.00%	-0.17	0.00%	-	0.00%	-0.17
6	Enhance Holdings Private Limited	-0.27%	-902.23	0.00%	-0.15	0.00%	-	0.00%	-0.15
7	Gangetic Developers Private Limited	0.95%	3,149.79	-0.01%	-3.78	0.00%	-	-0.01%	-3.78
8	Grace Works Realty & Leisure Private Limited	1.05%	3,496.39	-4.29%	-1,096.95	-0.01%	-1.60	-2.88%	-1,098.55
9	Island Star Mall Developers Private Limited	27.23%	90,328.05	25.24%	6,450.17	-0.08%	-9.97	16.86%	6,440.19
10	Market City Resources Private Limited	0.34%	1,141.70	0.02%	4.03	0.04%	5.47	0.02%	9.50
11	Market City Management Private Limited	0.00%	9.82	0.00%	-0.28	0.00%	-	0.00%	-0.28
12	Mugwort Land Holding Private Limited	0.00%	8.71	0.00%	-0.17	0.00%	-	0.00%	-0.17
13	Offbeat Developers Private Limited	11.07%	36,712.44	-0.56%	-143.75	-0.02%	-3.03	-0.38%	-146.78
14	Palladium Constructions Private Limited	16.75%	55,565.24	14.30%	3,653.80	0.00%	-	9.56%	3,653.80
15	Pallazzio Hotels & Leisure Limited	7.45%	24,709.04	-9.45%	-2,413.89	0.25%	32.22	-6.23%	-2,381.67
16	Phoenix Hospitality Company Private Limited	5.42%	17,982.86	0.00%	-0.22	0.00%	-	0.00%	-0.22
17	Pinnacle Real Estate Development Private Limited	0.00%	-1.76	0.00%	-0.52	0.00%	-	0.00%	-0.52
18	Plutocrat Assets And Capital Management Private Limited	0.00%	-0.57	0.00%	-0.24	0.00%	-	0.00%	-0.24
19	Sangam Infrabuild Corporation Private Limited	0.10%	318.78	0.00%	-0.06	0.00%	-	0.00%	-0.06
20	Savannah Phoenix Pvt. Ltd.	0.00%	-11.15	-0.23%	-59.52	0.00%	-	-0.16%	-59.52
21	Upal Developers Private Limited	0.79%	2,614.57	3.27%	836.48	-0.01%	-1.38	2.19%	835.10
22	Vamona Developers Private Limited	5.99%	19,880.93	12.82%	3,276.10	-0.01%	-1.60	8.57%	3,274.51
23	Insight Hotels & Leisure Private Limited	1.81%	5,991.58	-0.01%	-2.08	0.00%		-0.01%	-2.08
24	Alyssum Developers Pvt. Ltd.	10.54%	34,966.19	-0.14%	-34.81	0.00%	-	-0.09%	-34.81
25	Sparkle One Mall Developers Private Limited	0.00%	0.84	0.00%	-0.16	0.00%	-	0.00%	-0.16
									-
	Minority Interest in all subsidiaries	14.05%	46,610.36	5.24%	1,339.11	0.04%	5.18	3.52%	1,344.29
	Associates (investment as per Equity Method)								
1	Classic Housing Projects Private Limited	1.47%	4,890.25	0.76%	193.14	0.00%	-	0.51%	193.14
2	Mirabel Entertainment Private Limited	0.01%	43.33	-0.03%	-7.24	0.00%	-	-0.02%	-7.24
3	Starboard Hotels Private Limited	4.03%	13,359.66	-0.99%	-253.47	0.00%	-	-0.66%	-253.47
4	Classic Mall Development Company Pvt Ltd	14.12%	46,858.79	17.57%	4,489.19	0.00%	-	11.75%	4,489.19
5	Columbus Investment Advisory Private Limited	0.04%	116.90	0.01%	1.40	0.00%	-	0.00%	1.40

58. Disclosure as per Ind AS 19 "Employee Benefits"

i) Change in Defined Benefit Obligation during the year

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Present value of the obligation at the beginning of the year	578.89	489.17
Current Service Cost	122.47	108.93
Interest Cost	50.94	43.00
Actuarial (Gain) / Loss on Obligation	(42.62)	7.30
Acquisition/Business Combination/Divestiture	-	(33.86)
Benefits Paid	(83.22)	(35.65)
Past Service Cost	102.83	
Present value of the obligation at the end of the year	729.29	578.89

ii) Change in Fair Value of Assets and Obligations

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Fair value of Plan Assets at the beginning of the year	477.74	400.35
Expected Return on plan assets	35.33	32.55
Contribution	86.61	92.72
Benefits paid during the year	-83.22	(35.64)
Actuarial (gain)/loss on Plan Asset	-9.48	(12.24)
Fair value of Plan Assets at the end of the year	506.99	477.74

iii) Amount to be recognized in Balance sheet (Net)

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Present Value of Defined Benefit Obligation	729.29	578.89
Fair value of Plan Assets at the end of the year	506.99	477.75
Amount to be recognized in Balance sheet	222.30	101.14

iv) Current/Non-Current bifurcation

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Current Benefit Obligation	41.94	18.60
Non - Current Benefit Obligation	180.35	82.54

v) Expense recognised in the statement of Profit and Loss for the year

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Current Service Cost	122.47	144.41
Interest cost on Obligation	50.94	31.84
Expected Return on plan assets	(35.33)	(10.86)
Net Actuarial (Gain) / Loss recognised in the year	102.83	11.54
Net Cost Included in Personnel Expenses	240.91	176.94

vi) Recognised in Other Comprehensive (Income)/Loss at Period-End

(₹ in Lakhs)

Particulars	2017-18 Gratuity (Funded)	2016-17 Gratuity (Funded)
Amount recognized in OCI, Beginning of Period	(164.93)	(146.91)
Remeasurement due to :		
Effect of Change in financial assumptions	36.77	55.81
Effect of Change in demographic assumptions	14.43	(21.24)
Effect of experience adjustments	(25.81)	(9.51)
Actuarial (Gains)/Losses	25.39	(30.75)
Return on plan assets (excluding interest)	(8.63)	12.73
Total remeasurements recognized in OCI	16.76	(18.02)
Amount recognized in OCI, End of Period	(148.17)	(164.93)

59. Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company has granted stock options under the following employee stock option scheme:
1. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2011. During the year 1,99,998 Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2011.

2. 30,00,000 Equity Shares are reserved for allotment of equity shares under Employee Stock Option Scheme 2015. During the year Nil Equity Shares have been issued and allotted to the eligible employees against exercise of Options under ESOS 2015.

Each option when exercised would be converted into one fully paid-up equity share of ` 2 each of the Company. The options granted under ESOP 2011 and options granted under the ESOS 2015 scheme carry no rights to dividends and no voting rights till the date of exercise.

ESOP 2007

Date of grant	Number of options (Gross)	Exercise Price	Date of vesting	Vesting period	Fair Value of Option
10-Jun-08	6,50,000	270.00	09-Jun-16	12	153.26
25-Mar-15	10,556	316.80	25-Mar-16	12	118.69
25-Mar-15	15,833	316.80	25-Mar-17	24	138.36
25-Mar-15	21,111	316.80	25-Mar-18	36	154.97
25-Mar-15	26,389	316.80	25-Mar-19	48	169.26
25-Mar-15	31,667	316.80	25-Mar-20	60	181.67
24-Oct-16	1,25,000	333.90	23-Oct-17	12	112.84
24-Oct-16	1,87,500	333.90	23-Oct-18	24	128.32
24-Oct-16	2,50,000	333.90	23-Oct-19	36	144.12
24-Oct-16	3,12,500	333.90	23-Oct-20	48	158.33
24-Oct-16	3,75,000	333.90	23-Oct-21	60	171.52

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behavior.

	ESOP 2007		
Grant Date	**24-Oct-16**	**25-Mar-15**	**10-Jun-08**
Vesting Period/ Expected Life	From grant date - 12 months to 60 months	From grant date - 12 months to 60 months	1 to 8 years
Fair value of option at grant date	112.84 - 171.52	118.69 - 181.67	153.26
Share price at grant date	371.00	353.05	274.07
Exercise price	333.90	316.80	270.00
Historical volatility	31.1% - 29.6%	35%	45%
Time to Maturity (Years)	2.50 years to 6.50 years	2.50 years to 6.50 years	1 years to 8 years
Dividend Yield	0.66%	0.80%	0.63%
Risk-free Rate	6.85%	8.23%	8.07%

Weighted average remaining contractual life of the options as at 31-Mar-18 - 1.87 (31-Mar-17 - 2.34) years

VALUATION METHODOLOGY, APPROACH & ANALYSIS:

Particulars	Description of the inputs used
Market Price of the optioned Stock	For ESOP weighted average market price as available from the website of BSE as on the date of grant. This price holds good for our Black Scholes Fair Valuation analysis for the grants made by the company on 21st October, 2016.
Exercise price	The exercise price as per the Employees Stock Option Scheme 2007 formulated by the Company per equity share is ₹ 333.90/-
Time to Maturity/ Expected Life of the Option	It is the period for which the Company expects the options to be alive. The minimum life of stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the option cannot be exercised. As per the' scheme, options are vested to the employees over a period of five years as under:

Vesting Date	Maximum % of Option that shall vest
12 Months from Grant Date	10%
24 Months from Grant Date	15%
36 Months from Grant Date	20%
48 Months from Grant Date	25%
60 Months from Grant Date	30%

The following table lists the average inputs to the models used for the plans for the year ended 31 March 2018

Particulars	Description of the inputs used
Expected volatility (weighted-average)	Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company's publicly traded equity shares.
Expected dividends	Dividend yield of the options is based on recent dividend activity.
Risk-free interest rate (based on government bonds)	Risk-free interest rates are based on the government securities yield in effect at the time of the grant.
Option Exercise Period	Option can be Exercise anytime in three year from the Vesting date.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	ESOP 2007			
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
	31 March, 2018	**31 March, 2018**	**31 March, 2017**	**31 March, 2017**
Options outstanding as at the beginning of the year	13,35,001	332.68	1,79,056	302.54
Add: Options granted during the year	-	-	12,40,000	333.90
Less: Options lapsed during the year	1,39,500	333.90	6,000	270.00
Less: Options exercised during the year	74,833	330.28	78,055	276.33
Options outstanding as at the year end	**11,20,668**	**332.69**	**13,35,001**	**332.68**

60. Goodwill Impairment

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount based on a number of factors including business plan, operating results, futurssse cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which Goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment.

Goodwill is allocated to the following CGU for impairment testing purpose.

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Goodwill relating to Property & Related Services	42,025.63	33,968.97
Goodwill relating to Hospitality Services	257.16	1,259.91
Total	**42,282.79**	**35,228.88**

The Group uses discounted cash flow based methods to determine the recoverable amount. These discounted cash flow calculations use five year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into considerations the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).s

61. The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year

For and on behalf of the Board of Directors

For **D T S & Associates**
Chartered Accountants
FRN : 142412W

Ashish G. Mistry
Partner
M. No. 132639

Place: Mumbai
Dated : 08th May 2018

Ashokkumar R. Ruia
(Chairman & Managing Director)
DIN - 00086762

Atul Ruia
(Jt. Managing Director)
DIN - 00087396

Puja Tandon
(Company Secretary)
M.No.A21937

Shishir Shrivastava
(Jt. Managing Director)
DIN - 01266095

Pradumna Kanodia
(Director Finance)
DIN - 01602690

ANNEXURE - I - FORM AOC - I

The Phoenix Mills Limited
Form AOC - I
(Pursuant to first proviso to sub-section 129 read with rule 5 of Companies (Accounts) Rules,2014)
Statement containing salient features of the financial subsidiaries/ associate company/joint ventures
Part "A":Subsidiaries
(Information in respect of each subsidiary to be presented with amount in Lakhs)

Sr No.	Name of Subsidiary Co	Reporting Currency	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend	% Shareholding
	Subsidiary												
1	Alliance Spaces Private Limited	INR	199.87	16,840.46	23,600.40	6,560.07	-	53.28	-163.72	74.36	-238.08	-	75.02%
2	Blackwood Developers Private Limited	INR	1,873.17	2,432.21	15,783.72	11,579.34	-	3,484.47	203.47	-8.50	211.97	-	100.00%
3	Bellona Hospitality Services Limited	INR	438.71	13,009.67	18,367.12	4,918.74	14,586.49	2,944.34	-1,540.22	-	-1,540.22	-	100.00%
4	Big Apple Real Estate Private Limited	INR	2,558.59	9,431.94	14,802.06	2,811.53	10,780.26	5.70	0.14	0.03	0.11	-	100.00%
5	Butala Farm Lands Private Limited	INR	1.25	496.60	501.27	3.42	500.00	-	-0.17	-	-0.17	-	100.00%
6	Enhance Holdings Private Limited	INR	1.00	-903.23	391.66	1,293.89	391.46	-	-0.15	-	-0.15	-	100.00%
7	Gangetic Developers Private Limited	INR	898.60	2,251.19	3,152.81	3.02	-	0.35	-3.78	-	-3.78	-	97.08%
8	Grace Works Realty & Leisure Private Limited	INR	6.76	3,489.63	26,522.79	23,026.41	-	2,194.41	-961.68	135.26	-1,096.95	-	66.69%
9	Island Star Mall Developers Private Limited	INR	14,933.68	75,394.37	1,39,756.13	49,428.08	35,002.00	22,992.95	8,814.10	2,363.93	6,450.17	-	70.00%
10	Market City Resources Private Limited	INR	1.00	1,140.07	1,655.27	514.20	55.50	2,927.35	-1.13	-4.52	3.39	-	100.00%
11	Market City Management Private Limited	INR	10.00	-0.18	10.14	0.32	0.01	0.33	0.13	0.41	-0.28	-	100.00%
12	Mugwort Land Holding Private Limited	INR	1.00	7.71	101.22	92.52	-	0.01	-0.17	-	-0.17	-	94.86%
13	Offbeat Developers Private Limited	INR	3,157.98	33,554.46	1,27,616.72	90,904.27	1.25	21,437.60	187.95	331.70	-143.75	-	100.00%

Sr No.	Name of Subsidiary Co	Reporting Currency	Share Capital	Reserve & Surplus	Total Asset	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend	% Shareholding
14	Palladium Constructions Private Limited	INR	3,303.17	52,262.06	91,963.25	36,398.02	-	19,956.65	3,467.21	186.59	3,653.80	-	79.45%
15	Pallazzio Hotels & Leisure Limited	INR	1,200.00	23,509.04	1,07,525.55	82,816.50	5.95	27,975.89	-2,413.89	-	-2,413.89	-	72.98%
16	Phoenix Hospitality Company Private Limited	INR	232.14	17,750.72	18,489.57	506.71	18,428.55	21.17	-0.22	-	-0.22	-	56.92%
17	Pinnacle Real Estate Development Private Limited	INR	1.00	-2.76	1.74	3.50	0.01	0.20	-0.51	0.01	-0.52	-	100.00%
18	Plutocrat Assets And Capital Management Private Limited	INR	1.00	-1.57	44.64	45.21	-	-	-0.24	-	-0.24	-	100.00%
19	Sangam Infrabuild Corporation Private Limited	INR	334.60	-15.82	452.42	133.64	0.20	-	-0.06	-	-0.06	-	100.00%
20	Savannah Phoenix Pvt. Ltd.	INR	83.40	-94.55	120.10	131.24	-	0.09	-59.52	-	-59.52	-	100.00%
21	Upal Developers Private Limited	INR	1,960.00	654.57	14,044.16	11,429.59	-	4,560.18	836.48	-	836.48	-	100.00%
22	Vamona Developers Private Limited	INR	2,500.00	17,380.93	95,158.69	75,277.76	9,622.37	22,537.59	4,590.01	1,313.91	3,276.10	-	99.97%
23	Insight Hotels & Leisure Private Limited	INR	10.00	5,981.58	6,108.61	117.03	-	0.14	-2.08	-	-2.08	-	100.00%
24	Alyssum Developers Pvt. Ltd.	INR	1.00	34,965.19	35,077.88	111.68	3,968.50	-	-3.45	31.36	-34.81	-	70.01%
25	Sparkle One Mall Developers Private Limited	INR	1.00	-0.16	65,111.96	65,111.12	-	-	-0.16	-	-0.16	-	70.01%

Notes:

1 Names of subsidiaries which are yet to commence operations:

a) Butala Farm Lands Private Limited
b) Enhance Holdings Private Limited
c) Mugwort Land Holding Private Limited
d) Pinnacle Real Estate Development Private Limited
e) Plutocrat Assets And Capital Management Private Limited
f) Sangam Infrabuild Corporation Private Limited
g) Insight Hotels & Leisure Private Limited
h) Alyssum Developers Pvt. Ltd.
i) Sparkle One Mall Developers Private Limited

ANNEXURE - I - FORM AOC - I

Part "B": Associates and Joint Ventures:
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	1	2	3	4	5
Name of Associates / Joint Ventures	**Classic Housing Projects Private Limited**	**Mirabel Entertainment Private Limited**	**Starboard Hotels Private Limited**	**Columbus Investment Advisory Private Limited**	**Classic Mall Development Company Private Limted**
Latest Audited Balancesheet Date	31.3.2018	31.3.2018	31.3.2018	31.3.2018	31.3.2018
Shares of Associates/Joint Ventures held by the Company/ Subsidiary Companies on the year end					
(i) No.	5,208	5,000	24,99,374	5,000	37,09,416
(ii) Amount of Investment in Associates / Joint Venture (₹ in lakhs)	1,408.28	5.79	125.13	56.90	25,167.02
(iii) Extend of Holding	50.00%	28.47%	28.47%	50.00%	50.00%
Description of how there is significant influence	Refer Note 3	Refer Note 3	Refer Note 3		
Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Networth attributable to Shareholding as per latest audited Balancesheet (₹ in lakhs)	4,890.25	43.33	13,359.66	116.90	46,858.79
Profit/Loss for the Year (₹ in lakhs)	386.27	-14.48	-506.95	2.80	8,978.38
(i) Considered in Consolidation (₹ in lakhs)	193.14	-7.24	-253.47	1.40	4,489.18
(i) Not Considered in Consolidation	-	-	-	-	-

Notes:

1. Name of associates or joint venture which are yet to commence operations — Nil
2. Name of associates or joint venture which have been liquidated or sold during the year — Nil
3. There is a significant influence due to percentage (%) of shareholding.

NOTICE

NOTICE is hereby given that the 113th Annual General Meeting of the shareholders of The Phoenix Mills Limited will be held on Tuesday, the 18th day of September, 2018 at 4:00 P.M. at Indian Merchants' Chamber, 4th Floor, Walchand Hirachand Hall, Churchgate, Mumbai – 400 020 to transact the following business:

Ordinary Business(es)

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

1. To receive, consider and adopt:
   a. the audited Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Reports of the Board of Directors and Auditors thereon; and
   b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Report of the Auditors thereon.

   "Resolved that the following financial statements of the Company be and are hereby received, considered and adopted:

   a. the Audited Financial Statements for the Financial Year ended March 31, 2018, together with the Reports of the Board of Directors and Auditors thereon; and
   b. the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2018, together with the Report of the Auditors thereon."

2. To declare dividend on Equity Shares for the Financial Year ended March 31, 2018.

   "Resolved that a final dividend of ₹ 2.60 per equity share of ₹ 2/- each fully paid for the financial year 2017-18, as recommended by the Board, be and is hereby approved and declared."

3. To appoint a Director in place of Mr. Shishir Shrivastava (DIN: 01266095), who retires by rotation at the annual general meeting and being eligible, has offered himself for re-appointment.

   "Resolved that Mr. Shishir Shrivastava (DIN: 01266095), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

Special Business(es)

4. Adoption of the new set of Articles of Association of the Company as per Companies Act, 2013

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof, the new set of the Articles of Association of the Company, be and is hereby approved and adopted as the Articles of Association of the Company in the place and in entire exclusion and substitution of the existing Articles of Association of the Company.

Resolved further that the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds and things that may be deemed necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

5. Revision in terms of appointment of Mr. Atul Ruia

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"Resolved that in partial modification of the special resolution passed by the Shareholders of the Company through Postal Ballot on May 25, 2015 and pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or re-enactment(s) thereof) read with relevant Rules framed hereunder and such other approvals as may be necessary in this regard, approval of the members be and is hereby accorded for re-designating Mr. Atul Ruia (DIN: 00087396) as Chairman and Managing Director of the Company and for revising the salary payable to Mr. Atul Ruia to ₹ 2,50,00,000/- (Rupees Two Crores and Fifty Lakhs Only) per annum w.e.f August 8, 2018 for his remaining tenure i.e. till March 31, 2020.

Resolved further that all other terms and conditions of his appointment approved by the members of the Company through Postal Ballot on May 25, 2015 shall remain same.

Resolved further that the Board and/or a duly constituted Committee of the Board be and is hereby authorized to fix, vary and/or to revise the aforesaid remuneration and/or other terms of appointment of Mr. Atul Ruia subject to the limits specified herein and applicable limits specified under Section 197 read with Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof, or any amendment(s) that may be mutually agreed to between the Board and / or Committee and Mr. Atul Ruia.

Resolved further that in the event of absence or inadequacy of net profits in any financial year, the Company shall pay the aforesaid remuneration and the same shall be treated as the minimum remuneration payable to the said Chairman and Managing Director in accordance with aforesaid Schedule V to the Companies Act, 2013.

Resolved further that the Board and/or Committee thereof be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient or desirable including seeking approvals/ sanctions of the Government and/or other authorities/agencies as may be applicable and to settle any question or doubt that may arise in relation thereto, in order to give effect to the resolution."

On behalf of the Board of Directors

Mr. Ashokkumar Ruia
Chairman and Managing Director
DIN: 00086762

Place: Mumbai
Date: August 8, 2018

NOTES:

1. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 ("the Act") with respect to the Special Businesses as set out in the Notice is annexed hereto and forms part of this Notice.

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

3. 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.

4. 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.

5. In case of joint holders attending the meeting, any such joint holder who is higher in the order of names will be entitled to vote.

6. As per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings, information regarding re-appointment of Director (Item no. 3) is annexed hereto.

7. Members of the Company had approved the appointment of M/s. DTS & Associates, Chartered Accountants, as the Statutory Auditors at the 112th AGM of the Company which is valid till 117th AGM of the Company. In accordance with Section 40 of the Companies Amendment Act, 2017, enforced with effect from 7th May, 2018 by Ministry of Corporate Affairs, the requirement of ratification of appointment of Statutory Auditors at every AGM is omitted and hence the proposal has not been included in the agenda.

8. The Company's Registrar and Share Transfer Agents for its share registry work (Physical and Electronic) are M/s. Link Intime India Private Ltd having their office premises at C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.

9. 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.

10. The Register of Members and Share Transfer Books will remain closed from Thursday, September 13, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the annual closing and for the purpose of determining the entitlement for payment of dividend.

11. Dividend for the Financial Year ended March 31, 2018, if declared at the Annual General Meeting, shall be paid on or before 30th day from the date of declaration to those shareholders, whose names appear:
    a. As beneficial owners at the end of business day on Wednesday, September 12, 2018 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 Wednesday, September 12, 2018 in respect of shares held in physical form.

12. 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 Wednesday, September 12, 2018 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.

13. Shareholders are requested to:

    a. Intimate the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Ltd at the above mentioned address, of changes, if any, in their registered address at an early date for shares held in physical form.

    b. Intimate to the respective DPs, changes, if any, in their registered addresses at an early date, in case of shares held in electronic form.

    c. Quote ledger folio numbers/DP ID and Client ID numbers in all their correspondence.

    d. Approach the Company for consolidation of various ledger folios into one.

    e. Get the shares transferred in joint names, if they are held in a single name and/or appoint a nominee.

f. Bring with them to the meeting, their copy of the Annual Report and Attendance Slip. No copies will be distributed at the meeting as a measure of economy.

g. Send their email ID's to the Registrar and Share Transfer Agent of the Company/to the Company (for members holding shares in physical form).

h. Send/update their email ID's to the Depository Participant/Registrar and Share Transfer Agent of the Company (for members holding shares in Demat Form).

14. 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 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 & Share Transfer Agent, M/s Link Intime India Private Limited, C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 or by sending an email to rnt.helpdesk@linkintime.co.in or alternatively can register their email address on the website of the Company at http://www.thephoenixmills.com/green/greenadd.asp

15. Pursuant to Sections 124 of the Companies Act, 2013 (Corresponding Section 205A and 205C of the Companies Act, 1956) and other applicable provisions of the Companies Act, 2013, if any, 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 Financial Year 2010-2011 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 2010-2011 onwards before the amount becomes due for transfer to the above Fund. Shareholders are requested to encash the dividend warrants well in advance.

16. As per Section 124 of the Companies Act, 2013 read with the IEPF Rules, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more are required to be transferred to the demat account of Investor's Education and Protection Fund (IEPF). Accordingly, during the financial year, the Company has transferred 7,86,393 equity shares to the IEPF Demat Account. The shareholders whose equity shares are transferred to the IEPF can request the Company / RTA as per the prescribed provisions for claiming their shares out of the IEPF.

17. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to RTA/ Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook / statement attested by the respective bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

18. Members holding shares in physical form are requested to consider converting their shareholding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.

19. 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.

20. Members may also note that the Notice of the 113th Annual General Meeting and the Annual Report for 2018 will also be available on the Company's website 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 correspondence email id: investorrelations@highstreetphoenix.com. For members who have not registered their email id, physical copy of the Annual Report for the Financial Year 2017-18 is being sent in the permitted mode.

21. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013.

    Members desiring to avail of this facility may send their nomination in the prescribed Form SH-13 duly filled in to M/s. Link Intime India Private Ltd at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.

22. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting"). The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Agency to provide e-voting facility.

    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 Saturday, September 15, 2018 [9:00 A.M. (IST)] and ends on Monday, September 17, 2018 [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. Wednesday, September 12, 2018, 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. Any person who becomes a member of the Company after dispatch of the Notice of meeting and holding shares as on the cut-off date may obtain their User Id and password in the manner as mentioned hereinafter. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

    ii. Launch internet browser by typing the URL: www.evotingindia.com.

    iii. Click on 'Shareholders'

    iv. Enter your Login credentials:

    a. For CDSL: 16 digits beneficiary ID

    b. For NSDL: 8 Character DP ID 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 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:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 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.
	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.
Dividend Bank Details or Date of Birth (DOB)	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 the
	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 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'.

xii. On the voting page, you will see 'Resolution Description' and against the same 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 folio/ demat account.

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.

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. Note for non–individual shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk. evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- 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 xxii 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 under help section or write an email to 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

V. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date (record date) of Wednesday, September 12, 2018. 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 shall be able to exercise their voting right at the meeting. The shareholders who have cast 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. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting/physical ballot voting to the members, there will be no voting by show of hands at the AGM.

VI. Mr. Himanshu S. Kamdar, Company Secretary (Membership No. FCS5171) - Partner, M/s. Rathi & Associates, Company Secretaries in practice has been appointed as the Scrutinizer to scrutinize the e-voting and ballot 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 of forty eight hours 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 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, C101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083, so as to reach him on or before Monday, September 17, 2018 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 by the Chairman and Managing Director or the Company Secretary in this regard after the AGM of the Company within prescribed time. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.thephoenixmills.com, immediately after the result is declared and communicated to the National Stock Exchange of India Limited and BSE Limited, who are required to place them on their website.

23. The certificate from the Statutory Auditors of the Company certifying that the Company's Employee Stock Option Scheme – 2007 and The Phoenix Mills Limited - Employees Stock Option Plan 2018 (PML ESOP Plan 2018) is being implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 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.

24. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the 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.

25. All documents referred to in the accompanying Notice and Explanatory Statement will remain open for inspection at the Registered Office and Corporate Office of the Company during normal business hours (10:00 A.M. to 1.00 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

Mr. Ashokkumar Ruia
Chairman and Managing Director
DIN: 00086762

Place: Mumbai
Date: August 8, 2018

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 4

The existing Articles of Association ("AOA") of the Company are in line with the erstwhile Companies Act, 1956. Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same, the Articles of Association of the Company are required to be re-aligned as per the provisions of the Companies Act, 2013. Since the changes required to align it with the Companies Act, 2013 are numerous, it is considered expedient to replace the existing Articles of Association with the new set of Articles of Association.

The Board of Directors at their meeting held on June 18, 2018 had, subject to shareholders' consent, approved the adoption of new set of Articles of Association in place of the existing Articles of Association of the Company. The new Articles of Association is based on Table "F" of Schedule I of the Companies Act, 2013 which sets out the model Articles of Association for a company limited by shares.

In terms of section 5 and 14 of the Companies Act, 2013, consent of the shareholders by way of special resolution is required for adoption of new set of Articles of Association of the Company. A draft of proposed Articles of Association of the Company is available at the Registered Office of the Company and also at the Corporate Office at Shree Laxmi Woolen Mills Estate, 2nd Floor, R.R. Hosiery, Off Dr. E. Moses Rd. Mahalaxmi, Mumbai - 400 011 for inspection during normal business hours (10:00 A.M. to 1:00 P.M.) on all working days up to and including the date of the Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel of Company and their relatives are in any way, deemed to be concerned or interested financially or otherwise in the Special resolution as set out at Item No. 4 of the Notice.

The Board recommends the resolution as set out at Item No. 4 of the Notice for approval of the shareholders.

Item No. 5

Mr. Ashokkumar Ruia has retired as the Chairman and Managing Director of the Company and also as Director of the Company w.e.f. the conclusion of the board meeting held on August 8, 2018.

Mr. Atul Ruia was appointed as the Joint Managing Director of the Company w.e.f April 1, 2015 for a term of 5 years. Considering his immense contribution to the growth of the Company and his leadership capabilities to implement the Company's growth plans in future, the Board, on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Shareholders, in its meeting held on August 8, 2018 has elevated Mr. Atul Ruia as the Chairman and Managing Director of the Company w.e.f August 8, 2018 on the revised salary of ₹ 2,50,00,000/- (Rupees Two Crores and Fifty Lakhs Only) per annum for his remaining tenure i.e. till March 31, 2020. However, all other terms of appointment of Mr. Atul Ruia as approved by shareholders through postal ballot dated May 25, 2015 shall remain unchanged.

Additional information regarding Mr. Atul Ruia, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) and the Secretarial Standards on General Meetings is annexed hereto.

Mr. Atul Ruia is directly concerned and interested in this resolution, as it relates to the revision in terms of his appointment. None of the other directors, key managerial personnel of the Company and their relatives are financially or otherwise concerned or interested in the resolution as set out at Item No. 5 of the Notice.

Given his expertise, knowledge and experience, the Board considers the proposal to re-designate Mr. Atul Ruia as Chairman and Managing Director and revision in his salary to be in the best interest of the Company and recommends the resolution as set out at Item No. 5 in the accompanying notice for approval of the shareholders as a Special Resolution.

Draft copy of the revised Appointment Letter to be issued in this regard will be available for inspection by the members at the Registered Office and Corporate Office of the Company on all working days between 10:00 A.M. to 1:00 P.M. up to and including the date of the Annual General Meeting of the Company.

On behalf of the Board of Directors

Mr. Ashokkumar Ruia
Chairman and Managing Director
DIN: 00086762

Place: Mumbai
Date: August 8, 2018

Annexure

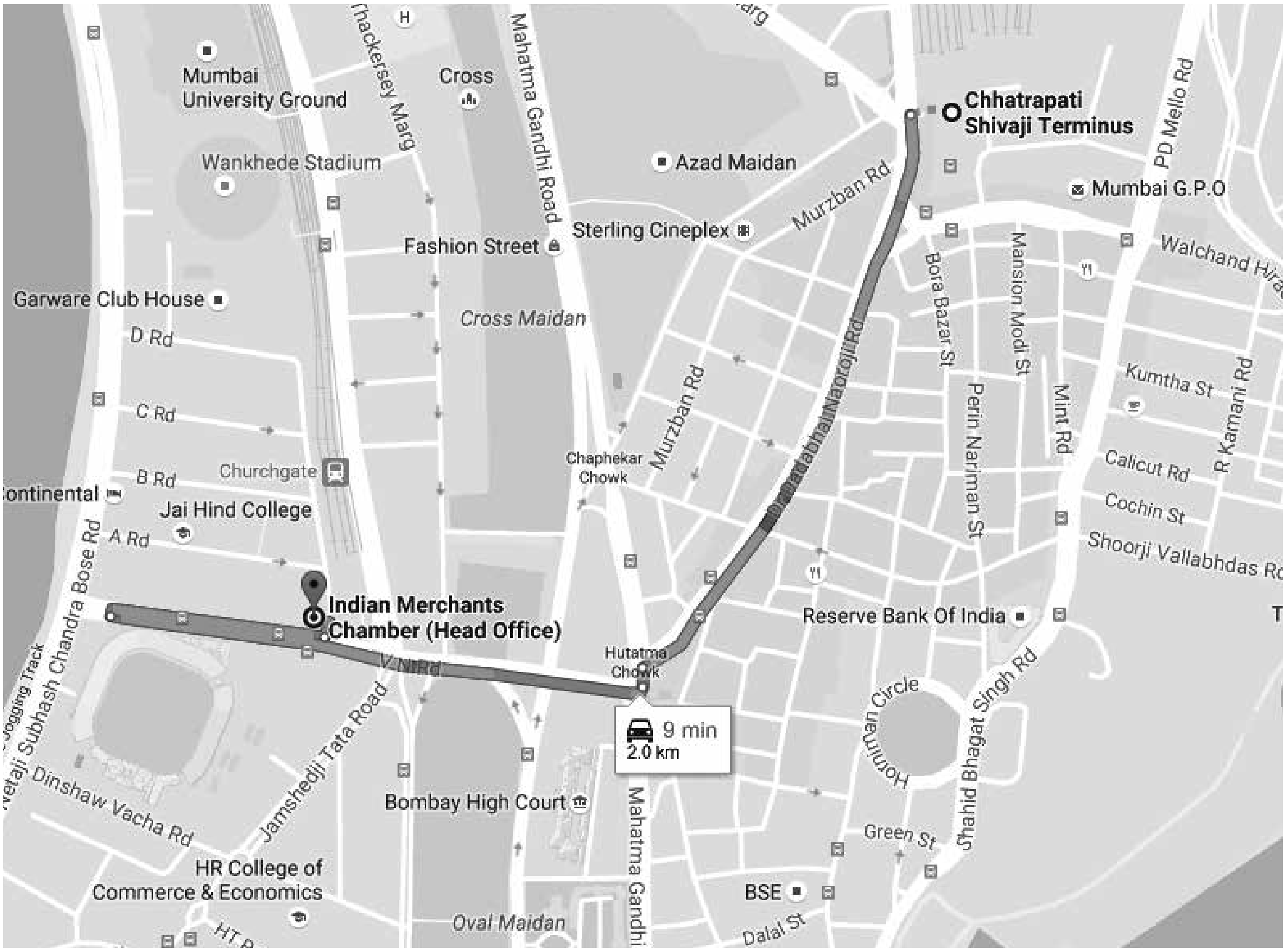
Name	Mr. Shishir Shrivastava	Mr. Atul Ruia
DIN	01266095	00087396
Age	42	47
Qualification	Graduate from IHM Bangalore	Graduate in Chemical Engineering from the University of Pennsylvania and degree in Business Management from Wharton School of Finance
Profile and Experience	Mr. Shishir Shrivastava has been associated with the Phoenix Group since 1999 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 saw through the successful culmination of the hotel The St. Regis, Mumbai and Phoenix Market City projects, launched in phases. As PML's Joint Managing Director, he continues to drive strategy, business development, fund raising and also oversees several critical functions of the Company.	Mr. Atul Ruia 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 Market City'.
Expertise in specific functional area	General Management	General Management
Details of Directorships held in other companies*	• Phoenix Retail Private Limited • Upal Hotels Private Limited • Phoenix Hospitality Company Private Limited • Pallazzio Hotels and Leisure Limited • Ashton Real Estate Development Private Limited • Classic Housing Projects Private Limited	• R R Hosiery Private Limited • Ashok Apparels Private Limited • Senior Advisory Services Pvt Ltd • Ashbee Investments and Finance Private Limited • Bowling and Billiards Association of India • Excelsior Hotels Private Limited • Padmashil Hospitality and Leisure Private Limited • Caravan Realty Private Limited • Pinnacle Real Estate Development Private Limited • Phoenix Hospitality Company Private Limited • Radhakrishna Ramnarain Private Limited • Ruia International Holding Company Private Limited • Thana Properties Private Limited • Upal Hotels Private Limited • hlox Developers Private Limited
Details of Chairmanship/ Membership held in Committees**	None	• The Phoenix Mills Limited - Audit Committee – Member • The Phoenix Mills Limited - Stakeholders Relationship Committee - Member
Shareholding in the Company as on the date of Notice	77,200	24,03,501

*Directorships held by the Directors, as mentioned above: (i) do not include directorships held in the Company, (ii) includes directorship in Foreign Companies, Private Limited Companies and Companies under Section 8 of the Companies Act, 2013.
**Committees considered for the purpose are those prescribed under Regulation 26(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 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).

For other details such as number of meetings of the board attended during the year, remuneration drawn, terms and conditions of re-appointment and relationship with other directors and key managerial personnel in respect of Mr. Shishir Shrivastava and Mr. Atul Ruia, please refer to the Corporate Governance Report.

ROUTE MAP TO THE VENUE OF AGM

Venue: Indian Merchants' Chamber, 4th Floor, Walchand Hirachand Hall, Churchgate, Mumbai – 400 020



Landmark: Opposite Churchgate Station

Distance from Chhatrapati Shivaji Terminus: 2.2 Km

Distance from Churchgate Station: 30 Mtrs

NOTES

The Phoenix Mills Limited

Registered Office: 462, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 CIN: L17100MH1905PLC000200
Tel: (022) 2496 4307 / 8 / 9 Fax: (022) 2493 8388 Email: investorrelations@highstreetphoenix.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 – 400 013

Name of the Member(s)	
Email ID	
Registered address	
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-mail Id: ______________________________ Signature:______________________ or failing him/her________________

2. Name: ______________________________
Address: ______________________________
E-mail Id: ______________________________ Signature:______________________ or failing him/her________________

3. Name: ______________________________
Address: ______________________________
E-mail Id: ______________________________ Signature:______________________

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 113th Annual General Meeting of the Company, to be held on Tuesday, September 18, 2018 at 4.00 P.M. at Indian Merchants' Chamber, 4th Floor, Walchand Hirachand Hall, Churchgate, Mumbai – 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	For*	Against*
Ordinary Business			
1.	Adoption of financial statement (including the consolidated financial statement) for the year ended March 31, 2018.		
2.	Declaration 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.		
Special Business			
4.	Adoption of new set of Articles of Association as per Companies Act, 2013		
5.	Revision in terms of appointment of Mr. Atul Ruia		

Signed this________________day of_______ 2018
Signature of shareholder _____________________________

Signature of proxy holder(s) __________________________

Affix Re. 1 revenue Stamp

Notes:

1. 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.

*2. The proxy may vote for or against the agenda items specified in the notice.

THE PHOENIX
MILLS LIMITED

SHREE LAXMI WOOLLEN MILLS ESTATE, 2ND FLOOR, R. R. HOSIERY BLDG.,

OFF DR. E. MOSES ROAD, MAHALAXMI, MUMBAI - 400 011.

WWW.THEPHOENIXMILLS.COM