IMPORTANT NOTICE

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The offering of securities is being undertaken in reliance on Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI Regulations**") and Section 42 of the Companies Act, 2013, as amended and the rules made thereunder. The offer is personal to each prospective investor and made on a private placement basis and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors.

Confirmation of Your Representation: You have accessed the attached Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to each of CLSA India Private Limited (formerly CLSA India Limited) and J.P. Morgan India Private Limited (the "**Joint Global Coordinators and Book Running Lead Managers**") that: (1) you are an eligible "qualified institutional buyer" (i.e. "a qualified institutional buyer" as defined in Regulation 2(1)(zd) of the SEBI Regulations, other than a foreign venture capital investor and a multilateral and bilateral development financial institution, and not otherwise excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations) and are not restricted from participating in the offering under the SEBI Regulations and other applicable laws AND (2) (i) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and to the extent that you purchase the securities described in the attached Placement Document, you will be doing so pursuant to Regulation S under the the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), OR (ii) you are, or are acting on behalf of, a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act); AND (3) the securities offered hereby have not been registered under the Securities Act; AND (4) you are not a resident in a country where delivery of the attached Placement Document by electronic transmission may not be lawfully made in accordance with the laws of the applicable jurisdiction; AND (5) that you consent to delivery of the attached Placement Document and any amendments or supplements thereto by electronic transmission.

The attached Placement Document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Joint Global Coordinators and Book Running Lead Managers, their affiliates or any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents or any affiliates of any such person, accepts any liability or responsibility whatsoever in respect of any discrepancies between the Placement Document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

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

None of the Issuer or the Joint Global Coordinators and Book Running Lead Managers, their affiliates or any person who controls any of them, or any of their respective directors, officers, employees, representatives, agents or any affiliates of any such person accepts any liability whatsoever for any loss howsoever arising from any

use of this e-mail or the attached Placement Document or their respective contents or otherwise arising in connection therewith.

Restrictions: The attached Placement Document and notice are being furnished in connection with an offering exempt from or not subject to registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase and subscription of the securities described in the Placement Document.

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

THE PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REGISTERED AS A PROSPECTUS OR A STATEMENT IN LIEU OF PROSPECTUS WITH ANY REGISTRAR OF COMPANIES IN INDIA AND IS NOT AND SHOULD NOT BE CONSTRUED AS AN OFFER DOCUMENT UNDER THE SEBI REGULATIONS OR ANY OTHER APPLICABLE LAW. FURTHER, NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OR AN INVITATION TO THE PUBLIC UNDER THE COMPANIES ACT, 2013, AS AMENDED, BY OR ON BEHALF OF THE ISSUER OR THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS TO SUBSCRIBE FOR OR PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN. THE PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE RESERVE BANK OF INDIA, ANY REGISTRAR OF COMPANIES IN INDIA OR ANY STOCK EXCHANGE IN INDIA. THE PLACEMENT DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS AN INVITATION, OFFER OR SALE OF ANY SECURITIES TO THE PUBLIC IN INDIA.

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

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

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Placement Document
Not for Circulation
Serial Number [●]
Strictly Confidential

THE PHOENIX MILLS LIMITED

(Incorporated on January 27, 1905, in India with limited liability under the Indian Companies Act, 1882 with CIN L17100MH1905PLC000200)
Website: www.thephoenixmills.com; Tel: +91 22 2496 4307; Fax: +91 22 2493 8388

The Phoenix Mills Limited (the "**Company**") is issuing 7,991,907 equity shares of face value ₹ 2 each, (the "**Equity Shares**") at a price of ₹ 353.60 per Equity Share, including a premium of ₹ 351.60 per Equity Share, aggregating to ₹ 2,825.94 million (the "**Issue**").

ISSUE IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AND CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS ("QIB") AS DEFINED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS") IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AND CHAPTER VIII OF THE SEBI REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN QIBs. THIS PLACEMENT DOCUMENT WILL BE CIRULATED ONLY TO SUCH QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO EQUITY SHARES.

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

INVESTMENTS IN EQUITY AND EQUITY-RELATED SECURITIES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY AMOUNT IN THE ISSUE UNLESS THEY ARE PREPARED TO BEAR THE RISK OF LOSING ANY PART OR ALL OF THE AMOUNT INVESTED BY THEM. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES THAT WILL BE ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT.

All of our Company's outstanding Equity Shares, are listed on the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**", and together with the BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on the BSE and the NSE on July 13, 2015 was ₹ 361.30 and ₹ 360.60 per Equity Share, respectively. In-principle approvals under Clause 24(a) of the Equity Listing Agreement (as defined hereinafter) for listing of the Equity Shares have been received from the BSE and the NSE on July 2, 2015 and July 2, 2015, respectively. Applications will be made to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares offered through the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of our Company or the Equity Shares.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges. This Placement Document has not been reviewed by the Securities and Exchange Board of India (the "**SEBI**"), the Reserve Bank of India (the "**RBI**"), the Stock Exchanges or any other regulatory or listing authority and is intended only for use by QIBs. A copy of this Placement Document (which includes disclosures prescribed under Form PAS-4) has been delivered to the Stock Exchanges. Our Company shall make the requisite filings with the Registrar of Companies, Maharashtra at Mumbai, (the "**RoC**") and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The Issue is meant only for QIBs by way of a private placement and is not an offer to the public or to any other class of investors. This Placement Document has been prepared by our Company solely for providing information in connection with the Issue.

Invitations, offers and sales of the Equity Shares shall only be made pursuant to the Preliminary Placement Document together with the respective Application Form (defined hereinafter) and the CAN (as defined hereinafter) and this Placement Document. The distribution of this Placement Document or the disclosure of its contents to any person, other than QIBs and persons retained by QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document. See "Issue Procedure".

The information on our Company's website or any website directly or indirectly linked to our Company's website or the websites of the Joint Global Coordinators and Book Running Lead Managers or their affiliates does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, such websites.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Rule 144A under the Securities Act ("Rule 144A") and referred to in this Placement Document as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "QIBs"), and (b) outside the United States in offshore transactions as defined in and in reliance on Regulation S. Prospective purchasers in the United States are hereby notified that we are relying on the exemption under Section 4(a)(2) of the Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under "Transfer Restrictions". See "Selling Restrictions" and "Transfer Restrictions".

This Placement Document is dated July 14, 2015.

JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS	
CITIC CLSA Securities	J.P.Morgan
CLSA INDIA PRIVATE LIMITED *(formerly CLSA India Limited)*	**J.P. MORGAN INDIA PRIVATE LIMITED**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and having made all reasonable enquiries, confirms, to the best of its knowledge and belief, that this Placement Document contains all information with respect to our Company, its Subsidiaries, its Associates and the Equity Shares, which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company, its Subsidiaries, its Associates and the Equity Shares are, in all material respects, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to our Company, its Subsidiaries, its Associates and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to our Company and are based on reasonable assumptions. There are no other facts in relation to our Company, its Subsidiaries, its Associates and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements.

Each person receiving this Placement Document acknowledges that such person has neither relied on the Joint Global Coordinators and Book Running Lead Managers nor on any of their shareholders, employees, counsels, officers, directors, representatives, agents or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of our Company, its Subsidiaries, its Associates and the merits and risks involved in investing in the Equity Shares. Any prospective investor should not construe anything in this Placement Document as legal, business, tax, accounting or investment advice.

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

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue (in consultation with the Joint Global Coordinators and Book Running Lead Managers or their representatives) and those retained by QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

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

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Within the United States, this Placement Document is being provided only to "qualified institutional buyers" as defined in Rule 144A, who are also QIBs. Distribution of this Placement Document to any person other than the QIBs specified by the Joint Global Coordinators and Book Running Lead Managers or their representatives, and those persons, if any, retained to advise such QIBs with respect thereto, is unauthorised and any disclosure of its contents, without the prior written consent of our Company, is prohibited. Any reproduction or distribution of this Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue (in consultation with the Joint Global Coordinators and Book Running Lead Managers or their representatives) and those retained by QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing

restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The distribution of this Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company or the Joint Global Coordinators and Book Running Lead Managers which would permit an Issue of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any Issue materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction that would require registration of the Equity Shares in such country or jurisdiction. See "Selling Restrictions".

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to investment, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Joint Global Coordinators and Book Running Lead Managers are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each purchaser of the Equity Shares is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Chapter VIII of the SEBI Regulations and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities. Each purchaser of the Equity Shares also acknowledges that it has been afforded an opportunity to request from our Company and review information pertaining to our Company and the Equity Shares.

Each subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations and that they are not prohibited by the SEBI or any other statutory authority from buying, selling or dealing in securities including the Equity Shares. The information on our Company's website or any website directly or indirectly linked to our Company's website, www.thephoenixmills.com or the websites of the Joint Global Coordinators and Book Running Lead Managers or affiliates, does not constitute or form part of this Placement Document. Prospective investors should not rely on the information contained in, or available through such websites. This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents. All references herein to "you" or "your" is to the prospective investors in the Issue.

Notice to New Hampshire Investors

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (THE "RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE, NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENCED IN THE STATE OF NEW HAMPSHIRE, CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT, NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION, MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

REPRESENTATIONS BY INVESTORS

All references herein to "you" or "your" is to the prospective investors in the Issue.

By Bidding for and/or subscribing to any Equity Share offered in the Issue, you are deemed to have represented, warranted, acknowledged and agreed with/to us and the Joint Global Coordinators and Book Running Lead Managers as follows:

1. you are a "QIB" as defined in Regulation 2(1)(zd) of the SEBI Regulations and not excluded pursuant to Regulation 86 of the SEBI Regulations, having a valid and existing registration under the applicable laws and regulations of India and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated (as defined hereinafter) to you in accordance with Chapter VIII of the SEBI Regulations;

2. you are not a FVCI (as defined hereinafter) or a multilateral or bilateral development financial institution;

3. if you are not a resident of India, but are a QIB (other than a multilateral and bilateral development financial institution), or an Eligible FPI (as defined hereinafter), you are investing in the Issue through the portfolio investment scheme under the FEMA Regulations, as applicable, and have a valid and existing registration with the SEBI under the applicable laws in India and you are eligible to invest in India under applicable law, including the FEMA Regulations (as defined hereinafter), and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, from buying, selling or dealing in securities;

4. you will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

5. if you are Allotted (as defined hereinafter) Equity Shares, you shall not, for a period of one year from the date of Allotment (as defined hereinafter), sell the Equity Shares so acquired except on the Stock Exchanges. Additional conditions apply if you are within the United States. See "Transfer Restrictions";

6. you are aware that the Equity Shares have not been and will not be offered and/or sold through a prospectus under the Companies Act, the SEBI Regulations or under any other law in force in India. This Placement Document has not been verified or affirmed by the RBI, SEBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by QIBs. The Preliminary Placement Document and this Placement Document has been filed with the Stock Exchanges for record purposes only and has been displayed on the websites of our Company and the Stock Exchanges. Our Company is required to make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014;

7. you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities;

8. you are entitled to acquire the Equity Shares under the laws of all relevant jurisdictions and that you have all necessary capacity and have obtained all necessary consents and authorities to enable you to commit to this participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorities to agree to the terms set out or referred to in this Placement Document) and will honour such obligations;

9. you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents ("**Company's Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company's Presentations: (a) you understand and acknowledge that the Joint Global Coordinators and Book Running Lead Managers may not have knowledge of any information, answers, materials, documents and statements that our Company or its agents may have made at such Company's Presentations and are therefore unable to determine whether the information provided to you at such Company's Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Joint Global Coordinators and Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material information that was not publicly available;

10. neither our Company nor the Joint Global Coordinators and Book Running Lead Managers nor any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates is making any recommendations to you, advising you regarding the suitability of an investment in the Equity Shares offered in the Issue and that participation in the Issue is on the basis that you are not and will not, up to the Allotment, be a client of the Joint Global Coordinators and Book Running Lead Managers and that the Joint Global Coordinators and Book Running Lead Managers or any of their shareholders, employees, counsels, officers, directors, representatives, agents or affiliates have no duties or responsibilities to you for providing the protection afforded to their clients or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity to you;

11. you are aware that our Company is required to disclose details such as your name, address and the number of Equity Shares Allotted to the RoC and the SEBI and you consent to such disclosures. Further, if you are one of the top ten shareholders of our Company, our Company will be required to make a filing with the RoC within 15 days of the Allotment as per Section 93 of the Companies Act, 2013;

12. you are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges, and they will make the same available on their websites and you consent to such disclosures;

13. you understand that all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. Our Company and the Joint Global Coordinators and Book Running Lead Managers assume no responsibility to update any of the forward-looking statements contained in this Placement Document;

14. you have been provided a serially numbered copy of this Placement Document and have read this Placement Document in its entirety, including, in particular, the "Risk Factors";

15. you are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public and the Allotment of the same shall be on a discretionary basis;

16. that in making your investment decision, (i) you have relied on your own examination of our Company, its Subsidiaries, its Associates and the terms of the Issue, including the merits and risks involved, (ii) you have consulted your own independent advisors or otherwise have satisfied yourself concerning without limitation, the effects of local laws, (iii) you have relied solely on the information contained in this Placement Document, which information has been independently prepared and provided solely by our Company, and no other disclosure or representation by our Company or any other party; (iv) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company, its Subsidiaries, its Associates and the Equity Shares and (v) made your own assessment of us, Equity Shares and the terms of the Issue;

17. you are a sophisticated investor and have such knowledge and experience in financial investment and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You and any accounts for which you are subscribing the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to our Company and/or the Joint Global Coordinators and Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares; (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares.

The purchasing of the Equity Shares in the Issue is for your investment purposes and not with a view for resale or distribution;

18. you understand that our Company or the Joint Global Coordinators and Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of subscription, ownership or disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Joint Global Coordinators and Book Running Lead Managers or any of their shareholders, employees, counsels, officers, directors, representatives, agents or affiliates or our Company when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Issue). You waive and agree not to assert any claim against the Joint Global Coordinators and Book Running Lead Managers or any of their shareholders, employees, counsels, officers, directors, representatives, agents or affiliates or our Company with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

19. that where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing by each such managed account to acquire the Equity Shares for each managed account; and to make (and you hereby make) the representations, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

20. you are not a "Promoter" (as defined under the SEBI Regulations) and are not a person related to the "Promoters", either directly or indirectly and your Application does not directly or indirectly represent the Promoters or Promoter Group (as defined under the SEBI Regulations) of our Company;

21. you have no rights under a shareholders' agreement or voting agreement with the Promoters or persons related to the "Promoter", no veto rights or right to appoint any nominee director on the Board of Directors other than the rights acquired in the capacity of a lender which shall not be deemed to be a person related to the "Promoters";

22. you have no right to withdraw your Application after the Bid/Issue Closing Date (as defined hereinafter);

23. you are eligible, including without limitation under applicable law, to apply for and hold the Equity Shares so Allotted and together with any securities of our Company held by you prior to the Issue. You further confirm that your aggregate holding upon the issue and Allotment shall not exceed the level permissible as per any law applicable to you;

24. the Application Form submitted by you would not at any stage directly or indirectly result in triggering a requirement to make a public announcement to acquire Equity Shares in accordance with the Takeover Code (as defined hereinafter);

25. to the best of your knowledge and belief, your aggregate holding together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment shall not exceed 50% of the Issue Size (as defined hereinafter). For the purposes of this representation:

    - the expression 'belongs to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956.

    - 'control' shall have the same meaning as is assigned to it by clause 1(e) of Regulation 2 of the Takeover Code.

26. you are aware that (i) applications for in-principle approval, in terms of clause 24(a) of the Equity Listing Agreement (as defined hereinafter), for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and such approval has been received from the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares will be obtained in time or at all. Our Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

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

28. you are aware and understand that the Joint Global Coordinators and Book Running Lead Managers have entered into a Placement Agreement with our Company whereby the Joint Global Coordinators and Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable endeavours to seek to procure subscription for the Equity Shares on the terms and conditions set forth therein;

29. you understand that the contents of this Placement Document are exclusively the responsibility of our Company and that neither the Joint Global Coordinators and Book Running Lead Managers nor any person acting on its behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares and you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Joint Global Coordinators and Book Running Lead Managers or our Company or any other person and neither the Joint Global Coordinators and Book Running Lead Managers nor our Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

30. you understand that the Joint Global Coordinators and Book Running Lead Managers do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us of any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;

31. you are able to purchase the Equity Shares in accordance with the restrictions described in "Selling Restrictions" and "Transfer Restrictions";

32. you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "Transfer Restrictions" and you warrant that you will comply with those restrictions;

33. you understand that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the Securities Act;

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

35. any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of the Republic of India and the courts at Mumbai, India shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Issue;

36. that each of the representations, warranties, acknowledgements and agreements set forth above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

37. you agree to indemnify and hold our Company and the Joint Global Coordinators and Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, undertakings, and agreements in this section. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares by or on behalf of the managed accounts; and

38. you understand that our Company, the Joint Global Coordinators and Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, agreements, warranties, acknowledgements and undertakings, which are given to the Joint Global Coordinators and Book Running Lead Managers on their own behalf and on behalf of our Company and are irrevocable and it is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the the Joint Global Coordinators and Book Running Lead Managers.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the FPI Regulations, FPIs other than Category III FPIs and unregulated broad based funds, which are classified as Category II FPIs (as defined in the FPI Regulations) by virtue of their investment manager being appropriately regulated unless such FPIs have entered into an offshore derivative instrument with an FII prior to January 7, 2014 or were registered as clients of an FII prior to January 7, 2014), including the affiliates of the Joint Global Coordinators and Book Running Lead Managers, may issue or otherwise deal in offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities, listed or proposed to be listed on any recognized stock exchange in India, such as the Equity Shares (all such offshore derivative instruments are referred to herein as **"P-Notes"**), for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favor of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation or establishment subject to compliance with "know your client" requirements. An FPI shall also ensure that further issue or transfer of any P-Note issued by or on behalf of it, is made only to persons who are regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to the P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Joint Global Coordinators and Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with the P-Notes. Any P-Notes that may be issued are not securities of the Joint Global Coordinators and Book Running Lead Managers and do not constitute any obligations of or claims on the Joint Global Coordinators and Book Running Lead Managers. FII of FPI affiliates of the Joint Global Coordinators and Book Running Lead Managers may purchase, the Equity Shares to the extent permissible under law and may issue P-Notes in respect thereof.

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

DISCLAIMERS

Disclaimer Clause of the Stock Exchanges

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

1. warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Document;

2. warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company;

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In thisPlacement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the prospective investors in the Issue, references to the "Issuer", "our Company" or "Phoenix Mills", are to The Phoenix Mills Limited, and references to "we", "us", or "our", or similar terms are to The Phoenix Mills Limited, its Subsidiaries and its Associates unless the context otherwise requires.

References in this Placement Document to "India" are to the Republic of India and its territories and possessions and the "Government" or "GoI" or the "central government" or the "state government" are to the Government of India, central or state, as applicable. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions. References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Leasable Area, Saleable Area and carpet area

The terms Leasable Area and Saleable Area appearing at various places in this document should be understood to be different from 'carpet area', a term commonly used in the real estate industry.

While the term carpet area refers to the area inside a store or an office or an apartment, the terms Leasable Area and Saleable Area are theoretical areas derived by applying a loading factor on the carpet area. The loading factor is based on general market practice locally and represents the estimated proportionate share of the lessee/purchaser for the access and use of common areas in a development along with other lessees/purchasers.

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

Consumption and Trading Density

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

The current lease agreements of the Company and our Subsidiaries and/or Associates with our retail clients require them to share with us, their sales data relating to specified time periods (daily/weekly/monthly/quarterly/annually), to enable us to aggregate Consumption data at each of our malls.

Based on such aggregated Consumption data, we have calculated the Trading Density at each of our malls, i.e. by dividing the total Consumption by the total trading carpet area for each relevant period.

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

Use of Acres, square feet, square meters

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

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year. Unless otherwise stated, references in this Placement Document to a particular year are to the

calendar year ended on December 31, and to a particular "financial year" are to the 12 months ended on March 31.

The audited consolidated financial statements of our Company for the financial years 2015, 2014 and 2013, (collectively, the "**Financial Statements**"), have been included in this Placement Document. See "Financial Statements". In addition to the financial data extracted from the Financial Statements and referenced in this Placement Document, certain financial data derived from the audited consolidated and unconsolidated financial statements of the Company for the financial years 2012, 2011 and 2010 has been included in the section "Business - Description of our Business - Large Mixed-Use Retail Developments - High Street Phoenix and Palladium". The consolidated and unconsolidated audited financial statements of the Company for the financial years 2012, 2011 and 2010 have not been included in this Placement Document. Such financial statements have been published by the Company and are publicly available on the Company's website, http://www.thephoenixmills.com.

Our Company has prepared its Financial Statements in Rupees in accordance with Indian GAAP and the Companies Act and has been audited by the Auditors in accordance with the applicable generally accepted auditing standards in India prescribed by the ICAI. The Financial Statements prepared in accordance with Indian GAAP differ in certain important aspects from U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP on the financial data included in this Placement Document, nor do we provide a reconciliation of our Financial Statements to those of U.S. GAAP. See "Risk Factors - Significant differences exist between Indian GAAP used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, with which investors may be more familiar.". Accordingly, the degree to which the Financial Statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Placement Document should accordingly be limited.

In this Placement Document, references to "US$" and "U.S. dollars" are to the legal currency of the United States and references to, "₹" and "Rupees" are to the legal currency of India.

The financial information relating to our Company herein have been converted from crores, lakhs or thousands, as the case may be, into millions and shown to the nearest two decimal places.

References to "lakhs" and "crores" in this Placement Document are to the following:

- one lakh represents 100,000 (one hundred thousand); and
- one crore represents 10,000,000 (ten million)

In this Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Non-GAAP financial measures

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

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to the businesses of our Company contained in this Placement Document consists of estimates based on data reports compiled by government bodies, data reports compiled by professional organisations and analysts, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites. This data is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Our Company takes responsibility for accurately reproducing such information but accept no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analyses and estimates, so our Company has relied on internally developed estimates. Neither our Company nor the Joint Global Coordinators and Book Running Lead Managers have independently verified this data and do not make any representation regarding accuracy or completeness of such data. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither our Company nor the Joint Global Coordinators and Book Running Lead Managers can assure potential investors as to their accuracy and completeness.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

AVAILABLE INFORMATION

For so long as any Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, and our Company is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, our Company will furnish to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act, subject to compliance with applicable provisions of Indian laws.

FORWARD-LOOKING STATEMENTS

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

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

1. performance of the real estate sector in India;
2. our ability to respond to slowdown in general economic growth in India and globally;
3. cost overruns, delays and disruptions in completion and commissioning of projects;
4. our ability to successfully implement our strategies;
5. our ability to access funds at competitive cost;
6. our ability to manage our credit quality;
7. our ability to effectively manage fluctuations in interest rates;
8. our ability to respond to competition;
9. any changes in connection with statutory provisions and/or regulations that apply to companies in India; and
10. any downgrading in our credit rating(s).

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under "Risk Factors", "Industry Overview", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

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

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

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability public company incorporated under the laws of India. The majority of our Company's Directors and key managerial personnel are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties in courts outside of India.

Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Code (as defined hereinafter) on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except:

(a) where it has not been pronounced by a court of competent jurisdiction;
(b) where it has not been given on the merits of the case;
(c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
(d) where the proceedings in which the judgment was obtained are opposed to natural justice;
(e) where it has been obtained by fraud; and
(f) where it sustains a claim founded on a breach of any law in force in India.

Under the Civil Code, a court in India shall presume, upon the production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards.

The United Kingdom, Singapore and Hong Kong, amongst others have been declared by the Government to be a "reciprocating territory" for the purposes of Section 44A of the Civil Code, but the United States of America has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. A judgment of a superior court of a country which is a reciprocating territory may be enforced by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. The latter suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. dollar (in Rupees per U.S. dollar), for the periods indicated. The exchange rates are based on the reference rates released by the RBI. No representation is made that the Rupees amounts actually represent such amounts in U.S. dollar or could have been or could be converted into U.S. dollars at the rates indicated, any other rates, or at all.

(₹ per US$ 1.00)

Financial year:	**Period end**	**Average***	**High***	**Low***
2015	62.59	61.15	63.75	58.43
2014	60.10	60.50	68.36	53.74
2013	54.39	54.45	57.22	50.56
Quarter ended:	**Period end**	**Average***	**High***	**Low***
June 30, 2015	63.76	63.50	64.20	62.16
March 31, 2015	62.59	62.25	63.45	61.41
December 31, 2014	63.33	62.00	63.75	61.04
September 30, 2014	61.61	60.59	61.61	59.72
Month ended:	**Period end**	**Average***	**High***	**Low***
June 30, 2015	63.76	63.86	64.18	63.51
May 31, 2015	63.76	63.80	64.20	63.52
April 30, 2015	63.58	62.75	63.61	62.16
March 31, 2015	62.59	62.45	62.82	61.82
February 28, 2015	61.79	62.04	62.43	61.68
January 31, 2015	61.76	62.23	63.45	61.41

Source: www.rbi.org.in
**Note: High, low and average are based on RBI reference rates*

The exchange rate on July 13, 2015 was ₹ 63.47 per US$ 1.00.

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider when reading the information contained herein.

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

The terms defined in this Placement Document shall have the meaning set forth in this section and unless the context otherwise implies, references to any statute or regulations or policies shall include amendments thereto, from time to time.

Company and Industry Related Terms

Term	Description
Articles	The articles of association of our Company, as amended from time to time.
Associates	The associates of our Company as listed below: 1. Classic Housing Projects Private Limited; 2. Escort Developers Private Limited; 3. Galaxy Entertainment Corporation Limited; 4. Galaxy Entertainment (India) Private Limited; 5. Gangetic Hotels Private Limited; 6. Mirabel Entertainment Private Limited; 7. Savannah Phoenix Private Limited (ceased to be an Associate with effect from April 7, 2015); and 8. Starboard Hotels Private Limited
Auditors	The joint statutory auditors of our Company are, M/s. A.M. Ghelani & Company, Chartered Accountants, and M/s. Chaturvedi & Shah, Chartered Accountants.
"Board" or "Board of Directors"	The board of directors of our Company or any duly constituted committee thereof.
Completed Projects	Projects where construction has been completed and occupation certificates have been granted by the relevant authorities with respect to such projects.
Consumption	Consumption is derived (consumer spending) by giving a reference to the sales numbers of our clients at our malls (such sales data being provided to us by our clients) over specified time periods (daily/weekly/monthly/ quarterly/annually). This enables us to aggregate Consumption at each of our malls over a specific period. See "Presentation of Financial and Other Information" for further information on Consumption data and our use of such data.
Corporate Office	The corporate office of our Company located at Shree Laxmi Woolen Mills Estate, 2nd Floor, R.R. Hosiery Building, Off. Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, Maharashtra, India.
"Developable Area" or "Built-up Area"	The total area which our Company or any of our develop in each project in accordance with approved plans, in case of Ongoing Projects, and in accordance with the applicable Development Control Regulations, in case of Planned Projects, including permissible TDR and includes FSI area, free of FSI area, fungible FSI, premium FSI, TDRs, etc., as applicable.
Development Control Regulations	Development Control Regulations for Greater Bombay, 1991, as amended.
Directors	The directors on the Board, as appointed from time to time.
ESOP 2007	The Phoenix Mills Employees' Stock Option Plan 2007, as amended.
Equity Shares	The equity shares of our Company of face value of ₹ 2 each.
Financial Statements	The audited consolidated financial statements of our Company for the financial years 2015, 2014 and 2013.
FSI	Floor space index, which means the quotient of the ratio of the combined gross floor area of all floors, excepting areas specifically exempted, to the total area of the plot.
Leasable Area/Saleable Area	Part of the Developable Area, calculated in accordance with our Company's policy for calculation of Leasable/Saleable Area, for which the prospective buyer or tenant or lessee or licensee, as the case may be, is obliged to pay or for which our Company expects that the respective buyer or tenant or lessee or licensee, as the case may be, will pay. See "Presentation of Financial and

Term	Description
	Other Information" for further information on Leasable Area/Saleable Area and our use of such data.
Memorandum	The memorandum of association of our Company, as amended from time to time.
"our Company" or "the Company" or "the Issuer" or "Phoenix Mills"	The Phoenix Mills Limited, a public limited company incorporated under the Indian Companies, Act, 1882 and having its registered office at 462, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India, on an unconsoldiated basis. It is clarified that references to "us", "we" or "our" are to our Company, together with the Subsidiaries and the Associates, on a consolidated basis.
Ongoing Projects	Projects which have been launched and the construction of which has commenced, after receipt of the commencement certificate with respect to such construction.
Planned Projects	Projects which are in the design development stage and the land required for the development has been acquired with approvals necessary for use of such land.
Promoters	The promoters of our Company are, 1) Mr. Ashokkumar Ruia and 2) Mr. Atul Ruia.
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(zb) of the SEBI Regulations.
Registered Office	The registered office of our Company located at 462, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.
Subsidiaries	The subsidiaries of our Company are as listed below: 1. Alliance Spaces Private Limited; 2. Blackwood Developers Private Limited; 3. Bellona Hospitality Services Limited; 4. Big Apple Real Estate Private Limited; 5. Butala Farm Lands Private Limited; 6. Classic Mall Development Company Private Limited; 7. Enhance Holdings Private Limited; 8. Gangetic Developers Private Limited; 9. Graceworks Realty & Leisure Private Limited; 10. Island Star Mall Developers Private Limited; 11. Market City Management Private Limited; 12. Market City Resources Private Limited; 13. Mugwort Land Holdings Private Limited; 14. Offbeat Developers Private Limited; 15. Palladium Constructions Private Limited; 16. Pallazzio Hotels and Leisure Limited; 17. Pinnacle Real Estate Development Private Limited; 18. Plutocrat Assets & Capital Management Private Limited; 19. Phoenix Hospitality Company Private Limited; 20. Sangam Infrabuild Corporation Private Limited; 21. Savannah Phoenix Private Limited (became a Subsidiary with effect from April 7, 2015); 22. Upal Developers Private Limited; and 23. Vamona Developers Private Limited.
sq. ft.	square feet.
sq. mt.	square metre.
TDR	Transferable development rights, which means when in certain circumstances, the development potential of land may be separated from the land itself and may be made available to the owner of the land in the form of transferable development rights.
Trading Density	It is calculated by dividing total Consumption by the total trading carpet area of a mall (i.e. total area inside a mall). See "Presentation of Financial and Other Information" for further information on Trading data and our use of such data.

Issue Related Terms

Term	Description
Allocated /Allocation	The allocation of the Equity Shares following the determination of the Issue

Term	Description
	Price to QIBs on the basis of the Application Forms submitted by them, in consultation with the Joint Global Coordinators and Book Running Lead Managers and in compliance with Chapter VIII of the SEBI Regulations.
Allot/Allotted/Allotment	The issue and allotment of the Equity Shares to the QIBs pursuant to the Issue.
Allottees	QIBs to whom the Equity Shares are issued and Allotted.
Application	An offer by a QIB pursuant to the Application Form for subscription of the Equity Shares under the Issue.
Application Form	The form (including any revisions thereof) pursuant to which a QIB shall submit a Bid for the Equity Shares in the Issue.
Bid(s)	Indication of interest of a Bidder, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares in the Issue.
Bid/Issue Closing Date	July 14, 2015, which is the last date up to which the Application Forms shall be accepted.
Bid/Issue Opening Date	July 9, 2015.
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both dates, during which the Bidder can submit their Bids.
Bidder/s	Any QIB that makes a Bid by submitting an Application Form in accordance with the provisions of the Preliminary Placement Document.
CAN	The note or advice or intimation sent only to QIBs confirming the Allocation to such QIBs after discovery of the Issue Price and requesting payment for the entire applicable Issue Price for the Equity Shares Allocated to such QIBs.
Closing Date	The date on which Allotment shall be made, i.e. on or about July 17, 2015.
Cut-off Price	The minimum price at which the Issue Price shall be determined by our Company in consultation with the Joint Global Coordinators and Book Running Lead Managers.
Designated Date	The date of credit of the Equity Shares to the QIB's demat account, as applicable to the respective QIBs.
Eligible FPIs	FPIs that are eligible to participate in the Issue and does not include Category III FPIs who are not allowed to participate in the Issue.
Escrow Account	A special bank account entitled "The Phoenix Mills Limited - QIP Escrow Account" opened by our Company with the Escrow Collection Bank in terms of Section 42 of the Companies Act, 2013 and the escrow agreement dated July 9, 2015 executed between our Company, the Joint Global Coordinators and Book Running Lead Managers and the Escrow Collection Bank in relation to the Issue, into which the application monies payable by the Bidders in connection with subscription to the Equity Shares shall be deposited.
Escrow Collection Bank	HDFC Bank Limited.
Floor Price	The floor price for the Issue calculated on the basis of Chapter VIII of the SEBI Regulations is ₹ 372.20 per Equity Share with reference to July 9, 2015 as the Relevant Date. The Capital Raising Committee of our Board, on July 14, 2015, approved the Issue Price of ₹ 353.60 by offering a discount of 5.00% to the Floor Price of ₹ 372.20, in accordance with the approval of the Shareholders through a special resolution passed by way of a postal ballot pursuant to a postal ballot notice dated May 11, 2015, the results of which were announced on June 15, 2015 and Regulation 85(1) of the SEBI Regulations.
Issue	The offer and placement of 7,991,907 Equity Shares to QIBs, pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations.
Issue Price	₹ 353.60 per Equity Share.
Issue Size	The issue of 7,991,907 Equity Shares aggregating to ₹ 2,825.94 million.
Joint Global Coordinators and Book Running Lead Managers	CLSA India Private Limited and J.P. Morgan India Private Limited.
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Pay-in Date	The last date specified in the CAN sent to the Bidders, by which the Issue Price for the Equity Shares Allocated has to be paid.
Placement Agreement	The placement agreement dated July 9, 2015 between our Company and the Joint Global Coordinators and Book Running Lead Managers.

Term	Description
Placement Document	This placement document dated July 14, 2015 issued by our Company in accordance with the provisions of Section 42 of Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations.
Preliminary Placement Document	The preliminary placement document dated July 9, 2015 issued by our Company in accordance with the provisions of Section 42 of Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations.
QIB	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations.
QIP	Qualified institutions placement under Chapter VIII of the SEBI Regulations.
Relevant Date	July 9, 2015, being the date of the meeting in which the Board, or any committee duly authorised by the Board, decides to open the Issue.
Stock Exchanges	The BSE and the NSE.
U.S. QIBs	Qualified institutional buyers as defined in Rule 144A under the Securities Act. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to herein as QIBs.

Conventional and General Terms/ Abbreviations

Term/Abbreviation	Description
AGM	An annual general meeting of the shareholders.
AIF	Alternative investment funds as defined in the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AS	The accounting standards issued by the Institute of Chartered Accountants of India.
AY	An assessment year.
BSE	BSE Limited.
CARO	The Companies (Auditor's Report) Order, 2015
Category III FPIs	A FPI registered as a category III foreign portfolio investor under the FPI Regulations.
Civil Code	The Code of Civil Procedure, 1908.
CIN	Corporate Identity Number.
Companies Act / Act	The Companies Act, 1956 and/or the Companies Act, 2013, as applicable.
Companies Act, 1956	The Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) and the rules made thereunder.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, and the rules made thereunder.
Depositories Act	The Depositories Act, 1996.
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depository Participant	A depository participant as defined under the Depositories Act, 1996.
DIN	Director identification number.
EGM	An extraordinary general meeting of the shareholders.
Equity Listing Agreement	The equity listing agreement entered by our Company with each of the Stock Exchanges.
FDI	Foreign direct investment.
FEMA	The Foreign Exchange Management Act, 1999 and the rules, regulations, notifications and circulars issued thereunder.
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
FII	A foreign institutional investor as defined under the SEBI FPI Regulations.
Financial year	The period commencing on April 1 of a calendar year and ending on March 31 of the following calendar year.
FPI(s)	A person who satisfies the eligibility criteria prescribed under Regulation 4 of the FPI Regulations and has been registered under Chapter II of the FPI Regulations, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act.

Term/Abbreviation	Description
	Provided that any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a FPI till the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations.
FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Form PAS-4	The Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014.
FVCI	A foreign venture capital investor as defined and registered with the SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with the SEBI under the applicable laws in India.
GAAP	Generally accepted accounting principles.
GDP	Gross domestic product.
Government	The Government of India, unless otherwise specified.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards of the International Accounting Standards Board.
IND AS	Indian Accounting Standards (Ind AS) 101 "First-time Adoption of Indian Accounting Standards" as notified by the Ministry of Corporate Affairs, Government of India, on February 25, 2011.
India	The Republic of India.
Indian GAAP	The generally accepted accounting principles followed in India.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
ISIN	International Securities Identification Number.
IT Act	The Income Tax Act, 1961.
MoU	Memorandum of Understanding.
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government of India.
NRI	Non Resident Indian.
NSE	National Stock Exchange of India Limited.
OFAC	U.S. Treasury Department's Office of Foreign Assets Control.
PFIC	Has the meaning given to that term in "Taxation - Certain U.S. Federal Income Tax Considerations".
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
RBI	The Reserve Bank of India.
Regulation S	Regulation S under the Securities Act.
RoC	The Registrar of Companies, Maharashtra at Mumbai.
₹/Rupees/Rs.	The legal currency of India.
RTGS	Real-Time Gross Settlement.
Shareholders	The registered holders of the Equity Shares.
SC	Supreme Court of India.
SCRA	The Securities Contracts (Regulation) Act, 1956.
SCRR	The Securities Contracts (Regulation) Rules, 1957.
SCR (SECC) Rules	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.
SEBI	The Securities and Exchange Board of India.
SEBI Act	The Securities and Exchange Board of India Act, 1992.
SEBI FII Regulations	The Securities and Exchange Board of India (Foreign Institutional Investors), Regulations, 1995.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
SEC	United States Securities and Exchange Commission.
Securities Act	U.S. Securities Act of 1933, as amended.
STT	Securities transaction tax.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
Unpublished Price Sensitive Information	Unpublished price sensitive information as defined in the Insider Trading Regulations.

Term/Abbreviation	Description
US$/U.S. dollar	United States Dollars.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
U.S. Holder	Has the meaning given to that term in "Taxation – U.S. Taxation".
VCF	A Venture Capital Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including under the sections titled "Risk Factors", "Use of Proceeds", "Issue Procedure", "Description of the Equity Shares" and "Placement". The information contained in "Description of the Equity Shares" shall prevail in the event of any inconsistency with the terms set out in this section.

Issuer	The Phoenix Mills Limited.
Issue Size	Issue of 7,991,907 Equity Shares aggregating to ₹ 2,825.94 million.
Issue Price	₹ 353.60 per Equity Share.
Face Value	₹ 2 per Equity Share.
Floor Price	The Floor Price calculated on the basis of Chapter VIII of the SEBI Regulations is ₹ 372.20 per Equity Share with reference to July 9, 2015 as the Relevant Date. The Capital Raising Committee of our Board, on July 14, 2015, approved the Issue Price of ₹ 353.60 by offering a discount of 5.00% to the Floor Price of ₹ 372.20, in accordance with the approval of the Shareholders through a special resolution passed by way of a postal ballot pursuant to a postal ballot notice dated May 11, 2015, the results of which were announced on June 15, 2015 and Regulation 85(1) of the SEBI Regulations.
Authority for the Issue	The Issue was authorised and approved by the Board on May 11, 2015 and approved by the Shareholders through a special resolution passed by way of a postal ballot pursuant to a postal ballot notice dated May 11, 2015, the results of which were announced on June 15, 2015 for an issue size of up to ₹ 10,000 million.
Eligible Investors	A qualified institutional buyer as defined in Regulation 2(1)(zd) of the SEBI Regulations, except for FVCIs and multilateral or bilateral development financial institution, and not excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations. See "Issue Procedure - Qualified Institutional Buyers".
Equity Shares issued and outstanding immediately prior to the Issue	144,996,945 Equity Shares.
Equity Shares issued and outstanding immediately after the Issue	152,988,852 Equity Shares.
Dividend	For more information, see "Description of the Equity Shares", "Dividends" and "Taxation".
Indian Taxation	For more information, see "Taxation".
Issue Procedure	The Issue is being made only to QIBs in reliance upon Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations. See "Issue Procedure".
Listing	Our Company has obtained in-principle approvals for the listing of the Equity Shares issued pursuant to the Issue in terms of Clause 24 (a) of the Equity Listing Agreement, from the Stock Exchanges. Our Company shall apply to the Stock Exchanges for the listing approvals and the final listing and trading approvals, after the Allotment and after the credit of the Equity Shares to the beneficiary accounts of the QIBs with the Depository Participants, respectively.
Transfer Restrictions	The Equity Shares being Allotted shall not be sold for a period of one year from the date of Allotment except on the floor of the Stock Exchanges. The Equity Shares are subject to certain selling and transfer restrictions. For details, see "Selling Restrictions" and "Transfer Restrictions".
Pay-in Date	Last date specified in the CAN sent to the QIBs, by which the consideration for the Equity Shares has to be paid.
Closing Date	The date on which Allotment shall be made, i.e. on or about July 17, 2015.
Ranking	The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividends. The Shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the date of Issue. For details, see "Description of the Equity Shares".

Lock-up	Our Company shall not, without the consent of the Joint Global Coordinators and Book Running Lead Managers, during the period commencing from the date of the Placement Agreement and ending 90 calendar days after the date of Allotment: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise. The foregoing restriction shall not apply to any (x) issuance, sale, transfer or disposition of Equity Shares by the Company pursuant to the Issue; or (y) issuance, sale, transfer or disposition of Equity Shares by the Company pursuant to ESOP 2007. Our Company's Promoters and the members of the Promoter Group shall not, without the consent of the Joint Global Coordinators and Book Running Lead Managers, during the period commencing from the date of the Placement Agreement and ending 90 calendar days after the date of Allotment (the "**Lock-up Period**"): (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise. The restrictions in the foregoing paragraph shall not apply to (a) any inter-se transfer of Equity Shares between the Promoters and the Promoter Group, provided that the restrictions set forth in the previous paragraph shall continue to apply for the remaining period to the transferee and that such transferee shall be bound by the restrictions in the preceding paragraph until the Lock-up Period set forth herein has expired; (b) any sale, transfer or disposal of such Equity Shares to the extent such sale, transfer or disposal is mandatorily required for compliance with applicable Indian law. For details, see "Placement - Lock up".
Use of Proceeds	The total proceeds of the Issue will be ₹ 2,825.94 million. After deducting the issue expenses, the net proceeds of the Issue will be approximately ₹ 2,745.94 million. For further details, see "Use of Proceeds".
Risk Factors	Prior to making an investment decision, QIBs should consider carefully the matters discussed under "Risk Factors".
Security Codes for the Equity Shares:	
ISIN	INE211B01039
BSE Code	503100
NSE Symbol	PHOENIXLTD

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in Form PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

S. No.	Disclosure Requirements	Relevant page of this Placement Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office;	221
b.	Date of incorporation of the company;	217
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any;	124-147
d.	Brief particulars of the management of the company;	148-155
e.	Names, addresses, DIN and occupations of the directors;	148-149
f.	Management's perception of risk factors;	47-74
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –	
(i)	statutory dues;	213
(ii)	debentures and interest thereon;	213
(iii)	deposits and interest thereon;	213
(iv)	loan from any bank or financial institution and interest thereon.	213
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process;	221
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution;	217
b.	Date of passing of resolution in the general meeting, authorizing the offer of securities;	217
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security;	22
d.	Price at which the security is being offered including the premium, if any, along with justification of the price;	22
e.	Name and address of the valuer who performed valuation of the security offered;	Not applicable
f.	Amount which the company intends to raise by way of securities;	78
g.	Terms of raising of securities:	
(i)	Duration, if applicable;	Not applicable
(ii)	Rate of dividend; or	80
(iii)	Rate of interest;	Not applicable
(iv)	Mode of payment; and	Not applicable
(v)	Repayment;	Not applicable
h.	Proposed time schedule for which the offer letter is valid;	18
i.	Purposes and objects of the offer;	78
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	78

S. No.	Disclosure Requirements	Relevant Page of this Placement Document
k.	Principle terms of assets charged as security, if applicable;	Not applicable
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**	
i.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	154
ii.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	213-216
iii.	Remuneration of directors (during the current year and last three financial years).	150-152
iv.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	100
v.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	44-46
vi.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	213
vii.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	213
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	the capital structure of the company in the following manner in a tabular form-	
(i)(a)	the authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	81
(b)	size of the present offer;	22
(c)	paid up capital:	81
(A)	after the offer;	81
(B)	after conversion of convertible instruments (if applicable).	Not applicable
(d)	share premium account (before and after the offer).	81
(ii)	the details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	81-82
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	Not applicable

S. No.	Disclosure Requirements	Relevant Page of this Placement Document
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	F-1 to F-81
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	80 and 102
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	38-42
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	41-42
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	90-91
5.	**A DECLARATION BY THE DIRECTORS THAT** a. the company has complied with the provisions of the Act and the rules made thereunder. b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government. c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	220

SUMMARY OF BUSINESS

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

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

Our existing real estate development portfolio primarily comprises retail-led, mixed-use developments in prime locations, together with a number of other standalone residential and commercial office developments. Our developments include retail and entertainment, commercial, hotel and residential properties in Mumbai, Chennai, Bengaluru, Pune, Lucknow, Bareilly and Agra. Our operations typically encompass most aspects of real estate development, including land acquisition, planning (including liaison and approvals), execution and marketing of projects, through to the management, maintenance and sales of the completed developments.

We were one of the first real estate developers in India to transform a textile mill property into a modern, multi-use retail-led integrated development – High Street Phoenix and Palladium in Lower Parel, Mumbai. This development is comprised of a mall of approximately 0.74 million square feet of Leasable Area consisting of retail, entertainment and commercial office space of approximately 0.13 million square feet of Leasable Area (net of areas let out on long leases), the Palladium Hotel, a 389 key luxury hotel, and Phoenix Towers, residential apartment towers built in partnership by the Company, as well as parking space. We believe High Street Phoenix was amongst the first large format, retail led, mixed use centre developments in India. Our Company's wholly owned subsidiary, Pallazzio Hotels & Leisure Limited, has entered into agreements with Starwood Hotels & Resorts India Private Limited and its affiliates for the management and re-branding of the hotel from the Palladium Hotel to The St. Regis, Mumbai, and subject to compliance with the terms of the agreement, we expect re-branding to occur in the third quarter of 2015.

Our Phoenix MarketCity projects are conceptualized as large scale, retail-led, mixed-use, real estate developments which we believe are in prime locations and in close proximity to high-catchment areas. We own and operate several malls, through our Subsidiaries and Associates, under the brand "Phoenix MarketCity" in Mumbai, Chennai, Bengaluru and Pune (one mall in each city). Our Phoenix MarketCity developments encompass retail and entertainment space, including food and beverage and multiplex facilities, outdoor space and, subject to market demand, include one or more of commercial offices, hotel or residential apartments for sale. These projects seek to optimize a combination of retail, entertainment and commercial and retail clients in order to attract a wide spectrum of consumers. We also operate malls under the brand name of "Phoenix United", with two operational projects in Lucknow and Bareilly, respectively. We believe that we have achieved reasonable success in each of our operational developments.

Our real estate development portfolio is comprised of four types of real estate developments: retail, commercial office, residential and hospitality. We characterize our projects as Completed, Ongoing and Planned projects (see further "—Description of our Business"). We currently have a portfolio of approximately 17.88 million square feet of constructed areas in our Completed and Ongoing projects, consisting of:

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

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

Our retail development portfolio consists of approximately 6.16 million square feet of Leasable Area in Completed and Ongoing projects. Our commercial office development portfolio consists of approximately 1.82 million square feet of Saleable and Leasable Area in Completed, Ongoing and Planned projects (including areas already sold). Our residential development portfolio consists of approximately 5.51 million square feet of Saleable Area in Ongoing and Planned projects, of which we have sold approximately 1.65 million square feet.

We have received several awards for our retail developments including "Retailer of the Year (Mall) – 2015", "Shopping Center of the Year (Palladium Mall) – 2015" from CMO Asia, and "Among India's Best Existing Neighbourhood

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

Our developments

Large mixed-use retail developments

Name of Project	Location	Total Leasable Area (in million square feet)	Number of Stores	Company/ project-specific developing entity	Shareholding of Company in developing entity as at March 31, 2015 (%)	Status of the project	Date of Completion
High Street Phoenix and Palladium	Lower Parel, Mumbai	0.74	273	The Phoenix Mills Limited	n/a Project owned by Company	Completed	1999 (High Street Phoenix) 2008 (Palladium)
Phoenix MarketCity Chennai	Velachery, Chennai	1.00	260	Classic Mall Development Company Private Limited	50.0	Completed	2013
Phoenix MarketCity Bengaluru[1]	Bengaluru (E)	0.98	295	Island Star Mall Developers Private Limited	75.3	Completed	2011
Phoenix MarketCity Pune[2]	Viman Nagar, Pune	1.13	319	Vamona Developers Private Limited	62.6	Completed	2011
Phoenix MarketCity Mumbai[3]	Kurla, Mumbai	1.11	310	Offbeat Developers Private Limited	56.3	Completed	2011
Phoenix United Lucknow	Lucknow	0.33	106	Big Apple Real Estate Private Limited through its 100% subsidiary Upal Developers Private Limited	76.6	Completed	2010
Phoenix United Bareilly	Bareilly	0.31	132	Big Apple Real Estate Private Limited through its 100% subsidiary Blackwood Developers Private Limited	76.6	Completed	2012
Palladium Mall, Chennai[4]	Velachery, Chennai	0.22	76 (expected)	Starboard Hotels Private Limited	28.5	Ongoing	2016 (estimated)
Phoenix Paragon Plaza[5]	Kurla, Mumbai	0.34	305 (expected)	Graceworks Realty & Leisure Private Limited	44.0	Completed	2015

Notes:

1 Our Company currently owns 21,098,455 equity shares (representing approximately 73.6% of the outstanding equity shares) in Island Star Mall Developers Private Limited. Pursuant to a share purchase agreement, dated June 5, 2015, the Company acquired 1,992,593 equity shares (representing approximately 6.9% of the outstanding equity shares) of Island Star Mall Developers Private Limited from Edelweiss Trustee Services Limited on June 10, 2015.

Our Company also owns 10,000 equity shares (representing 100% of the outstanding equity shares) of Pinnacle Real Estate Development Private Limited. Pinnacle Real Estate Development Private Limited owns 2,500,000 equity shares (representing approximately 8.7% of the outstanding equity shares) of Island Star Mall Developers Private Limited. Effective direct and indirect shareholding of the Company in Island Star Mall Developers Private Limited is 82.3%. Our Company has entered into a share purchase agreement, dated December 2, 2014, with IL&FS Trust Company Limited and IIRF Holdings IX Limited, to

acquire 7,168,967 equity shares (representing approximately 25.0% of the outstanding equity shares) of Island Star Mall Developers Private Limited from IL&FS Trust Company Limited and IIRF Holdings IX Limited. Pursuant to the terms of this agreement, we have acquired 2,090,949 equity shares of Island Star Mall Developers Private Limited and, subject to the satisfaction of conditions precedent provided in the agreement, the remaining shares are expected to be acquired by or during the fourth quarter of 2015. On completion of the acquisition of the remaining equity shares, our total effective equity shareholding in Island Star Mall Developers Private Limited would be 100%.

2 Our Company has entered into a share purchase agreement, dated June 18, 2013, with K2 Property Limited and K2C Retail Limited, to acquire 6,000,000 equity shares (representing 24.0% of the outstanding equity shares) of Vamona Developers Private Limited from K2 Property Limited and K2C Retail Limited. On June 23, 2015, we completed the acquisition of shares under the agreement and accordingly our total equity shareholding in Vamona Developers Private Limited is 86.6%.

3 Our Company has entered into a share purchase agreement, dated July 9, 2014, with Horizon Ventures I, to acquire 6,713,865 equity shares (representing approximately 21.3% of the outstanding equity shares) of Offbeat Developers Private Limited from Horizon Ventures I. Pursuant to the terms of this agreement, we have acquired 959,121 equity shares of Offbeat Developers Private Limited, and, subject to the satisfaction of conditions precedent provided in the agreement, a further 5,754,744 equity shares of Offbeat Developers Private Limited are expected to be acquired by or during the third quarter of 2016. On completion of the acquisition of the remaining equity shares, our total equity shareholding in Offbeat Developers Private Limited would be 74.5%.

4 Our Company owns 1,321,400 equity shares (representing approximately 56.9% of the outstanding equity shares) of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 2,499,374 equity shares (representing approximately 50.0% of the outstanding equity shares) of Starboard Hotels Private Limited. Additionally, we also own 50.0% of the outstanding equity shares of Escort Developers Private Limited which owns 1,252 equity shares (representing approximately 0.03% of the outstanding equity shares) of Starboard Hotels Private Limited. Accordingly, the effective (indirect) shareholding of the Company in Starboard Hotels Private Limited is 28.5%.

5 Our Company owns 1,321,400 equity shares (representing approximately 56.9% of the outstanding equity shares) of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 52,250 equity shares (representing approximately 77.3% of the outstanding equity shares) of Graceworks Realty & Leisure Private Limited. Accordingly, the effective (indirect) shareholding of the Company in Graceworks Realty & Leisure Private Limited is 44.0%.

Commercial office projects

Name of Project	Location	Total Saleable/ Leasable Area (in million square feet)	Company/ project-specific developing entity	Shareholding of Company in developing entity as at March 31, 2015 (%)	Status of the project	Date of Completion
Phoenix House[1]	Lower Parel, Mumbai	0.13	The Phoenix Mills Limited	n/a Project owned by Company	Completed	1996
Centrium[2 3]	Kurla, Mumbai	0.28	Offbeat Developers Private Limited	56.3	Completed	2012
East Court[4 5]	Viman Nagar, Pune	0.25	Vamona Developers Private Limited	62.6	Completed	2012
Phoenix Paragon Plaza[6]	Kurla, Mumbai	0.12	Graceworks Realty & Leisure Private Limited	44.0	Completed	2015
Art Guild House[3 7]	Kurla, Mumbai	0.76	Offbeat Developers Private Limited	56.3	Ongoing	2015 (estimated)
West Court[5 8 9]	Pune	0.28	Alliance Spaces Private Limited	33.0	Planned	n/a

Notes:

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

2 Centrium has approximately 0.28 million square feet of Saleable/Leasable Area, of which 248,617 square feet has been sold.

3 See footnote 3 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

4 East Court has approximately 0.25 million square feet of Saleable/Leasable Area, approximately 0.24 million square feet of which has been sold.

5 See footnote 2 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

6 Our Phoenix Paragon Plaza commercial office project has approximately 0.12 million square feet of Saleable/Leaseable Area, approximately 0.05 million square feet of which has been sold.

7 Art Guild House has approximately 0.76 million square feet of Saleable/Leasable Area, approximately 0.38 million square feet of which has been sold.

8 The land on which our West Court, Pune commercial office project is located is owned by Vamona Developers Private Limited. Pursuant to a Memorandum of Understanding dated March 4, 2014 and entered into between Vamona Developers Private Limited and Alliance Spaces Private Limited, Alliance Spaces Private Limited is the developer of this project.

9 Our Company owns 1,321,400 equity shares (representing approximately 56.9% of the outstanding equity shares) of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 1,158,950 equity shares (representing approximately 58.0% of the outstanding equity shares) of Alliance Spaces Private Limited. Accordingly, the effective (indirect) shareholding of the Company in Alliance Spaces Private Limited is 33.0%.

Residential Projects

Name of Project	Location	Total Saleable Area (in million square feet)	Company/ project-specific developing entity	Shareholding of Company in developing entity as at March 31, 2015 (%)	Status of the project	Estimated Date of Completion
Phoenix Towers[1]	Lower Parel, Mumbai	-	The Phoenix Mills Limited	n/a Project owned by Company	Completed	Completed
Fountainhead Pune (Towers A and B)[2]	Pune	0.35	Alliance Spaces Private Limited	33.0	Ongoing	2018
Crest, Chennai (Towers A and B)	Chennai	0.24	Classic Housing Projects Private Limited	50.0	Ongoing	2015
Crest, Chennai (Tower C)	Chennai	0.29	Classic Mall Development Private Limited	50.0	Ongoing	2015
Kessaku[3 4]	Bengaluru	0.99	Palladium Constructions Private Limited	73.3	Ongoing	2018
One Bangalore West (Towers 1-5)[3]	Bengaluru	1.21	Palladium Constructions Private Limited	73.3	Ongoing	2016
One Bangalore West (Towers 6-9)[3]	Bengaluru	1.04	Palladium Constructions Private Limited	73.3	Ongoing	2018
Oberhaus (Phase I)[4]	Bengaluru	0.38	Island Star Mall Developers Private Limited	75.3	Ongoing	2018
Oberhaus (Phase II)[4]	Bengaluru	0.64	Island Star Mall Developers Private Limited	75.3	Planned	2020
Crest, Chennai (Tower D)[5]	Chennai	0.41	Starboard Hotels Private Limited	28.5	Planned	2018

Notes:

1 Phoenix Towers comprises residential apartments that were built in partnership by the Company.

2 See footnote 9 to the table under "—Recent Developments—Commercial Office Projects" above.

3 Our Company owns 15,836,664 equity shares (representing approximately 48.3% of the outstanding equity shares) of Palladium Constructions Private Limited. Our Company also owns 1,321,400 equity shares (representing approximately 56.9% of the outstanding equity shares) of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 14,357,706 equity shares (representing approximately 43.8% of the outstanding equity shares) of Palladium Constructions Private Limited. Accordingly, the effective (direct and indirect) shareholding of the Company in Palladium Constructions Private Limited is 73.3%. Our Company and Phoenix Hospitality Company Private Limited have entered into a share purchase agreement, dated November 14, 2014, with K2G Residential Limited and K2F Residential Limited, to acquire, in aggregate, 7,752,779 equity shares (representing approximately 23.7% of the outstanding equity shares) of Palladium Constructions Private Limited from K2G Residential Limited and K2F Residential Limited. Pursuant to the terms of the agreement, we have acquired 1,391,358 equity shares held by K2G Residential Limited and 1,319,511 equity shares held by K2F Residential Limited. Also, pursuant to the terms of the agreement, Phoenix Hospitality Company Private Limited has acquired 1,261,421 equity shares held by K2G Residential Limited and 1,196,285 equity shares held by K2F Residential Limited. Subject to the satisfaction of conditions precedent provided in the agreement, the remaining equity shares are expected to be acquired by the Company and Phoenix Hospitality Company Private Limited from K2F Residential Limited in the third quarter of 2015. On completion of the

acquisition of the remaining equity shares, the Company's effective (direct and indirect) total equity shareholding in Palladium Constructions Private Limited would be 79.5%.

4 See footnote 1 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

5 See footnote 4 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

Hospitality

Name of Project	Location	Number of Keys	Company/ project-specific developing entity	Shareholding of Company in developing entity as at March 31, 2015 (%)	Date of Completion
Palladium Hotel[1,2]	Lower Parel, Mumbai	389	Pallazzio Hotels & Leisure Limited	100.0	2012
Courtyard by Marriott − Agra [3]	Agra	193	Gangetic Hotels Private Limited	23.6	2015

Notes:

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

2 Our Company currently owns 1,200,000 equity shares (representing 100.0% of the outstanding equity shares) of Pallazzio Hotels & Leisure Limited. Pursuant to two investment agreements dated March 8, 2007 and September 30, 2008, Pallazzio Hotels & Leisure Limited has allotted, in aggregate, 2,659,802 compulsory convertible debentures, of various series ("**CCDs**") to our Company, Avinash Bhosale Infrastructure Private Limited and Aller River Ltd. On July 10, 2014, pursuant to a rights issue, Pallazzio Hotels & Leisure Limited allotted an additional 616,147 CCDs to our Company and to Avinash Bhosale Infrastructure Private Limited. Further, on October 13, 2014, our Company transferred 65,208 CCDs to Avinash Bhosale Infrastructure Private Limited. All allotted CCDs are convertible into equity shares of face value of ₹ 100 each of Pallazzio Hotels & Leisure Limited on a 1:1 basis. Our Company currently holds 1,297,029 CCDs. Conversion of all allotted CCDs will result in dilution of our Company's equity interest in Pallazzio Hotels & Leisure Limited, reducing our Company's shareholding to 55.8% (on a fully diluted basis). See also "Management's discussion and analysis of financial condition and results of operations—Significant developments occurring after March 31, 2015—Rights Issue by Pallazzio Hotels & Leisure Limited".

3 Our Company owns 1,321,400 equity shares (representing approximately 56.9% of the outstanding equity shares) of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 2,070,800 equity shares (representing approximately 41.5% of the outstanding equity shares) of Gangetic Hotels Private Limited. Accordingly, the effective (indirect) shareholding of the Company in Gangetic Hotels Private Limited is 23.6%.

Food and Beverage

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

Our Strengths

Diversified portfolio and revenue streams

We are one of India's leading retail asset developers, owners and operators, with one of the largest retail portfolios in India, consisting of nine retail properties comprising approximately 2,000 stores, in various of India's largest cities. Our existing real estate development portfolio primarily comprises retail-led, mixed-use developments in prime locations, together with a number of other standalone residential and commercial office developments. Our developments include retail and entertainment, commercial, hotel and residential properties in Mumbai, Chennai, Bengaluru, Pune, Lucknow, Bareilly and Agra. Our operations typically encompass most aspects of real estate development, including land acquisition, planning, execution and marketing of projects, through to the management, maintenance and sales of the completed developments.

Our retail development portfolio consists of approximately 6.16 million square feet of Leasable Area in eight Completed and one Ongoing project. Our commercial office development portfolio consists of approximately 1.82 million square feet of Saleable/Leasable Area in four Completed, one Ongoing and on Planned projects, (including areas already sold). Our residential development portfolio consists of approximately 5.51 million square feet of Saleable Area in five Ongoing and Planned projects, of which we have sold approximately 1.65 million square feet of Saleable Area. Our hospitality portfolio consists of two Completed hotels with a total of 582 keys. Our developments are located on freehold land owned by us or the respective project specific company that owns the project, except in the case of our High Street Phoenix and Palladium project in Lower Parel, Mumbai, where land is held by the Company in part on a freehold basis and in part on a leasehold basis (partly under a 999 year lease and partly on a perpetual lease basis).

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

Established market leadership and brand name

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

We believe we have a competitive advantage over our new and potential competitors in cities where we are already present due to several factors, including the significant time outlay required for potential competitors to build and establish a profitable retail mall (which, in our experience, typically takes approximately five to seven years), our early mover advantage in large, retail-led developments in specific micro-markets, non-availability or low availability of large parcels of land in proximity to our retail developments, high entry costs for our competitors to develop similar projects in cities where our developments and projects are located, our established track record in mall management testified by various awards we have won and our established relationships with international brands. In particular, we believe that our track record and the quality of our retail developments has enabled us to maximise our lease revenues through our established relationships with domestic and global retail clients.

For our residential projects, we believe that the Phoenix brand is well established and recognised, and is associated with good quality, design, innovation, marketing and project management that generally helps to achieve timely delivery of completed projects to buyers of residential apartments. Amongst other factors, we believe our strong market position and recognisable brand is a differentiating factor for our customers, which helps establish customer confidence, influences buying decisions and has enabled us to generally achieve high realizable prices for our projects. Some of our Ongoing residential projects have won several awards. See *"*—Awards and Recognitions" below. Our premium and luxury residential projects, One Bangalore West and Kessaku, in Bengaluru, comprise, in aggregate, approximately 3.24 million square feet of Saleable Area. We launched Phase I of One Bangalore West, comprising approximately 1.21 million square feet of Saleable Area, in the third quarter of 2012, in respect of which, as of March 31, 2015, we have sold approximately 0.99 million square feet of Saleable Area. We launched our Kessaku project, comprising approximately 0.99 million square feet of Saleable Area, in the first quarter of 2015, in respect of which, as of May 31, 2015, we have sold approximately 0.21 million square feet of Saleable Area (under various configurations including warm shell and/or fully furnished apartments).

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

We currently own and operate retail, residential and commercial office developments in Mumbai, Chennai, Bengaluru, and Pune. We believe that having projects located across several of India's largest cities allows us to attract high-end retail clients, receive high lease revenues per retail client and cater to large populations of consumers with high discretionary incomes. We believe that these factors allow us to increase our profitability and enhance the value of our brand. We expect that we will own and operate our future projects (other than residential properties), which will

continue to provide us with recurring revenues. For the financial year 2015, our revenue was ₹ 16,533 million, of which ₹ 11,964 million was from our rental (including common area maintenance revenue and other recoveries) and hotel portfolio, and the balance of ₹ 4,570 million was from our commercial office and residential portfolio. In addition to our operational projects, we have an Ongoing and Planned Projects portfolio of approximately 6.87 million square feet of Leasable and Saleable Area in the retail, residential and commercial office space.

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

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

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

We further believe that the business of developing and operating successful retail properties also depends on our ability to cater to the consumption pattern of target customers, including spending patterns and behaviour within a catchment area. We believe that the income earning potential of a retail property is closely linked to a property's client mix and quality of management. We seek to leverage our long-standing presence in this market segment and believe we are able to maximize the potential of a particular catchment area by bringing together appropriate retail clients. We also regularly evaluate the retail client mix at our retail properties to ensure that it caters to the consumption and spending patterns of customers. To capitalize on these trends, as of March 31, 2015, a majority of the leases across our retail properties are structured so that we receive the higher of a fixed guaranteed license fee / rental income, as applicable, or a percentage of revenue generated by the retail client, with such fixed guaranteed license fee / rental rate generally increasing on a percentage basis annually with a further higher percentage increase after, for example, three to five years. This assures us of minimum fixed guaranteed license fees / rental income, as applicable, across our retail properties, while aligning our interest with those of our retail clients through revenue share arrangements. With this model, our license fees and rental income collected, as applicable, can increase as Consumption increases in a particular location.

Quality project execution and management capabilities

We believe that our position as a successful property developer in some of India's largest cities is largely due to our project execution capabilities, our quality of operation and our management team, which have enabled us to deliver over 17 million square feet of Built-up Area across various geographies and categories in India. We select whom we believe to be reputed and highly qualified contractors and international architects, and we use quality construction materials and modern technology in our developments. We have established dedicated teams to oversee the design, engineering and construction phases of development to allow us to complete our projects in a cost-effective and quality-controlled manner.

In addition, critical to our success at our retail and hospitality projects is the successful ongoing operation and management of our developments. All projects are designed to address both various consumer concerns, such as adequate parking, aesthetics, comfort, safety and cleanliness, as well as the concerns of our retail clients, such as the continuous supply of utilities and security. We believe our focus on these operation and management aspects has a significant impact on the success of our developments. We periodically upgrade our retail developments in terms of quality and facilities offered in order to enhance visual impact and increase footfalls. We also track the revenues of our retail clients and provide suggestions to underperforming retail clients on how to improve revenues based on our operational experience. We also focus on developing a range of in-house food and beverage outlets as anchors to drive

footfalls to our retail clients. We believe that our focused initiatives that seek to enhance the quality and revenues of our retail clients and our malls will lead to higher Consumption and Trading Density.

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

Our Strategy

Our key focus is to continue to increase our revenues while maintaining a balance between revenues derived from license fees / rental income and sales revenues derived from properties sold. Our focus is also to maintain our market position in India through the implementation of the following business strategy:

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

We intend to focus on developing new retail-led mixed-use projects in prime locations with development sizes similar to our existing malls, which could be of between two to four million square feet of Built-Up Area, including parking and other amenities, and which feature a diverse range of retail clients and a combination of retail developments, commercial office and residential projects. We intend to continue to develop and expand our existing Phoenix MarketCity developments, where such further development potential may be permitted on the basis of existing policies, rules and regulations and/or may become permissible on the basis of any changes in the existing policies, rules and regulations, subject to the approvals of our plans for such expansion by the relevant authorities. We also intend to continue to seek and identify opportunities to develop new Phoenix MarketCity developments in micro-markets different from where our retail malls currently exist, such as, but not limited to, (North) Mumbai West Chennai and West Bengaluru, expand our existing mixed-use projects by acquiring and developing adjacent or proximate land parcels and explore opportunities to enter new cities such as, but not limited to, Hyderabad and Kolkata. We are seeking to acquire two to three suitable land parcels of varying sizes in the next 12 to 24 months for mixed-use developments of between two to four million square feet, including sites adjacent or proximate to our existing developments.

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

Explore growth opportunities through development or acquisition of standalone malls

As part of our ongoing growth strategy, we intend to continue to evaluate the performance of retail business in certain non-competing micro markets, including, but not limited to, Mumbai, Chennai, Bengaluru and Pune and other growth locations in which we currently do not have a presence, such as Hyderabad, Kolkata, Ahmedabad, Chandigarh, Amritsar, Ludhiana and Kochi, for prospective growth opportunities. We believe that there is significant potential in these cities for standalone malls of between approximately 0.35 million square feet to approximately 0.8 million square feet of Leasable Area. We are in the process of identifying several opportunities for growth in these cities, including in relation to both the acquisition of land for the development of malls and the acquisition of certain existing, standalone under-development malls or operational malls, and are seeking to acquire two to three green or brown field standalone malls in the next 12 to 24 months. We believe that the acquisition of existing, standalone under-development malls or operating malls will enable us to grow our revenues under our Phoenix brand and management. We believe any such acquisitions will help to further diversify our portfolio into new growth locations in India.

We believe that geographical diversification of our developments will help to reduce our reliance on specific cities and

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

Explore growth opportunities for our residential and real estate portfolio

We will continue to explore growth opportunities for future residential projects in several cities in India. We believe that significant demand exists in several cities for premium and luxury residential projects. In order to meet this demand, we intend to explore opportunities to enter into joint venture and/or joint development agreements with land owners and/or acquire land in cities such as Mumbai, Pune, Bengaluru, Hyderabad and Ahmedabad to develop projects of 0.35 million square feet or more of Saleable Area in locations which we believe will enable us to obtain favourable pricing, similar to our Ongoing and Planned Projects in the cities of Bengaluru, Chennai and Pune. In particular, we are seeking to enter into joint venture and joint development agreements with existing land owners for one to three land plots for residential developments. Our intention is to maintain, on a continuing basis, an Ongoing and Planned residential project portfolio ranging from five to seven million square feet of Saleable Area at various stages of development.

We plan to grow our residential development portfolio by focusing on a detail oriented approach to planning, by collaborating with established architects and vendors, by endeavouring to both execute projects in a timely and cost effective manner and ensure that our projects meet global standards, including in relation to project design and engineering. We also plan to focus on fulfilling our ongoing commitments, effective customer management and ensuring post-sale satisfaction of customers, to ensure the continuing success of our projects post-development.

Explore growth opportunities for our commercial office real estate portfolio

We will continue to explore opportunities for developing new commercial office projects. Such projects could be located either as part of our mixed-use retail-led developments or undertaken on a standalone basis. We believe that the availability of suitable land with development potential in cities such as Mumbai, Bengaluru and Hyderabad among others is one of the determining factors for prospective commercial office projects. We are also exploring potential opportunities to add commercial space to our existing Ongoing and Planned mixed-use developments through the effective use of balance / further floor space index development potential as rules and regulations permit. We believe our strategy to include both retail and commercial space within a mixed-use development provides greater value to both prospective buyers and clients for commercial space

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

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

We will also seek to continue to renegotiate lease terms to our advantage as they expire or come up for renewal. Some of our current agreements with retail clients will be coming up for renewal over the next three financial years at our malls located in our High Street Phoenix and Palladium (approximately 0.35 million square feet coming up for renewal), Phoenix MarketCity Mumbai (approximately 0.71 million square feet coming up for renewal), Phoenix MarketCity Pune (approximately 0.61 million square feet coming up for renewal over next three years with approximately 0.37 million square feet coming up for renewal in financial year 2016), Phoenix MarketCity Bengaluru (approximately 0.50 million square feet coming up for renewal) and Phoenix MarketCity Chennai (approximately 0.52 million square feet coming up for renewal). See "— Marketing" below. Several recent renewals have resulted in us

obtaining fixed guaranteed license fee / rental rates of more than double the prior fixed guaranteed license fees / rental rate for such leases.

Explore opportunities to complement our retail developments with eCommerce

In addition to our strategies to grow our brick and mortar retail business, we are also exploring opportunities utilise technology to provide shopping options or services options to consumers through smart phones and eCommerce by introducing and making our online services and searchable mall concept, Phoenix E-Mall, accessible either via smartphone or a computer. Through Phoenix E-Mall, we expect to provide consumers with online access to both our retail malls in multiple cities and the latest in-store merchandise on a single eCommerce platform. We are exploring several revenue sharing models, including sharing of a percentage of the revenues from online sales as well as a managed service fee. Further, by using technology, we believe we will be able to reach out to more customers for our existing malls and also provide them with services not currently available in physical malls. Further, we also believe that Phoenix E-Mall will enhance our understanding of consumer behaviour and allow us to enter new markets and extend the geographical reach of our existing malls.

Focus on inorganic growth opportunities through mergers and acquisitions

We intend to continue to evaluate opportunities to undertake mergers and acquisitions of complementary real estate companies in India in order to enhance our capabilities, diversify our business, address specific industry opportunities and expand our operations geographically.

We may also consider further increasing our equity interests in our Subsidiaries and Associates. We have invested approximately ₹ 6,101 million, in the past five years up to June 30, 2015, in acquiring equity shares and securities convertible into equity shares in our Subsidiaries and Associates, and expect to invest a further amount of approximately ₹ 2,537 million to complete such acquisitions under various sale and purchase agreements that we have entered into with our partners in our Subsidiaries and Associates. Past acquisitions since 2010 and contracted future acquisitions of equity interests in our projects, made either directly or through our Subsidiaries or Associates, are as set out below:

		Our Company's aggregate (direct and indirect) Equity Shareholding		
Development Name	**Name of project-specific developing entity**	**As of March 31, 2010** (unless otherwise stated)	**As of March 31, 2015**	**Contracted Future Shareholding***
Retail				
Phoenix MarketCity Bengaluru [1]	Island Star Mall Developers Private Limited	28.0%	75.3%[2]	100.0%
Phoenix MarketCity Mumbai [3]	Offbeat Developers Private Limited	24.3%	56.3%	74.5%
Phoenix MarketCity Pune [4]	Vamona Developers Private Limited	59.0%	62.6%	86.6%[5]
Phoenix MarketCity Chennai	Classic Mall Development Company Private Limited	31.0%	50.0%	50.0% (no change)
Residential				
Crest (Towers A and B)	Classic Housing Projects Private Limited	34.0% [6] as of November 26, 2010	50.0%	50.0% (no change)
One Bangalore West and Kessaku [7]	Palladium Constructions Private Limited	63.0% [8]	73.3%	79.5%

* We have entered into sale and purchase agreements with various parties to acquire additional equity interests in the project-specific companies that own and operate the projects referred to in the above table. The 'Contracted Future Shareholding' column shows what our shareholding in such the project-specific companies will be upon completion of contracted purchases of equity interests under these sale and purchase agreements.

1 See footnote 1 to the table under *"*―Recent Developments―Large Mixed-Use Retail Developments" above.

2 Our Company's current effective shareholding in Island Star Mall Developers Private Limited, following completion of the

acquisition of equity shares on June 10, 2015, is 82.3%. See footnote 1 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

3 See footnote 3 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

4 See footnote 2 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

5 Our Company's current shareholding in Vamona Developers Private Limited, following completion of the acquisition of the acquisition of equity shares on June 123, 2015, is 86.6%. See footnote 2 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

6 On November 26, 2010, the Company acquired 3,334 equity shares (representing 32.0% of the outstanding equity shares) of Classic Housing Projects Private Limited from Phoenix Hospitality Company Private Limited (a related party at the time of the acquisition, which subsequently became, and is currently, a Subsidiary of the Company). Additionally, as at November 26, 2010, the Company also owned 50.0% of the outstanding equity shares of Escort Developers Private Limited which owned 417 equity shares (representing 4.0% of the outstanding equity shares) of Classic Housing Projects Private Limited. Accordingly, as at November 26, 2010, the effective (indirect) shareholding of the Company in Classic Housing Projects Private Limited was 34.0%.

7 See footnote 3 to the table under "—Recent Developments—Residential Projects" above.

8 As on March 31, 2010, our Company owned 12,760,000 equity shares (representing 63.0% of the outstanding equity shares) of Palladium Constructions Private Limited. In addition, as of March 31, 2010, the Company had paid subscription consideration of ₹ 1,161.90 million for the allotment to it of 4,740,000 compulsory convertible debentures. These compulsory convertible debentures were allocated to the Company on February 13, 2012, and were subsequently converted into 4,740,000 equity shares of Palladium Constructions Private Limited on May 17, 2013. Following conversion, the Company owned a total of 17,500,000 equity shares (representing 70.0% of the outstanding equity shares) of Palladium Constructions Private Limited. Since May 17, 2013, following two share buybacks by Palladium Constructions Private Limited and the merger of Palladium Constructions Private Limited with Platinum Spaces Private Limited, the shareholding of the Company in Palladium Constructions Private Limited has changed. See footnote 3 to the table under "—Recent Developments—Residential Projects" above for details of the current shareholding structure of Palladium Constructions Private Limited.

SELECTED FINANCIAL INFORMATION

The following selected financial information is extracted from and should be read in conjunction with, the audited consolidated financial statements and notes thereto of our Company as at, and for the, financial years 2015, 2014 and 2013 prepared in accordance with Indian GAAP, each included elsewhere in this Placement Document. You should refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations", for further discussion and analysis of the financial statements of our Company.

The financial information included in this Placement Document does not reflect our Company's results of operations, financial position and cash flows for the future and its past operating results are no guarantee of its future operating performance.

Consolidated Statement of Assets and Liabilities

(₹ in Millions)

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	2	289.91	289.69	289.69
Reserves & Surplus	3	16,447.00	16,947.72	17,396.84
Sub Total		**16,736.91**	**17,237.41**	**17,686.53**
Minority Interest		**6,212.16**	**7,215.91**	**4,252.44**
NON-CURRENT LIABILITIES				
Long Term Borrowings	4	28,190.32	28,328.49	16,741.07
Other Long Term Liabilities	5	3,003.66	2,760.67	1,506.60
Long-Term Provisions	6	221.44	131.19	54.44
Sub Total		**31,415.42**	**31,220.35**	**18,302.11**
CURRENT LIABILITIES				
Short Term Borrowings	7	2,271.23	2,511.13	1,589.60
Trade Payables	8	1,050.18	1,535.88	812.57
Other Current Liabilities	9	8,186.77	7,488.54	6,863.08
Short Term Provisions	6	540.19	392.15	601.41
Sub Total		**12,048.37**	**11,927.70**	**9,866.66**
		-	-	-
Total		**66,412.86**	**67,601.37**	**50,107.74**
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets	10			
Tangible Assets		41,277.79	41,671.07	27,811.24
Intangible Assets		25.35	25.57	25.99
Capital Work-in-Progress		2,137.77	2,350.49	1,669.58
Non-Current Investments	11	1,807.16	2,275.58	3,480.75
Deferred Tax Assets (Net)	12	1,047.33	858.06	477.12
Long-Term Loans and Advances	13	2,356.23	3,194.64	3,666.57
Other Non-Current Assets	14	528.04	64.85	55.13
Sub Total		**49,179.67**	**50,440.26**	**37,186.38**
		-		
CURRENT ASSETS		-		
Current Investments	15	190.00	1,268.59	2,072.89
Inventories	16	11,783.09	11,416.52	7,769.60
Trade Receivables	17	2,192.06	1,968.19	846.18
Cash and Cash equivalents	18	920.09	851.06	683.48
Short Term Loans and Advances	13	1,967.05	1,395.01	1,394.23
Other Current Assets	19	180.90	261.74	154.98
Sub Total		**17,233.19**	**17,161.11**	**12,921.36**
Total		**66,412.86**	**67,601.37**	**50,107.74**

Consolidated Statement of Profit & Loss

(₹ in Millions)

Particulars	Note No	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME				
Revenue from Operations	20	16,533.24	14,485.15	4,699.08
Other Income	21	312.34	390.61	520.67
Total		**16,845.58**	**14,875.76**	**5,219.75**
EXPENDITURE				
Cost of Materials/Construction	22	3,116.23	4,787.62	5,253.70
Change in Inventory	23	(302.96)	(1,287.80)	(5,292.24)
Employee Benefits Expenses	24	914.55	730.53	383.47
Depreciation	25	1,680.65	1,054.77	474.26
Finance Costs	26	3,956.09	3,450.94	1,430.04
Other Expenses	27	5,185.82	3,470.55	1,723.39
Total		**14,550.38**	**12,206.61**	**3,972.61**
PROFIT / (LOSS) BEFORE TAX EXCEPTIONAL ITEMS AND TAX		**2,295.20**	**2,669.15**	**1,247.14**
Add: Exceptional Item (Refer to Note No 37)		(938.03)	84.41	(6.52)
PROFIT / (LOSS) BEFORE TAX		**1,357.17**	**2,753.55**	**1,240.62**
Less : Provision for Taxation				
Current Income Tax		974.55	871.11	476.49
Deferred Tax	12	(180.95)	37.34	(49.25)
Minimum Alternate Tax (including Rs. 129.29MN earlier years)		(268.54)	-	-
Tax Adjustments of earlier years		(31.87)	0.72	0.15
PROFIT AFTER TAX		**863.98**	**1,844.39**	**813.23**
Add : Share of Profit/(Loss) in Associates		43.23	(28.84)	11.23
Less : Share of Minority (Loss)/Profit		552.92	530.93	(17.07)
PROFIT AFTER TAX AND MINORITY INTEREST		**354.29**	**1,284.62**	**841.53**
Basic and (Face Value ₹ 2)		2.45	8.87	5.81
Diluted EPS		2.44	8.87	5.81

Consolidated Cash Flow Statement

(₹ in Millions)

Particulars		31st March 2015	31st March 2014	31st March 2013
A	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Net Profit before tax as per the Profit and Loss Account	**1,357.17**	**2,753.55**	**1,241.62**
	Adjustments for :	-	-	-
	Depreciation	1,680.65	1,054.77	475.24
	(Profit)/Loss on Assets sold/discarded	(18.41)	(15.61)	(1.70)
	Balances in Debtors/Advances written off	71.71	72.52	40.88
	Provision for Doubtful Debts and Advances	231.96	90.45	87.06
	Interest & Finance Cost	3,956.09	3,450.94	1,430.04
	Interest Income	(178.79)	(209.75)	(372.89)
	Dividend Income	(24.99)	(41.41)	(94.84)
	Profit on sale of Investments	(69.59)	(89.22)	(42.94)
	Investments Impairment [Exceptional]	938.03	-	-
	Misc Exp write off	5.28	-	-
	Balances written back	(2.92)	-	-
	Operating Cash flow before working capital changes	**7,946.20**	**7,066.27**	**2,762.46**
	Adjustment for Working Capital changes :			
	Trade and other Receivables	(1,594.50)	(1,308.00)	1099..34
	Inventories	(366.56)	(3,646.93)	(5,253.28)
	Trade and other Payables	541.99	2,768.16	2,275.09
		(1,419.07)	**(2,186.77)**	**(1,878.83)**
	Cash generated from Operations	**6,527.13**	**4,879.49**	**883.64**
	Direct Taxes Paid	(890.93)	(1,111.30)	(491.56)
	Net Cash from Operating Activities A	**5,636.20**	**3,768.20**	**392.08**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Additions/Purchases of Fixed Assets	(1,200.38)	(15,514.71)	(4,447.20)
	Advance for Fixed Assets (Given) / Refunded	808.01	676.54	(629.31)
	Sale of Fixed Assets	126.13	17.88	36.71
	Inter Corporate Deposits & Loans (placed)/refunded (Net)	40.78	(154.77)	377.14
	Purchase of Investments	(2,473.68)	(57.30)	(1,214.29)
	Sale of Investments	1,148.18	2,143.09	584.10
	Debenture / Share Application Money (Given) / Refunded	326.36	10.27	15.87
	Interest Received	178.79	208.62	372.96
	Dividend Received	24.99	41.41	94.84
	Net Cash generated from/(used in) Investing Activities B	**(1,020.82)**	**(12,628.98)**	**(4,809.18)**

C	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings	13,010.56	15,045.07	6,339.59
	Repayment of long term borrowings	(12,808.71)	(3,861.78)	(1,831.53)
	Short term loans availed / (repaid)(Net)	(239.90)	921.53	830.52
	Interest paid	(4,016.62)	(3,493.24)	(1,529.45)
	Application Money received/(refunded) NET	(149.80)	149.80	(8.50)
	Proceeds from Issue of Share Capital to Minorities	-	465.33	524.44
	Issue of Equity shares	30.06	-	-
	Dividend paid (including tax on Dividend)	(371.93)	(371.41)	(335.31)
	Net Cash generated from/(used in) Financing Activities C	**(4,546.35)**	**8,855.30**	**3,989.76**
D	**Net Increase/(Decrease) in Cash and Cash Equivalents** **A+B+C**	**69.03**	**(5.48)**	**(427.34)**
	Cash and Cash equivalents at the beginning of the year	851.06	683.48	999.58
	Add : on Amalgamation / Acquisition of New Subsidiaries	-	173.06	111.24
	Cash and Cash equivalents at the end of the year	920.09	851.06	683.48

EBITDA calculation and Definition

(₹ in millions)

Particulars	**31st March 2015**	**31st March 2014**	**31st March 2013**
EBITDA [1 2]	**7,619.60**	**6,784.25**	**2,630.77**
Profit Before Tax and Exceptional Item	2,295.20	2,669.15	1,247.14
Add / (Less):			
Finance Costs	3,956.09	3,450.94	1,430.04
Depreciation and Amortization (including Goodwill)	1,680.65	1,054.77	474.26
Other Income	(312.34)	(390.61)	(520.67)
Total	**7,619.60**	**6,784.25**	**2,630.77**

Notes:

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

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

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

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

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of filing this Placement Document:

1. **Financial Year 2011:**

Qualification:

The Financial Statements of three subsidiary companies, which have been audited by other Auditors, have been qualified on the matters stated in Note No. B-7 of Schedule "S", as follows:

"7. In case of certain subsidiary companies:-

a) Loans and Advances include ₹ 31.69 million being the Cenvat credit of Service Tax on the construction services, ascertained by the Management of three subsidiary companies, as available for set-off against their future Service Tax Liability on output services to be rendered after the commencement of operations. These companies are in the process of filing a revised Service Tax Return to claim the amount of the said Cenvat Credit, shown in their Books of accounts.

b) The Stock recording systems, in case of two subsidiary companies, were under development/ reconciliation with the accounts during the period of construction and the initial period of operations."

Management Response:

a) As per opinions obtained by the Management, such Cenvat credit was available for utilization of future service tax liability without any time constraint. To avail this benefit the service tax returns were revised as per the timelines available.

b) These were subsequently reconciled with auditor's due satisfaction with no such remarks about it next year.

2. **Financial Year 2012:**

There were no reservations or qualifications or adverse remarks of the Auditors.

3. **Financial Year 2013:**

There were no reservations or qualifications or adverse remarks of the Auditors.

4. **Financial Year 2014:**

a. Matter of Emphasis:

The Auditors have drawn attention to note no. 40 of the consolidated financial statements relating to the company's investment in equity shares of Entertainment World Developers Limited (EWDL) and the pending realization from EWDL against the put option exercised on Fully Convertible Debentures (FCDs) of Treasure World Developers Private Limited (TWDPL). The networth of EWDL has been eroded as per the unaudited accounts as at March 31, 2014. The Company is of the opinion, for the reasons stated in the aforesaid note, that no provision is considered necessary toward the diminution in the value of the equity investments in EWDL as well as the dues towards the put option on the TWDPL FCDs from EWDL. The opinion of the Auditors is not qualified in respect of this matter.

Management Response:

We as a Company were considering various alternatives for the expeditious recovery of the dues against the said put option and hence no provision for diminution in the value of investments and dues was considered.

b. Matter of Emphasis:

The Auditors have drawn attention to note no. 48 of the consolidated financial statements relating to termination of Hotel Management Agreement (HMA) between the Pallazzio Hotels & Leisure Limited and Shangri-La International Hotel Management Pte Ltd for the operation of the Company's hotel in Lower Parel, Mumbai. The

Parties have referred their mutual disputes to arbitration. The Company is of the opinion that the arbitration award would be in its favor and hence does not expect any material outflow on the conclusion of the arbitration proceedings. The opinion of the Auditors is not qualified in respect of this matter.

Management Response:

The Hotel Management Agreement (HMA) between the Company and Shangri-La International Hotel Management Pte Ltd for the operation of the Company's hotel in Lower Parel, Mumbai has been terminated effective September 5, 2013. In accordance with the provisions of the HMA, the Parties have referred their mutual disputes to arbitration. The arbitration tribunal has been constituted and hearings will commence from August 1, 2014. There are claims and counter claims which are in the process of being finalized. Accordingly the accounting treatment for settlement including termination fees payable (if any) as per HMA would be accounted based on the final award of the arbitration tribunal. The Management, based on its own assessment, is of the view that the arbitration award would be in its favor and hence does not expect any material outflow on the conclusion of the arbitration proceedings. The Company is currently operating the hotel under its own brand name, "Palladium Hotel."

5. Financial Year 2015:

a. Matter of Emphasis:

We refer to note no. 40 of the accompanying consolidated financial statements relating to the company's investment in equity shares of Entertainment World Developers Limited (EWDL) and the pending realization from EWDL against the put option exercised on Fully Convertible Debentures (FCDs) of Treasure World Developers Private Limited (TWDPL). For the reason stated in aforesaid note, the provision of ₹ 912.50 million made for diminution of the above investments is considered adequate at this stage.

Management Response:

The Company had exercised the put option available as per the Share & Debenture Subscription Deed for the said FCDs and EWDL has paid a part amount of ₹ 191.88 million in November 2013 towards the same. Pending receipt of the balance consideration and the settlement of the matter, the amount received has not been adjusted against the investments/accrued Interest and has been shown under other current liability. The Company has been making all efforts towards settlement of the matter and for recovery of the balance dues against the above put option. There has been limited progress in the matter. The Company is exploring various options, including contractual remedies, for the recovery of its dues. However, the Company's Board has, out of abundant caution and as a prudent practice in line with the standard accounting practices, decided to provide ₹ 912.50 million for the impairment of these investments, which is considered adequate at this stage.

b. Matter of Emphasis:

We refer to note no. 41 of the accompanying consolidated financial statements towards the provision made for doubtful debts of ₹ 368.82 million by the management in one subsidiary based on the ongoing negotiations with the licensees.

Management Response:

Management is in negotiation with licensees for old receivables and considers them as partially receivable and under abundant precaution and as a conservative accounting policy has made provision for full amount as provision for doubtful debt.

c. Matter of Emphasis:

We refer to note no. 42 of the accompanying consolidated financial statements relating to trade receivables aggregating to ₹ 22.52 million in two subsidiaries, which, in the opinion of the management of the respective subsidiaries, are considered as fully recoverable.

Management Response:

Management considers these receivables as receivable and recoverable.

d. Matter of Emphasis:

We refer to note no. 48 of the accompanying consolidated financial statements related to the arbitration proceedings between the company and the erstwhile hotel operator. The accounting treatment for the settlement thereof including termination fees payable (if any) as per the Hotel Management Agreement (HMA) would be determined based on the final award of the arbitration tribunal. The management, based on its own assessment, is of the view that the arbitration award would be in its favour and hence does not expect any material outflow on the conclusion of the arbitration proceedings.

Management Response:

The Hotel Management Agreement (HMA) between the Company and Shangri-La International Hotel Management Pte Ltd for the operation of the Company's hotel in Lower Parel, Mumbai has been terminated effective September 5, 2013. In accordance with the provisions of the HMA, the Parties have referred their mutual disputes to arbitration. The arbitration tribunal has been constituted and hearings commenced from August 1, 2014. There are claims and counter claims which are in the process of being finalized. Accordingly the accounting treatment for settlement including termination fees payable (if any) as per HMA would be accounted based on the final award of the arbitration tribunal. The Management, based on its own assessment, is of the view that the arbitration award would be in its favor and hence does not expect any material outflow on the conclusion of the arbitration proceedings. The Company is currently operating the hotel under its own brand name, "Palladium Hotel."

e. Clause IX of CARO 2015:

According to the records examined by us and other auditors and the information and explanations x given to us and other auditors, in our opinion and in the opinion of other auditors the Group and its associates has not defaulted in re-payment of dues to financial institution, banks and to debenture holders except in case of one subsidiary, where the subsidiary has delayed in repayment of principal aggregating to ₹ 389.74 million payment of interest of ₹ 617.39 million and payment of penal interest aggregating to ₹ 16.15 million on term loans from banks and financial institutions ranging from 8 weeks to 22 weeks, up to 18 weeks and up to 52 weeks respectively. The unpaid amount of principal, interest and penal interest to bank and financial institution is ₹ 97.93 million, ₹ 144.33 million and ₹ 1.98 million for the quarter ended March 31, 2015, for the period January 2015 to March 2015. All the unpaid amounts have been paid by the subsidiary subsequently.

Management Response:

The subsidiary referred above is Pallazzio Hotels and Leisure Limited. There were minor delays in repayment of principal and interest of loan due to prioritizing of available funds. The shareholders were deliberating the most optimum way of meeting these cash flow requirements and thereafter additional funds were raised by way of loan from shareholders and fresh infusion of shareholder funds by way of issue of Compulsory Convertible Debentures to the existing shareholders and debenture holders. All the unpaid dues on account of loan and interest payable to banks and financial institution were paid in full subsequently and there are no overdue amounts in respect thereof, outstanding as on date.

RISK FACTORS

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

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

Unless otherwise stated, the financial information used in this section is derived from our audited consolidated financial statements prepared under Indian GAAP. See "Financial Statements".

Internal Risks

Low occupancy levels of our leased retail and commercial office space may adversely affect our results of operations and financial condition.

A substantial portion of our income is derived from the lease of our Completed retail projects, High Street Phoenix and Palladium in Mumbai and Phoenix MarketCity projects in Chennai, Bangalore, Pune and Mumbai. The amount that we receive in license fee/rental income is based upon the amount of space we have leased, the minimum guaranteed amount we charge for that leased space and our share of revenues from the clients to whom we have leased such space. The occupancy, revenue share and minimum guaranteed amount depend on various factors including the location and design of the project, the retail client mix, prevailing economic conditions and competition. During the financial year 2015, our aggregate average occupancy levels at our retail projects were 93%. Our inability to maintain and attract clients to lease our completed retail and commercial office projects may have an adverse effect on our revenues, financial condition and results of operations.

Our inability to sell our Ongoing residential projects and our Completed, Ongoing and Planned for-sale commercial office projects at expected prices could materially and adversely affect our future revenues and earnings.

We currently have five Ongoing residential projects in Chennai, Pune and Bengaluru and two Completed, one Ongoing and one Planned commercial office projects with certain areas remaining unsold. For further details regarding our projects, see "Our Business". Consequently, our business, financial condition and results of operations have been and will continue to be heavily dependent upon the performance and prevailing conditions affecting the real estate markets in the cities in which we have Completed, Ongoing and Planned residential and for-sale commercial office projects. Factors affecting the real estate market in India generally may be beyond our control, including prevailing local and economic conditions, changes in the supply and demand for properties comparable to those we develop, changes in the applicable governmental regulations, demographic trends, employment and income levels and interest rates, among others. These factors may contribute to fluctuations in real estate prices and could also materially and adversely affect the demand for and valuation of our Completed, Ongoing and Planned residential and for-sale commercial office projects. Any such risk may be further exacerbated by the illiquid nature of many real estate assets. Our inability to sell our Completed, Ongoing and Planned residential and for-sale commercial office projects in the future at expected prices may adversely affect our future revenues and earnings.

Pallazzio Hotels & Leisure Limited has an ongoing arbitration with Shangri-La, the outcome of which, if decided against it, could affect our financial condition.

In May and August 2007, our wholly owned subsidiary, Pallazzio Hotels & Leisure Limited entered into several

agreements (the "**Shangri-La Agreements**") with Shangri-La International Hotel Management Pte. Limited in connection with the development and operation of its hotel at Lower Parel, Mumbai, under the Shangri-La brand. The hotel commenced operations under the Shangri-La brand on December 19, 2012 and disputes arose between the parties thereafter. Shangri-La International Hotel Management Pte. Limited served a notice to terminate the Shangri-La Agreements vide its letter dated August 5, 2013 alleging breach of the hotel management agreement dated May 3, 2007. Pallazzio Hotels & Leisure Limited, vide its reply dated August 23, 2013 also terminated the Shangri-La Agreements effective September 5, 2013 on the grounds of wrongful termination and for other breaches by Shangri-La International Hotel Management Pte. Limited of the Shangri-La Agreements.

Thereafter, Shangri-La International Hotel Management Pte. Limited filed its statement of claim before an arbitral tribunal in India (the "**Arbitral Tribunal**") seeking the payment of US$ 105.85 million in damages and interest thereon at a rate of 18% per annum, under various heads, including loss of profits, loss of goodwill and unjust enrichment of Pallazzio Hotels & Leisure Limited.

Pallazzio Hotels & Leisure Limited filed its statement of defence with the Arbitral Tribunal, denying the entire claim of Shangri-La International Hotel Management Pte. Limited and in the alternative stated as advised, that the maximum amount payable under the Shangri-La Agreements is the termination fee of US$ 2.50 million, as against which Pallazzio Hotels & Leisure Limited filed a counterclaim against Shangri-La International Hotel Management Pte. Limited for ₹ 42,342.60 million, on the grounds of breach by Shangri-La International Hotel Management Pte. Limited of its representations and other obligations under the Shangri-La Agreements including losses incurred by Pallazzio Hotels & Leisure Limited due to completion delays, loss of profits, erosion of equity, loss in valuation, etc. caused by the wrongful termination of the Shangri-La Agreements by Shangri-La International Hotel Management Pte. Limited. See "Legal Proceedings".

We cannot assure you that Pallazzio Hotels & Leisure Limited will be successful in defending Shangri-La International Hotel Management Pte. Limited's claim or succeeding in its counter claim. If an arbitral award is made against Pallazzio Hotels & Leisure Limited, in favour of Shangri-La International Hotel Management Pte. Limited and as a result Pallazzio Hotels & Leisure Limited is required to make a payment of damages to Shangri-La International Hotel Management Pte. Limited, this would have an adverse effect on Pallazzio Hotels & Leisure Limited's cash flows, business, financial condition and operations and may also have an adverse impact on our company.

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

Certain of our Subsidiaries and Associates have not been, and currently are not, in compliance with specific financial and other covenants, which constitute events of default under the respective financing agreement of the relevant Subsidiary and can also, with the operation of the relevant agreements, trigger cross default provisions under certain other financing agreements that such Subsidiary or Associate and, in certain cases, our other Subsidiaries have entered into. These non-compliances of our Subsidiaries and Associates include:

- Alliance Spaces Private Limited did not comply with two requirements of facility agreement dated November 12, 2013 with Standard Chartered Bank for a term loan of ₹ 900.00 million: (i) the sales milestone to be achieved as of April 30, 2015 was 35,548 square feet whereas the actual sales was 26,508 square feet; and (ii) the construction milestone to be achieved by February 28, 2015 was 64.7%, whereas the actual construction completed was 61.05%. As at March 31, 2015, the amount outstanding under this loan was ₹ 434.38 million.

- Pallazzio Hotels & Leisure Limited was not in compliance with (i) the debt-service coverage ratio for financial years 2015, 2014 and 2013; and (ii) credit rating requirements, under the common loan agreement dated January 14, 2011 with Bank of India, HDFC Limited, Saraswat Bank and Canara Bank for a loan of ₹ 6,400.00 million. As at March 31, 2015, the amount outstanding under this loan was ₹ 5,717.40 million.

- Offbeat Developers Private Limited was not in compliance with requirements to obtain a rating from an external credit rating agency for the financial years 2015 and 2014, under the term loan agreement dated June

29, 2012 with Yes Bank Limited for a term loan of ₹ 1,500.00 million. As at March 31, 2015, the amount outstanding under this loan was ₹ 545.50 million.

- Island Star Mall Developers Private Limited was not in compliance with the minimum occupancy rate required for the financial years 2015 and 2014 under the term loan agreement dated April 5, 2012 with Standard Chartered Bank for a term loan of ₹ 4,000.00 million. This loan has subsequently been repaid in full on June 19, 2015.

- Starboard Hotels Private Limited was not in compliance with the leasing milestone of 50,000 square feet for disbursement amounts beyond ₹ 550.00 million under the term loan agreement dated May 14, 2013, with ICICI Bank Limited for a term loan of ₹ 850.00 million. As at March 31, 2015, the amount outstanding under this loan was ₹ 650.00 million.

- In the past, each of Offbeat Developers Private Limited, Pallazzio Hotels & Leisure Limited and Gangetic Hotels Private Limited has deferred payments of amounts of principal and/or interest due to lenders under the terms of their respective loan agreements. As at March 31, 2015, the amount outstanding under Gangetic Hotels Private Limited's loan was ₹ 1,402.46 million.

As at March 31, 2015 the aggregate amount outstanding under the above loan agreements (excluding Island Star Mall Developers Private Limited's loan from Standard Chartered Bank in light of its subsequent repayment) was ₹ 8,749.74 million.

Under the financing agreements described below, the lenders to certain of our Subsidiaries have the ability to accelerate such Subsidiaries obligations under such financing agreements, or seek to invoke or enforce their security interest in respect of the borrowings made under such financing agreements, if a default occurs under any other financing agreement entered into by our Company or any of our other Subsidiaries or Associates.

- Vamona Developers Private Limited's facility agreement dated January 9, 2014 with Standard Chartered Bank for a term loan facility of ₹ 4,500.00 million, of which, as at March 31, 2015, ₹ 4,145.80 million was outstanding.

- Graceworks Realty & Leisure Private Limited's term loan agreement dated February 4, 2014 with IndusInd Bank Limited for a term loan of ₹ 1,850.00 million, of which, as at March 31, 2015, ₹ 1,220.00 million was outstanding.

- Alliance Spaces Private Limited's facility agreement dated November 12, 2013 with Standard Chartered Bank for a term loan of ₹ 900.00 million, of which, as at March 31, 2015, ₹ 434.38 million was outstanding.

In addition, under Offbeat Developers Private Limited's facility agreement dated December 2, 2014 with Syndicate Bank, Union Bank of India, The Saraswat Co-operative Bank Limited and The Cosmos Co-operative Bank Limited for a term loan of ₹ 6,200.00 million, the lenders have the ability to accelerate Offbeat Developers Private Limited's obligations under the financing agreement, or seek to invoke or enforce their security interests in respect of the borrowings made under the financing agreement, in the event that Offbeat Developers Private Limited defaults under any of its other financing agreements. As at March 31, 2015, ₹ 6,148.26 million was outstanding under this financing agreement.

As at March 31, 2015, the total amount outstanding under the financing agreements of our Subsidiaries (excluding Island Star Mall Developers Private Limited's abovementioned loan from Standard Chartered Bank in light of its repayment) which could be accelerated due to the abovementioned non-compliances and cross-defaults was in excess of ₹ 18,000.00 million. As at June 30, 2015, we had received no notices from lenders to the Company, our Subsidiaries or our Associates in connection with any defaults (including any cross defaults).

We cannot assure you that, as a result of the above-mentioned non-compliances, the lenders to Alliance Spaces Private Limited, Pallazzio Hotels & Leisure Limited, Offbeat Developers Private Limited, Starboard Hotels Private Limited, Gangetic Hotels Private Limited, the lenders under the abovementioned financing agreements of Vamona Developers Private Limited and Graceworks Realty & Leisure Private Limited, or any of the Company's and/or its Subsidiaries' other lenders (if applicable), will not seek to terminate their financing agreements with the Company or its Subsidiaries

or Associates, accelerate the Company's or its Subsidiaries' or its' Associates obligations under such financing agreements or seek to invoke or enforce their security interest in respect of the borrowings made under such financing agreements.

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

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

There are certain outstanding proceedings pending against our Company and Directors. See further "Legal Proceedings".

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

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

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. While we conduct due diligence and assessment exercises prior to acquiring land and undertaking a project, including seeking title reports, issuance of public notices and conducting searches at local land registry offices, we may be unable to assess or identify all of the risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights and there can be no assurance that our title to such properties is absolute and will not be subject to challenge or adverse or conflicting claims.

In this regard, a portion of the existing land which we or our project-specific companies own may have irregularities of title, due to non-publication of public notices at the time of, or prior to, the acquisition of such land, which irregularities may invite claims in the nature of encumbrances or disputed title. Specifically, no public notices were issued in relation to acquisition of the following parcels of land by us:

- land admeasuring 720,015 square feet situated at Old Door No. 66, New Door No. 142, Velachery Road, Saidapet Taluk, Chennai;

- land admeasuring 726,435.60 square feet situated at Site Nos. 132 and 133, Municipal No. 1, Dr. Rajkumar Road, Industrial Suburb, Rajajinagar, Municipal Ward No. 67 (Old No. 14), Nagapura, Bengaluru; and

- land admeasuring 26,012.88 square meters, situated at Khasra numbers 574 (partial), 668 to 673 and 731 to 743 Bihar Mann Nagla, Tehsil and District Bareilly.

Certain of our projects, namely, Phoenix MarketCity Chennai, Palladium Mall Chennai, Crest Towers Chennai, Phoenix United Bareilly, One Bangalore West and Kessaku are situated on the above parcels of land. While publication of public notice is not a statutory requirement or conclusive proof of title, such public notices support the contention that we are purchasers for value without notice of any claim and help in the discovery of claims or interests which are not known or disclosed by the vendor of the relevant land. Failure to publish such public notices may lead to adverse claims of title to the properties on which our projects are situated that could result in litigation, which could adversely affect our business, financial condition and results of operations.

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

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

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

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

All of our projects except for High Street Phoenix and Palladium (incorporating our Phoenix House commercial office project and our Phoenix Towers residential project) are operated through project-specific companies which are either our Subsidiaries or our Associate companies. As a result, although we generate revenues from our High Street Phoenix and Palladium projects, our financial condition may be adversely affected in the event of inadequate performance of our project-specific companies or if losses are incurred by them.

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

Our subsidiaries, Pallazzio Hotels & Leisure Limited and Gangetic Hotels Private Limited have entered into hotel operating agreements and other related agreements for the operation of our Palladium Hotel, Mumbai by Starwood Hotels under its St. Regis brand and our Courtyard by Marriott hotel in Agra by Marriott, respectively. We are therefore subject to risks associated with the operating arrangements with Starwood and Marriott for these two properties. We may be unable to generate profit from the relevant property or the hotel operator may decide to terminate or not renew such agreements. For example, our hotel management agreement with Shangri-La International Hotel Management Private Limited for operation of the hotel of Pallazzio Hotels & Leisure Limited in Lower Parel, Mumbai, was terminated in August 2013 for alleged breach of the terms of the hotel management agreement and ancillary agreements by both parties. (See "Legal Proceedings") Should we face similar disputes with other partners in our project specific companies, our business, financial condition and results of operations may be adversely affected.

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

Some of our projects are operated by project-specific companies that are not our wholly-owned subsidiaries. We have entered into shareholder and investment agreements with a number of different equity partners and/or investors who provide financial resources in connection with the development of our projects but who are generally not involved in the management or development of any such project. Although shareholders' agreements, if any, or other agreements may legally obligate our equity partners and investors to cooperate with us, we cannot assure you that they will comply with

the terms of such agreements or that they will not take affirmative actions that may impact the relevant project-specific company, including in relation to, for example, shareholder decision making. In addition, termination of such agreements, pursuant to the terms of such agreements, could adversely affect our business, financial condition and results of operations.

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

We have entered into various sale and purchase agreements with equity partners and investors in our project specific companies, under which we are required to make certain payments subject to satisfaction of certain conditions precedent in order to acquire equity interests in such companies. In the event applicable conditions precedent are not satisfied, or we are unable to pay agreed consideration amounts, it may result in equity interests not being transferred to us or loss of equity interests in project specific companies, which may adversely affect our business, financial condition and results of operations.

We are party to certain agreements with our equity partners in Palladium Constructions Private Limited (the project specific company for our One Bangalore West and Kessaku residential projects), Island Star Mall Developers Private Limited (the project specific company for Phoenix MarketCity Bengaluru retail project and Oberhaus residential project) and Offbeat Developers Private Limited (the project specific company for our Phoenix MarketCity Mumbai retail project and Centrium and Art Guild House commercial office projects). Under the terms of the agreements, we have agreed to purchase additional equity shares in each of the aforementioned companies subject to payment of agreed consideration on specified future dates, and in certain cases subject to satisfaction of certain conditions precedent (such as receipt of regulatory confirmations and delivery of valuation reports).

Under the terms of the agreements, if we fail to pay the agreed consideration on the specified dates (or within specified cure periods thereafter), the counterparties to the agreements will be under no obligation to transfer the equity shares in our project specific companies to us and may sell them to third parties. Moreover, the agreements with our equity partners in Palladium Constructions Private Limited and Island Star Mall Developers Private Limited, provide that in the event we do not pay the agreed consideration, our equity partners can invoke a 'drag right' whereby they can require us to sell our existing equity shares in such companies to a third party purchaser, which would have a material adverse impact on our business, financial condition and results of operations.

If the conditions precedents contained in the agreements are not satisfied, or if our cash resources are insufficient, resulting in a failure to pay agreed consideration amounts on specified dates, we may be left with smaller than envisaged shareholdings in such companies, which would have a material adverse impact n our business, financial condition and results of operations.

We face certain risks relating to our reliance on several contractors and third parties in developing our projects that may adversely affect our reputation, business and financial condition.

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

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

The success of our business is highly dependent on the number and profile of customers that visit our retail malls. Various factors may affect customer profile and footfalls in both our existing retail malls and any new retails malls we acquire of develop, including location and floor layout for new retail developments and regional economy, amongst others, specific to the states in which we operate in. Some of these factors affecting customer profile and footfalls are beyond our control and therefore we cannot assure you that we will be able to maintain and attract the desired numbers of, or profile of customer footfalls in all our retail malls, which may in turn adversely affect our revenues, business and results of operations.

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

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

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

We have debt requirements and if we are unable to meet our financing requirements, our business, financial condition and results of operations may be adversely affected.

Our operations and growth strategy require access to significant amounts of capital on acceptable terms for the success of our strategy of developing or acquiring, as the case may be, among others, a large portfolio of "Phoenix MarketCity" branded projects, other standalone malls, residential and commercial office projects. We cannot assure you that market conditions and other factors will permit us to secure future debt on terms acceptable to us or at all. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, investor confidence, the continued success of our operational developments and Ongoing projects and laws that are conducive to raising debt. At times, our attempts to obtain future financings may be unsuccessful, or result in obtaining financing on unfavorable terms. Failure to obtain financing on terms favorable to us or at all could have an adverse effect on our business, financial condition and results of operations. See *"*Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Condition, Liquidity and Capital Resources – Capital Expenditures*"*.

Further, our ability to meet our financing requirements is also affected by changes in interest rates in India. Lower interest rates may assist us in procuring borrowings at attractive terms for the purchase of land or development of our projects. Rising interest rates could discourage our customers from borrowing to finance real estate purchases as well as companies, such as us, from incurring indebtedness to purchase land or develop projects. Our business, financial condition and results of operations could be adversely affected if the demand for, or supply of, real estate or general financing at attractive rates were to be adversely affected.

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

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

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

For the financial year 2014, our Auditors have included the following matters of emphasis in their examination report:

- no impairment provision in respect of Company's investment in equity shares of Entertainment World Developers Limited ("**EWDL**") and the pending realization from EWDL against the put option exercised on fully convertible debentures of Treasure World Developers Private Limited, a subsidiary of EWDL. See "Risk Factors – Internal Risks – Our investment in Entertainment World Developers Limited is impaired and may adversely affect our results of operations"; and

- the termination of the hotel management agreement dated August 24, 2007 between Pallazzio Hotels & Leisure Limited and Shangri-La International Hotel Management Pte. Limited for operation of the hotel of Pallazzio Hotels & Leisure Limited in Lower Parel, Mumbai, the dispute thereof having been referred to arbitration and is currently pending conclusion; see "Legal Proceedings".

For the financial year 2015, our Auditors have included the following matters of emphasis in their examination report:

- the impairment provision in respect of Company's investment in equity shares of Entertainment World Developers Limited ("**EWDL**") and the pending realization from EWDL against the put option exercised on fully convertible debentures of Treasure World Developers Private Limited, a subsidiary of EWDL. A provision of ₹ 912.50 million for diminution of these investments has been made. See "Risk Factors – Internal Risks – Our investment in Entertainment World Developers Limited is impaired and may adversely affect our results of operations";

- as of March 31, 2015, trade receivables of ₹ 559.73 million in respect of mall operations of Offbeat Developers Private Limited were outstanding for more than six months. The Company is in the process of recovering these receivables, pending which, a provision of ₹ 368.82 million has been made in our Audited Consolidated Financial Statements as doubtful debts;

- as of March 31, 2015, unsecured trade receivables of ₹19.30 million and ₹ 3.22 million in respect of operations of Upal Developers Private Limited and Blackwood Developers Private Limited, respectively, were outstanding for recovery from various parties; however, no provision against these amounts has been made in the Audited Consolidated Financial Statements; and

- the termination of the hotel management agreement dated August 24, 2007 between Pallazzio Hotels & Leisure Limited and Shangri-La International Hotel Management Pte. Limited for operation of the hotel of Pallazzio Hotels & Leisure Limited in Lower Parel, Mumbai, the dispute thereof having been referred to arbitration and is currently pending conclusion; see "Legal Proceedings".

Investors should consider these matters of emphasis in evaluating our financial position, cash flows and results of operations. See *"*Selected Financial Information*"*

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

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

- effecting any change in the nature or scope of the project or any change in the financing plan;
- effecting any change in capital structure (including shareholding pattern);
- acquiring assets, shares, debentures or partnership or similar interests;
- making capital expenditures;
- making certain payments (including payment of dividend, redemption of shares, prepayment of indebtedness, payment of interest on unsecured loans and investments);
- creation of security interest in secured properties;
- incurrence of other indebtedness;
- entering into any partnership, profit-sharing or royalty agreements;
- removal of any person exercising substantial powers of management over the affairs of the Company or the Subsidiary or Associate;
- declaring dividend (interim or final);
- amending the constitutional documents of our Company or our Subsidiaries;
- undertaking new projects, making investments or taking assets on lease; and
- providing guarantees, indemnities or similar assurances in respect of indebtedness of any other person.

Such restrictive covenants may also affect some of the rights of the Company's shareholders and its ability to pay dividends if it is in breach of its obligations under the applicable financing agreement. Such financing agreements may also require the Company, our Subsidiaries and/or our Associates to maintain certain financial ratios. Certain financing agreements also provide the banks and financial institutions with the right to convert any outstanding amounts into equity shares of the company in the case of default in accordance with the terms of the relevant financing agreements. Certain of these banks and financial institutions also have a right to appoint nominee directors under these financing agreements. Pursuant to the provisions of certain loan facilities availed of by our Company, our Subsidiaries and/or Associates, the lenders may be entitled to recall the loan at any time on demand or call notice requiring the borrower to repay (either in full or in part) the amount outstanding on any particular day. Such restrictive covenants may restrict our ability, and/or the ability of our Subsidiaries and/or Associates, to conduct business, which may in turn adversely affect our cash flows, results of operations and financial condition.

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

As of March 31, 2015, we had total principal amount of consolidated debt of ₹ 33,083.10 million (excluding Debentures & Loans & Advances from others of ₹ 940.15 million). We and our project-specific companies may incur additional indebtedness in the future. The indebtedness of our Company and our project-specific companies could have several important consequences, including but not limited to the following:

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

- the ability of our Company or our project-specific companies to obtain additional financing in the future on reasonable terms may be restricted;

- fluctuations in market interest rates may affect the cost of the borrowings of our Company or our project-specific companies as some of such indebtedness may be at variable interest rates;

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

- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

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

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

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

Exchange rate fluctuations may adversely affect our results of operations as a portion of our borrowings are denominated in foreign currencies.

As of March 31, 2015, our aggregate U.S. dollar denominated debt was US$ 21.88 million. Our financial statements are prepared in Indian rupees. We are therefore affected by fluctuations in exchange rates among the U.S. dollar and Indian rupee. The exchange rate between the Indian Rupee and the U.S. dollar has varied substantially in recent years and may continue to fluctuate significantly in the future.We have not entered into any forward exchange contracts to hedge our exchange rate risk. Therefore, exchange rate fluctuations may affect our ability to service debt repayments in a foreign currency, which may have an adverse effect on our financial condition. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations.

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

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

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

A number of our projects are still Ongoing or Planned. The development of these projects involves various risks including regulatory risks, financing risks and the risk that these projects may ultimately prove to be unprofitable. Those Ongoing and Planned projects may pose significant challenges to our management, administrative, financial and operational resources. We cannot assure you that we will succeed in any of these projects or that we will

recover our investments. Any delay or failure in the development, financing or operation of any of our Ongoing and Planned projects or increase in their costs of development may adversely affect our business, financial condition and results of operations. Risks related to the development of these projects include:

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

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

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

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

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

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

  In addition, in relation to our Planned projects, our current architectural plans are subject to statutory approvals and hence may need to be amended prior to commencement of construction to be in accordance with the construction approvals obtained by us from relevant statutory authorities. This may result in change in the currently estimated Leasable or Saleable Areas of our Planned projects. See also "—If our estimated Leasable and Saleable Area data for our Completed, Ongoing and Planned projects proves to be greater than our actual Leasable and Saleable Area for such projects, our results may fail to meet expectations and our business and results of operations may be adversely affected".

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

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

In addition, our Ongoing and Planned projects may undergo changes during the planning, launch, construction and completion phases which may result in actual Saleable and/or Leasable Areas at such projects being lower than projected. Such changes may result from planning changes, construction requirements and/or other matters outside of our control. Any reduction in actual Saleable and/or Leasable Area at our Ongoing and Planned projects may impact their commercial viability, which may have an adverse impact on our business, financial condition and results of operations.

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

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

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

Our investment in Entertainment World Developers Limited is impaired. Such impairment and any future impairments may adversely affect our financial condition.

We have invested an aggregate amount of ₹ 1,579.27 million in the equity shares and convertible securities of EWDL and one of its subsidiaries, respectively. As per the audited financials of EWDL as at March 31, 2014, it is a non-performing asset with negative net worth. EWDL has paid ₹ 191.88 million to us in November 2013 as part payment against the put option we exercised on fully convertible debentures issued by EWDL's subsidiary, Treasure World Developers Private Limited. As of March 31, 2015, interest income booked up to March 31, 2012, aggregating to ₹ 143.25 million (net of TDS) is outstanding. Pending recovery of the outstanding dues from EWDL, our Company has provided for impairment of this investment for an aggregate amount of ₹ 912.50 million. We cannot assure you that we will be successful in recovering the balance amount due to us from EWDL or that we will receive a return on our investment in EWDL. In addition, in the event that our other current investments, and any future investments that we make, suffer similar impairments in the future, this may have an adverse effect on our financial condition.

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

Our ability to identify suitable projects and locations for such projects is fundamental to our growth strategy and involves certain risks. In identifying new projects, we need to take into account land use regulations, the land's location, including transportation access and neighborhood characteristics, the land's proximity to resources such as water and electricity and the availability and competence of third parties such as architects, surveyors, engineers and contractors. We also need to identify the preferences and respond to the needs of our retail, residential and commercial office clients and anticipate national, regional and local trends in India. We may not be as successful in identifying suitable projects that meet market demand in the future. Any failure to identify suitable projects and build

or develop properties that meet client demand in a timely manner could result in lost or reduced profits, reduce the number of projects we undertake and slow our growth, which would in turn adversely affect our business and growth prospects.

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

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

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

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

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

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

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

The estimated total Leasable and Saleable Area data presented in this Placement Document with respect to our

Completed, Ongoing and Planned projects have been estimated by us generally on a best-case basis, based on the occurrence of certain events and our estimation of certain favorable conditions that we expect to occur, but over which we do not have control. Any change in these events, conditions, regulations or plans may lead to changes in the estimated Leasable and Saleable Areas of our Completed, Ongoing and Planned projects, including a reduction in such areas, which could adversely affect our business and results of operations. In addition, our estimates with respect to such area data necessarily contain assumptions that may not prove to be correct. If our estimated Leasable and Saleable Area data for our Completed, Ongoing and Planned projects proves to be greater than our actual Leasable and Saleable Area data, our results may fail to meet expectations and our business and financial condition may be adversely affected.

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

We may enter into term sheets or agreements to purchase land from third parties the completion of which may stipulate time frames within which title to land must be conveyed or full purchase price must be paid, or provide that all or a part of the advance monies paid to these third parties may be forfeited in the event that the acquisition process is not completed within the agreed time frames. In certain situations, agreements to purchase land may expire or contain irregularities that may invalidate them. As a result, we cannot assure you that we will be successful in acquiring or registering these properties, and consequently, development of such properties may not be possible, which could have an adverse effect on our financial condition and results of operations.

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

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

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

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

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

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

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

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

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

Consumers in India are increasingly purchasing goods from e-commerce platforms instead of physical retail shops, with an increasing number of e-commerce platforms servicing the Indian online retail market. Although our Company is exploring opportunities to provide shopping options to consumers through an e-commerce platform, Phoenix E-Mall, we cannot assure you that we will be able to effectively enter and compete in the online retail market. Our current or future competitors may have longer operating histories, greater brand recognition, better supplier relationships, larger customer bases, more cost-effective fulfillment capabilities or greater financial, technical or marketing resources than we do. Competitors may leverage their brand recognition, experience and resources to compete with us in a variety of ways, including making acquisitions for the expansion of their products and services. Some of our competitors may be able to secure more favorable terms from suppliers, devote greater resources to marketing and promotional campaigns, adopt more aggressive pricing or inventory policies and devote substantially more resources to their website and system development than us. In addition, new and enhanced technologies may increase the competition in the online retail market. Increased competition may reduce our profitability, market share, customer base and brand recognition. There can be no assurance that we will be able to compete successfully against current or future competitors, and such competitive pressures may have an adverse effect on our business, financial condition and results of operations.

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

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

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

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

Determination of our revenues of real estate business under the percentage of completion method involves making certain estimates. Any delay or cancellation of a project could adversely affect our cash flows.

We follow the percentage-of-completion-method of accounting for recognition of revenues in case of real estate business, which is inherently subjective because it relies on management estimates of total project cost as a basis for recognizing revenue and profit. Accordingly, revenue and profit we have recognized under the percentage-of-completion-method are potentially subject to adjustments in subsequent periods based on refinements in estimated costs of project completion that could adversely affect our future revenue and profit.

As with any project-related business, there is the potential for delays within or cancellation of any particular project. Variation of project timelines and estimates may have an adverse effect on our ability to recognize revenue in a particular period. Moreover, incurring increased cost after revenue has already been recognized could adversely affect the results of our operations, on a comparative basis, in the subsequent years. Because we must invest substantial time and incur significant expense in advance of achieving milestones and the receipt of dues from customers, failure to achieve such milestones could adversely affect our cash flows, business, results of operations and financial condition.

If we are unable to retain or recruit senior management or key personnel, our business may be adversely affected.

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

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

Some of the marks used by us such as "High Street," "Phoenix," "Skyzone," "Courtyard," "Palladium" or "Phoenix MarketCity" are pending renewal or registration with the Trademarks Registry. As a result, third parties could attempt to stop us from using such marks or claim damages for any alleged infringement by us of such marks. The inability to use any such mark, or the failure to renew any of our registered marks, could adversely affect our business, financial condition and results of operations.

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

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

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

As of March 31, 2015, 65.93% of our issued and outstanding Equity Shares were owned by our Promoters and members of our Promoter Group. Immediately following this Issue, but assuming no other changes in shareholding, our Promoters and members of our Promoter Group will own 62.47% of our issued and outstanding Equity Shares. As such, our Promoters and members of our Promoter Group exercise significant influence over our business, policies and affairs and all matters requiring a shareholders' vote. This concentration of ownership also may delay, defer or prevent a merger, acquisition or change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders, which may adversely affect our business. We cannot assure you that the interests of our Promoters and members of our Promoter Group will not conflict with the interests of other shareholders.

Contingent liabilities could adversely affect our financial condition.

As of March 31, 2015, we had contingent liabilities in the following amounts, as disclosed in our audited consolidated financial statements:

Particulars	As of March 31, 2015 (₹ in millions)
Estimated amount of contracts remaining to be executed on capital account	1,199.51
Income tax	252.01
Service Tax	140.25
Provident Fund	2.47
Outstanding guarantees given by banks	1,686.93
Other claims	127.46
Total	**3,408.63**

If any of these liabilities materialize, our financial condition and results of operations may be adversely affected. For further details, see "Financial Statements".

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

Our operations and revenues are geographically concentrated in the State of Maharashtra, with projects also in other northern, western and southern states including the States of Karnataka, Tamil Nadu and Uttar Pradesh. Our business is therefore significantly dependent on the general economic condition and activity in the states in which we operate, in particular the State of Maharashtra, and Central, State and local government policies relating to real estate projects. Although investment in the real estate sector in the geographic areas in which we operate has been encouraged, there can be no assurance that this will continue. Should there be a regional slowdown in construction activity or economic activity in these areas or any developments that make construction and real estate projects economically less beneficial, the growth of our business, our financial condition and results of operations in the future could suffer.

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

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

We cannot assure you that all or any of such filings were in fact made in a timely manner or at all, that these filings will be available in the future or that we will not be subject to any penalties imposed by the competent regulatory authority in connection with these filings.

As a result of the unavailability of corporate records in relation to certain allotments of equity shares, we have been unable to provide a complete disclosure of the details of the existing share capital of Company, as is required to be disclosed under Section 42 of the Companies Act, 2013 read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. We cannot assure you that we, our Directors and our Promoters, will not be subject to penalties by competent regulatory authorities for such non-compliance with disclosure requirements, in accordance with applicable law. Any such regulatory action may have a material adverse effect on our business and reputation and may require us to divert substantial resources, including our management's attention and time to defend such actions.

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

We have limited experience in conducting business outside the States of Maharashtra, Karnataka, Tamil Nadu and Uttar

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

We can provide no assurance that we will be successful in expanding our business to include other geographic markets in India. Any failure by us to successfully carry out our plan to geographically diversify our business could have a material adverse effect on our revenues, earnings and financial condition.

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

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

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

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

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

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

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

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

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

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

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

See also “Regulations and Policies”.

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

As a real estate development company, we are required to comply with various laws and regulations relating to the environment, health and safety. Our project operations are subject to local environmental laws and regulations including the Environment (Protection) Act, 1986, Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states. We may incur substantial costs in complying with environmental laws and regulations. There can be no assurance that compliance with such laws and regulations will not result in completion delays or material increases in our costs or otherwise have an adverse effect on our financial condition and results of operations.

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

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

Our business is heavily dependent on the performance of the real estate market in India, particularly in the regions in which we operate or intend to operate in and could be adversely affected if real estate prices or market conditions deteriorate. We cannot assure you that real estate prices will increase or that real estate prices in the areas where we operate or intend to operate in or in India in general, will not adversely fluctuate. As we generate most of our revenues from the lease or sale of our projects, a decrease in rental or selling prices of real estate could adversely affect our business, financial condition and results of operations. Our projects require a substantial amount of time to develop, and we could incur losses if we purchase land at high prices and sell or lease the developed projects during weaker economic periods. Further, the real estate market, both for land and developed properties, is relatively illiquid, which may limit our ability to respond promptly to market events.

Recently, the real estate market in India and our business were adversely affected by economic developments outside India. The global credit markets experienced significant volatility which originated from the adverse developments in the United States and the European Union credit and sub-prime residential mortgage markets. These and other related events, such as the collapse of a number of financial institutions, had an adverse effect on the availability of credit and the confidence of the financial markets globally, as well as in India. In light of these events, the real estate market in India was significantly affected. An industry-wide softening of demand for property resulted from a lack of consumer confidence, decreased affordability, decreased availability of mortgage financing, and large supplies of resale and new inventories. Economic turmoil may have other unforeseen consequences, leading to uncertainty about future conditions in the real estate market. We cannot assure you that government responses to the disruptions in the financial markets have sufficiently restored consumer confidence, stabilized the markets or adequately increased the liquidity and availability of credit. Any recurrence of the downturn would have an adverse effect on the Indian real estate market, and as a result, our business, financial condition and results of operations.

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

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

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

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

External Risks

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

We have not independently verified data from government and industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from other industry publications or comparable information compiled with regard to other countries. Further, we have also commissioned certain reports used by us in this Placement Document. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information is not guaranteed. Therefore, discussions of matters

relating to India, its economy or the industries in which we currently operate herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been independently verified by us and may be incomplete or unreliable.

These facts and other statistics include the facts and statistics included in "Industry Overview". Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

Public companies in India, including our Company, are required to prepare financial statements under IndAS (a variation of IFRS). The transition to IndAS in India is very recent and still unclear and our Company may be negatively affected by such transition.

Our Company currently prepares its annual and interim financial statements under Indian GAAP. Public companies in India, including our Company, are required to prepare annual and interim financial statements under Indian Accounting Standard 101 First-time Adoption of Indian Accounting Standards ("**IndAS**") going forward. On January 2, 2015, the Ministry of Corporate Affairs, Government of India (the "**MCA**") announced the revised roadmap for the implementation of IndAS for companies other than banking companies, insurance companies and non-banking finance companies through a press release (the "**Press Release**"). On February 16, 2015, the MCA issued the Companies (Indian Accounting Standards) Rules, 2015 (the "**Indian Accounting Standard Rules**") which came into effect on April 1, 2015. The implementation of IndAS is applicable to our Company from April 1, 2016. In addition, any holding, subsidiary, joint venture or associate companies of the companies specified above shall also comply with such requirements from the respective periods specified above.

There is not yet a significant body of established practice on which to draw informing judgments regarding its implementation and application. Additionally, IndAS differs in certain respects from IFRS and therefore financial statements prepared under IndAS may be substantially different from financial statements prepared under IFRS. There can be no assurance that the Company's financial condition, results of operation, cash flow or changes in shareholders' equity will not be presented differently under IndAS than under Indian GAAP or IFRS. When our Company adopts IndAS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. There can be no assurance that the adoption of IndAS by our Company will not adversely affect its results of operation or financial condition. Any failure to successfully adopt IndAS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operation of our Company.

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

Our financial statements included in this Placement Document are prepared in conformity with Indian GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and standards. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. The significant accounting policies applied in the preparation of our Indian GAAP financial statements are set forth in the notes to our restated consolidated financial information included in this Placement Document. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Accordingly, the degree to which the financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

Significant increases in the price or shortages in supply of crude oil and products derived therefrom, including petrol and diesel fuel, could adversely affect the Indian economy in general, which could have an adverse effect on our business and results of operations.

India imports a significant majority of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors, including the level of global production and political factors, such as war and other conflicts,

particularly in the Middle East, where a substantial proportion of the world's oil reserves are located. Any significant increase in the price of or shortages in the supply of crude oil could adversely affect the Indian economy in general, which could have an adverse effect on our business and results of operations.

The Companies Act, 2013 has effected significant changes to the existing Indian company law framework and SEBI has introduced changes to the listing agreement, which became effective from October 1, 2014, which may subject us to greater compliance requirements and increase our compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in an offer document, corporate governance norms, accounting policies and audit matters, specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Pursuant to the Companies Act, 2013, we are required to spend, in each financial year, at least 2.0% of our average net profits during the three immediately preceding financial years towards corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on our Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 has introduced certain additional requirements which do not have corresponding provisions under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such requirements due to limited jurisprudence in respect of the relevant provisions. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by SEBI). SEBI issued revised corporate governance guidelines which became effective from October 1, 2014, and have a requirement to appoint at least one woman Director to our Board of Directors, which became effective from April 1, 2015. Pursuant to the revised guidelines, we are required to appoint independent Directors subject to terms and conditions as prescribed, establish a vigilance mechanism for Directors and employees and constitute or reconstitute certain committees in accordance with the revised guidelines. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations and may require management to devote substantial amounts of time and effort.

On May 26, 2015, the Government of India approved certain amendments to the Companies Act, 2013 vide the Companies (Amendment) Act, 2015, (the "**Amendment Act**"). The Amendment Act provides for, amongst other things, relaxation from special resolution for approval of related party transactions by non-related shareholders, auditor reporting of frauds, empowering the audit committee to give omnibus approvals for related party transactions on an annual basis and specific punishment for deposits accepted under the Companies Act, 2013. We cannot assure you that the amendments to the Companies Act, 2013 will not have an adverse effect on our business, results of operations and financial condition and will not require our management to devote substantial amounts of time, energy and resources towards any additional compliance requirements.

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

The Competition Act, 2002, as amended (the "**Competition Act**") regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls

production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operation.

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

The Government has proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the central and state governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the General Anti Avoidance Rules (GAAR) are proposed to be effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of the tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

We have not determined the impact of such proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

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

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

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

The Government and state governments have traditionally exercised, and continue to exercise, a significant influence

over many aspects of the economy. Our business, and the market price and liquidity of the Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

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

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of the Equity Shares. Any political instability could delay the reform of the Indian economy and could have an adverse effect on the market for the Equity Shares. Protests against privatization could slow down the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting companies in the real estate sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

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

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

Fiscal benefits may not continue to be available to borrowers for the purchase or construction of property and the housing sector may not continue to be regarded as a priority sector by the Government of India.

The rapid growth in the housing finance industry in India in the last decade is in part due to the introduction of fiscal benefits for homeowners. Since the early 1990s, interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits and tax rebates have been available for borrowers of such capital up to specified income levels. There can be no assurance that the Government of India will continue to offer such tax benefits to borrowers at the current levels or at all. In addition, there can be no assurance that the Government of India will not introduce tax efficient investment options which are more attractive to borrowers than property investment. The demand for housing may be reduced if any of these changes occur.

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

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

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of

the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

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

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

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

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

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

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

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

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

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

Risks relating to the Issue

We cannot guarantee that our Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, after our Board, or the authorised committee thereof, passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the QIBs, we are required to apply to the Stock Exchanges for final listing and trading approvals. After receiving the final listing approvals from the Stock Exchanges, we will credit the Equity Shares into the Depository Participant accounts of the respective QIBs and apply for the final trading approvals from the Stock Exchanges. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining these approvals would restrict your ability to dispose of your Equity Shares.

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

The Issue Price will be determined by us in consultation with the Joint Global Coordinators and Book Running Lead Managers, based on the Bids received in compliance with Chapter VIII of the SEBI Regulations and the Companies Act, and may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. You may be unable to resell your Equity Shares at or above the Issue Price and, as a result, you may lose all or part of your investment.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, adverse media reports on us or the real estate industry, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant development in India's fiscal regulations.

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

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

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

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

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

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

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

There may be less information available about companies listed on the Indian securities markets compared to information that would be available if we were listed on securities markets in certain other countries.

The Equity Shares will be publicly listed on the Stock Exchanges and will not be listed on any stock exchange in any other country other than India. While SEBI has issued regulations and guidelines on disclosure requirements, insider trading, substantial acquisitions and takeovers of listed companies and other matters, there may be less publicly available information about Indian entities than is regularly made available by public entities in many other countries. There may be less publicly available information about companies listed on an Indian stock exchange compared to information that would be available if that company was listed on a securities market in certain other jurisdictions. Consequently, you may have access to less information about our business, result of operations and financial condition, and those of our competitors listed on Indian stock exchanges, on an ongoing basis, than entities subject to the reporting requirements of other countries. Additionally, the information made available by listed Indian companies may differ from those of other jurisdictions. Consequently, the ability of any future shareholder to rely on such information is dependent upon the level of familiarity with such information.

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

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

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

For information on certain historical exchange rates between the Rupee and the U.S. Dollar, see "Exchange Rate Information".

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

Under current Indian tax laws, capital gains arising from the sale of the Equity Shares within 12 months in an Indian company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of the Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. The above statements are based on the current tax laws. For more information, see "Taxation".

There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

The Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker and they may change the limit without our knowledge. This circuit

breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares. For further details, see *"*The Securities Market of India*"*.

MARKET PRICE INFORMATION AND OTHER INFORMATION CONCERNING THE EQUITY SHARES

The Equity Shares are listed on the BSE and the NSE since the year 2000 and 2007, respectively. As of the date of this Placement Document, 144,996,945 Equity Shares are issued, subscribed and paid up. As the Equity Shares are traded on the Stock Exchanges, the stock market data has been given separately for each of these stock exchanges.

The following tables set forth, for the period indicated, the reported high, low and average of closing market prices of the Equity Shares on the Stock Exchanges and the number of Equity Shares traded on the days such high and low prices were recorded, for the financial years 2015, 2014 and 2013:

a. BSE

Financial Year	High (₹)	Date of High	Number of Equity Shares traded on date of high	Volume on date of high (₹ in million)	Low (₹)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in million)	Average price for the year (₹)[1]	Total Number of Equity Shares traded in the year (in million)	Total Volume of Equity Shares traded in the year (₹ in million)
2015	405.00	January 30, 2015	11,626	4.70	236.95	May 14, 2014	746	0.18	340.84	4.48	1,461.58
2014	285.25	May 28, 2013	3,983	1.12	188.00	September 3, 2013	559	0.10	234.56	2.76	655.51
2013	278.60	February 1, 2013	123,135	34.48	157.05	August 28, 2012	9,088	1.44	212.85	3.98	864.12

Source: www.bseindia.com
[1] *Average of the daily closing prices*

b. NSE

Financial Year	High (₹)	Date of High	Number of Equity Shares traded on date of high	Volume on date of high (₹ in million)	Low (₹)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in million)	Average price for the year (₹)[1]	Total Number of Equity Shares traded in the year (in million)	Total Volume of Equity Shares traded in the year (₹ in million)
2015	406.20	January 30, 2015	200,925	81.55	238.10	May 14, 2014	11,553	2.76	341.05	19.21	6,710.32
2014	284.10	May 30, 2013	20,446	5.80	186.95	September 3, 2013	4,883	0.92	235.11	20.20	4,593.96
2013	279.90	February 1, 2013	152,281	42.70	157.10	August 28, 2012	65,250	10.30	213.28	17.86	3,907.76

Source: www.nseindia.com
[1] *Average of the daily closing prices*

The following tables set forth, for the period indicated, the reported high, low and average of closing market prices of the Equity Shares on the Stock Exchanges and the number of Equity Shares traded on the days such high and low prices were recorded, in each month during the six months preceding the date of filing of this Placement Document:

c. BSE

Month, Year	High (₹)	Date of High	Number of Equity Shares traded on date of high	Volume on date of high (₹ in million)	Low (₹)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in million)	Average price for the month (₹)[1]	Total Number of Equity Shares traded in the month	Total Volume of Equity Shares traded in the month (₹ in million)
June 2015	383.95	June 22, 2015	11,392	4.36	342.45	June 11, 2015	572	0.20	367.64	60,366	22.58
May 2015	374.30	May 29, 2015	2,743	1.03	354.00	May 22, 2015	456	0.16	361.33	25,260	9.16
April 2015	379.95	April 27, 2015	11,718	4.47	355.25	April 1, 2015	659	0.23	369.72	43,951	16.39
March 2015	391.50	March 2, 2015	476	0.19	351.45	March 31, 2015	1,100	0.39	366.76	175,268	67.62
February 2015	400.10	February 18, 2015	7,732	3.09	375.65	February 11, 2015	1,984	0.74	389.24	249,790	97.66
January 2015	405.00	January 30, 2015	11,626	4.70	358.50	January 12, 2015	6,638	2.39	372.02	104,313	39.07

Source: www.bseindia.com
[1] *Average of the daily closing prices*

d. NSE

Month, Year	High (₹)	Date of High	Number of Equity Shares traded on date of high	Volume on date of high (₹ in million)	Low (₹)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in million)	Average price for the month (₹)[1]	Total Number of Equity Shares traded in the month	Total Volume of Equity Shares traded in the month (₹ in million)
June 2015	382.25	June 22, 2015	55,958	21.35	341.15	June 10, 2015	22,462	7.82	367.44	1,085,581	397.73
May 2015	374.65	May 29, 2015	31,604	11.92	355.05	May 25, 2015	25,824	9.17	361.87	1,162,945	426.19
April 2015	379.95	April 27, 2015	172,413	65.84	355.25	April 1, 2015	63,945	22.70	369.78	624,936	232.98
March 2015	390.00	March 4, 2015	890,661	347.48	349.95	March 24, 2015	22,013	7.82	366.54	3,132,477	1,183.24
February 2015	400.70	February 2, 2015	9,036	3.63	371.85	February 11, 2015	56,746	21.06	389.71	1,091,586	424.30
January 2015	406.20	January 30, 2015	200,925	81.55	358.25	January 12, 2015	38,364	13.70	372.23	3,300,606	1,227.38

Source: www.nseindia.com
[1] *Average of the daily closing prices*

The following table sets forth, the market price of the Equity Shares on the Stock Exchanges on May 12, 2015, the trading day immediately following the day on which the Board approved the Issue:

e. BSE

Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Volume (₹ in million)
358.95	360.00	356.10	358.65	1,677	0.60

Source: www.bseindia.com

f. NSE

Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Volume (₹ in million)
363.00	363.00	358.05	358.50	95,467	34.38

Source: www.nseindia.com

USE OF PROCEEDS

The total proceeds of the Issue will be ₹ 2,825.94 million. After deducting the Issue expenses of approximately ₹ 80.00 million, the net proceeds of the Issue will be approximately ₹ 2,745.94 million.

Subject to compliance with applicable laws and regulations, our Company intends to use the net proceeds of the Issue towards capital expenditure, working capital requirements, funding growth opportunities including investing in existing and proposed business ventures, reduction of debt, general corporate purposes and for such other purposes as may be permitted by applicable laws.

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

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

CAPITALIZATION

The following table sets forth our Company's capitalization as of March 31, 2015 which has been extracted from its audited consolidated financial statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue and the application thereof. This capitalization table should be read together with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements".

Particulars	(₹ in million)	
	As of March 31, 2015	**As Adjusted**
Short term debt:		
Secured	1,226.63	1,226.63
Unsecured	1,044.60	1,044.60
Long term debt:		
Secured	27,762.43	27,762.43
Unsecured	427.89	427.89
Current Maturities of Long Term Debt	3,561.71	3,561.71
Total debt	**34,023.26**	**34,023.26**
Shareholders' funds:		
Share capital	289.91	305.89[1]
Securities premium	10,689.08	13,499.03[1]
Reserves and surplus	5,757.91	5,757.91
Total funds (excluding loan funds)	**16,736.90**	**19,562.83**[1]
Total capitalization	**50,760.16**	**53,586.09**[1]

[1] *This adjustment only includes the Equity Shares to be allotted by our Company pursuant to the Issue and no other allotment of Equity Shares done by our Company since March 31, 2015. For details of allotments since March 31, 2015, see "Capital Structure - Equity Share Capital History of our Company"*

DIVIDENDS

The declaration and payment of dividends by our Company will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles and the Companies Act. The recommendation, declaration and payment of dividends will depend on a number of factors, including but not limited to our Company's profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends. The table below sets out the details of the dividends declared by our Company on its Equity Shares during the last three financial years:

Financial Year	Dividend per Equity Share (₹)	Total amount of dividend[1] (₹ in million)
2013	2.20	318.66
2014	2.20	318.66
2015[2]	2.20	318.90

[1]*Excludes dividend distribution tax.*

[2]*Our Company has, pursuant to the resolution passed at the meeting of the Board on May 28, 2015, recommended a dividend of ₹ 2.20 per Equity Share for the financial year 2015, subject to the approval of the Shareholders at the ensuing AGM.*

Our Company has no stated dividend policy. The amounts paid as dividends in the past are not necessarily indicative of our dividend amounts, if any, in the future. There is no guarantee that any future dividends will be declared or paid or that the amount thereof will not be decreased.

Under the current Indian tax laws, dividends are not subject to income tax in India in the hands of the recipient. However, our Company is liable to pay a "dividend distribution tax" currently at the rate of 15% plus a surcharge at 12% on the dividend distribution tax and an education cess at the rate of 3% on dividend distribution tax and surcharge. With effect from October 1, 2014, due to grossing up of dividend distribution tax paid on distributed amount, the effective rate of dividend distribution tax is approximately 20.36% on the total amount of dividend declared and paid by our Company.

CAPITAL STRUCTURE

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

(₹ in million)

		Aggregate Value at Face Value
A	**AUTHORISED SHARE CAPITAL**	
	225,000,000 Equity Shares of ₹ 2 each	450.00
	Total	**450.00**
B	**ISSUED SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE[1]**	
	144,996,945 Equity Shares of ₹ 2 each	289.99
	Total	**289.99**
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	7,991,907 Equity Shares aggregating to ₹ 2,825.94 million[2]	15.98
D	**PAID-UP CAPITAL AFTER THE ISSUE**	
	152,988,852 Equity Shares	305.98
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	10,699.87
	After the Issue	13,509.82

[1] *As on the date of this Placement Document, there are 179,056 options granted and valid under the ESOP 2007.*

[2] *The Issue was authorised and approved by the Board of Directors on May 11, 2015 and approved by the Shareholders through a special resolution passed by way of a postal ballot pursuant to a postal ballot notice dated May 11, 2015, the results of which were announced on June 15, 2015.*

Equity Share Capital History of our Company

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

Date of allotment	Number of Equity Shares	Cumulative Number of Equity Shares	Cumulative paid-up equity share caital (₹)	Face Value (₹)[1]	Issue Price per Equity Share (₹)	Consideration
Between January 27, 1905 till December 15, 1966	Between January 27, 1905 till December 15, 1966, our Company issued and allotted 48,000 equity shares of face value of ₹ 100 each. The dates of allotment have not been specified since records for such allotments are not available on the records of the registrar of companies or our Company. See "Risk Factors - Some of our Company's corporate records relating to the allotment of the equity shares by our Company are not traceable."					
December 16, 1966	16,000	64,000	6,400,000	100	Not applicable	Other than cash[2]
March 17, 1970	8,000	72,000	7,200,000	100	Not applicable	Other than cash[3]
September 6, 1975	48,000	120,000	12,000,000	100	Not applicable	Other than cash[4]
March 9, 1996	125,000	245,000	24,500,000	100	100	Cash
September 30, 2005[5]	The authorised share capital of our Company was sub-divided into 2,450,000 equity shares	2,450,000	-			

Date of allotment	Number of Equity Shares	Cumulative Number of Equity Shares	Cumulative paid-up equity share caital (₹)	Face Value (₹)[1]	Issue Price per Equity Share (₹)	Consideration
	of face value of ₹ 10 each					
December 17, 2005	9,800,000	12,250,000	12,250,000	10	Not applicable	Other than cash[6]
June 9, 2007	1,985,756	14,235,756	142,357,560	10	1,600	Cash
August 6, 2007	4,900,000	19,135,756	191,357,560	10	2,000	Cash
October 6, 2007	8,000,000	27,135,756	271,357,560	10	Not applicable	Other than for cash[7]
January 31, 2008[8]	The authorised share capital of our Company was sub-divided into 135,678,780 equity shares of face value of ₹ 2 each	135,678,780	-			
August 4, 2008	9,166,665	144,845,445	289,690,890	2	Not applicable	Other than for cash[9]
September 8, 2014	60,000	144,905,445	289,810,890	2	270	Cash[10]
March 18, 2015	51,250	144,956,695	289,913,390	2	270	Cash[10]
May 21, 2015	15,250	144,971,945	289,943,890	2	270	Cash[10]
June 5, 2015	25,000	144,996,945	289,993,890	2	270	Cash[10]
Total		**144,996,945**	**289,993,890**			

[1] *On December 17, 2005, the authorised share capital of our Company was sub-divided into 2450,000 equity shares of face value of ₹10 each. Further, on February 21, 2008, the authorised share capital of our Company was sub-divided into 135,678,780 equity shares of face value of ₹2 each.*
[2] *Bonus issue in the ratio of 1:3.*
[3] *Bonus issue in the ratio of 1:8.*
[4] *Bonus issue in the ratio of 2:3.*
[5] *Pursuant to a special resolution passed by the Shareholders at their AGM held on September 30, 2005, the face value of one equity of ₹100 was sub-divided into ten equity shares of face value of ₹ 10 each. The record date for the sub-division was December 16, 2005.*
[6] *Bonus issue in the ratio of 4:1.*
[7] *Pursuant to an approval by the Bombay High Court of a scheme of arrangement between Ashok Ruia Enterprises Private Limited and our Company.*
[8] *Pursuant to a special resolution passed by the Shareholders by postal ballot, results of which were declared on January 31, 2008, the face value of one equity share of ₹10 was sub-divided into five equity shares of face value of ₹2 each. The record date for the sub-division was February 20, 2008.*
[9] *Pursuant to an approval by the Bombay High Court of a scheme of arrangement between Ruia Real Estate Development Company Private Limited and our Company.*
[10] *Pursuant to exercise of options granted under the ESOP 2007.*

Employee Stock Option Plan

The ESOP 2007 has been adopted by the Board by a resolution passed at its meeting held on December 19, 2007 and approved by the Shareholders through a special resolution passed by way of a postal ballot pursuant to a postal ballot notice dated December 19, 2007, the results of which were announced on January 31, 2008. The aggregate number of options that may be granted under this scheme shall not exceed 3,390,000 Equity Shares subject to adjustment as may be required due to any corporate action or change in capital structure. The aforementioned 3,390,000 Equity Shares have been adjusted for sub-division of one equity share of ₹ 10 each into five equity shares of ₹ 2 each, on February 21, 2008.

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

You should read the following discussion of our financial condition and results of operations together with our Audited Consolidated Financial Statements as of and for the financial years 2015, 2014 and 2013 including the notes thereto and report thereon included elsewhere in this Placement Document. Our Financial Statements are prepared in accordance with Indian GAAP, which differs in certain material respects with U.S. GAAP and International Financial Reporting Standards.

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

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

Overview

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

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

Our existing real estate development portfolio primarily comprises retail-led, mixed-use developments in prime locations, together with a number of other standalone residential and commercial office developments. Our developments include retail and entertainment, commercial, hotel and residential properties in Mumbai, Chennai, Bengaluru, Pune, Lucknow, Bareilly and Agra. Our operations typically encompass most aspects of real estate development, including land acquisition, planning (including liaison and approvals), execution and marketing of projects, through to the management, maintenance and sales of the completed developments.

We were one of the first real estate developers in India to transform a textile mill property into a modern, multi-use retail-led integrated development – High Street Phoenix and Palladium in Lower Parel, Mumbai. This development is comprised of a mall of approximately 0.74 million square feet of Leasable Area consisting of retail, entertainment and commercial office space of approximately 0.13 million square feet of Leasable Area (net of areas let out on long leases), the Palladium Hotel, a 389 key luxury hotel, and Phoenix Towers, residential apartment towers built in partnership by the Company, as well as parking space. We believe High Street Phoenix was amongst the first large format, retail led, mixed use centre developments in India. Our Company's wholly owned subsidiary, Pallazzio Hotels & Leisure Limited, has entered into agreements with Starwood Hotels & Resorts India Private Limited and its affiliates for the management and re-branding of the hotel from the Palladium Hotel to The St. Regis, Mumbai, and subject to compliance with the terms of the agreement, we expect re-branding to occur in the third quarter of 2015.

Our Phoenix MarketCity projects are conceptualized as large scale, retail-led, mixed-use, real estate developments which we believe are in prime locations and in close proximity to high-catchment areas. We own and operate several malls, through our Subsidiaries and Associates, under the brand "Phoenix MarketCity" in Mumbai, Chennai, Bengaluru and Pune (one mall in each city). Our Phoenix MarketCity developments encompass retail and entertainment space, including food and beverage and multiplex facilities, outdoor space and, subject to market demand, include one or more of commercial offices, hotel or residential apartments for sale. These projects seek to optimize a combination of retail, entertainment and commercial and retail clients in order to attract a wide spectrum of consumers. We also operate malls under the brand name of "Phoenix United", with two operational projects in Lucknow and Bareilly, respectively. We believe that we have achieved reasonable success in each of our operational developments.

Our real estate development portfolio is comprised of four types of real estate developments: retail, commercial office, residential and hospitality. We characterize our projects as Completed, Ongoing and Planned projects (see further "—Description of our Business"). We currently have a portfolio of approximately 17.88 million square feet of

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

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

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

Our retail development portfolio consists of approximately 6.16 million square feet of Leasable Area in Completed and Ongoing projects. Our commercial office development portfolio consists of approximately 1.82 million square feet of Saleable and Leasable Area in Completed, Ongoing and Planned projects (including areas already sold). Our residential development portfolio consists of approximately 5.51 million square feet of Saleable Area in Ongoing and Planned projects, of which we have sold approximately 1.65 million square feet.

We have received several awards for our retail developments including "Retailer of the Year (Mall) – 2015", "Shopping Center of the Year (Palladium Mall) – 2015" from CMO Asia, and "Among India's Best Existing Neighbourhood Shopping Malls, 2013-2014" from Estate Avenues for our High Street Phoenix and Palladium development, "Most Admired Shopping Centre of the Year, 2015" from CMO Asia and "India's Best Existing Neighbourhood Shopping Mall, 2013-2014" from Estate Avenues for our Phoenix MarketCity Mumbai development, "Most Admired Shopping Centre of the Year Non Metro West, 2013" from Estate Avenues for our Phoenix MarketCity Pune development and "Best Malls & Shopping Centre of the Year 2015 – Operational Mixed Use" from Estate Avenues for our Phoenix MarketCity Chennai development. We have also won several awards for our One Bangalore West, Kessaku and Fountainhead residential developments. See *"* Our Business—Awards and Recognitions*"*.

Factors affecting our Results of Operations

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

Occupancy levels of our leased retail and commercial office space

A substantial portion of our income is derived from leases of our Completed retail projects, High Street Phoenix and Palladium in Mumbai and Phoenix MarketCity projects in Chennai, Bangalore, Pune and Mumbai and Completed commercial office projects in Mumbai and Pune. The amount that we receive in rental income is based upon the amount of space we have leased and the rate per square foot we charge (being the higher of minimum guaranteed amounts/fixed fee or a percentage of revenue share) for that leased space. The occupancy of the project and rates we charge depend on various factors including the location and design of the project, the retail and/or commercial office client mix, sales revenue of the retail clients, prevailing economic conditions and competition. During the financial year 2015, our aggregate average occupancy levels were 93%.

Fluctuations in rentals and sales prices for our developments

Our total income is affected by lease prices at our retail and commercial office projects, sales prices of our residential and commercial office projects and room rates for our hotels, which may be affected by prevailing market conditions in the real estate and hospitality sectors in India (including market forces of supply and demand), the nature and location of our malls, residential and commercial office projects and hotels, the timing of lease or license expiry and renewals and other factors such as our brand and reputation and the design of our projects. The supply and demand of retail and entertainment, commercial, hospitality, residential and other properties are affected by various factors outside our control, including prevailing local economic, income and demographic conditions. For instance, the real estate market in India witnessed a downturn during financial years 2014 and 2013, which resulted in lower sales and higher inventory levels for real estate developers. During times of a real estate economic downturn, buyers may become cautious, rentals of retail and commercial office space may face downward pressure, and consumer sentiment and market spending may be adversely affected.

Macroeconomic Factors in India

We lease retail space in our projects either on a fixed license fee or a minimum guarantee amount and percentage of

revenue generated by the retail client, whichever is higher. Therefore, the more consumers spend at stores in our retail projects, the more lease income we will receive. The amount of money spent by consumers at these stores is dependent on numerous factors including prevailing economic conditions, disposable income of consumers, increasing urbanization and consumerism and competition from other shopping malls and stores. Further, all of our revenues are generated in India. Therefore, we believe that macroeconomic factors, including the growth of the Indian economy, interest rates, as well as the Indian political and economic environment, will have an impact on our business and results of operations going forward as our business continues to grow.

Sales volume and rate of progress of construction and development for our residential projects

Revenue from sale of properties under construction is recognised on the basis of percentage of completion method subject to transfer of significant risk and rewards to the buyer. See "– Significant Accounting Policies" below. The volume of bookings depends on our ability to design projects that will meet customer preferences and market conditions and trends, and to timely market and pre-sell our projects, the willingness of customers to pay for the projects or enter into sale agreements well in advance of receiving possession of the projects and general state of the economy. We market and pre-sell our projects in phases from the time we launch the project, depending on market conditions. Revenue is recognized in accordance with the revised guidance note on "Accounting for Real Estate Transactions" on incurring at least 25% of estimated construction and development cost (excluding the cost of land), and when at least 25% of the total saleable area is secured by contracts with buyers and at least 10% of sales consideration per contract is received by us.

Construction progress depends on a variety of factors, including the availability of labour and raw materials, the actual cost of construction (which is particularly affected by fluctuations in the market price for construction material), the competence of and priority given to our projects by our contractors, the receipt of approvals and regulatory clearances, access to utilities such as electricity and water, and the absence of contingencies such as litigation and adverse weather conditions.

Cost of land and construction

The growth of our business is dependent on our cost of acquiring land and the availability of land in areas where we intend to develop projects. The cost of acquiring land, which includes the amounts paid for freehold rights, the cost of registration and stamp duty, represents a substantial part of our project cost. Recent and proposed changes in land regulations could increase/decrease the FSI available to us in our existing projects, affecting the growth of our business and operations.

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

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

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

Acquisition of shopping malls

As part of our ongoing growth strategy and continuing evaluation of growth opportunities, we may, in the future,

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

Availability of cost-effective financing for us and our customers

One of the factors that may significantly affect our business is the availability of cost-effective financing for our projects, each of which we generally finance individually. We seek equity as well as debt financing for our projects and cost of financing affects our results of operations. For example, our interest payments and other related charges have increased in the last three financial years and we expect such expenditure to continue to increase in the future as we incur additional indebtedness to develop other projects. Interest rates in India have generally been volatile in the recent past. On June 2, 2015, the RBI reduced the repo rate from 7.50% to 7.25%. Further, recent changes in regulations, such as those permitting Rupee denominated bonds and REITs, could assist us in reducing our finance costs.

Significant Accounting Policies

The preparation of financial statements in conformity with Indian GAAP, applicable accounting standards and the Companies Act requires our management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations for the reporting period. By their nature, these judgments are subject to a degree of uncertainty. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

While all aspects of our financial statements should be read and understood in assessing our current and expected financial condition and results, we believe that the following are our significant accounting policies:

Principles of consolidation

- The financial statements of our Company and Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard 21 ("**Consolidated Financial Statements**").

- The difference between the cost of investment in our Subsidiaries, over the net assets at the time of acquisition of shares in the Subsidiaries is recognised in the financial statements as goodwill or capital reserve, as the case may be.

- Minority interest's share of net profit of consolidated Subsidiaries is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of our Company.

- Minority interest's share of net assets of consolidated Subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of our Company's shareholders.

- In case of associates where our Company directly or indirectly through its Subsidiaries holds more than 20% of equity, the investments in associates are accounted for using equity method in accordance with Accounting Standard 23 ("**Accounting for investments in associates in consolidated financial statements**").

- The difference between the cost of investment in the Associates and the share of net assets at the time of acquisition of shares in the Associates is identified in the financial statements as goodwill or capital reserve as the case may be.

- Our Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between our Company and associates to the extent of its share, through its statement of profit and loss to the extent such change is attributable to the associates' statement of profit and loss and through its reserves for the balance, based on the available information.

- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as our Company's unconsolidated financial statements.

- Investments other than in Subsidiaries and Associates have been accounted as per Accounting Standard 13 ("**Accounting for Investments**").

Other Significant Accounting Policies

Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses for the reporting period. The difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

Classification of Assets and Liabilities as Current and Non – Current

All assets and liabilities are classified as current or non-current as per Company's normal operating cycle, and other criteria set out in Schedule II to the Companies Act, 2013 and accordingly, a 12 month period has been considered by the Company as its normal operating cycle for the purpose of classification of assets and liabilities as current and non-current.

Preliminary expenses

Preliminary expenses include share issue and related expenditure amortized over a period of five years.

Fixed Assets

- Fixed assets are stated at cost (net of cenvat credit) and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any.

- Expenditure incurred on construction or erection of assets, which are incomplete as at balance sheet date, are included in capital work in progress.

- Assets taken on finance leases: Present value of future lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to profit and loss account.

Depreciation

- 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 at the rates and in the manner specified in Schedule II of the Companies Act, 2013. In some of our Subsidiaries, depreciation is provided on the straight line method at the rate and in the manner stated in Schedule II of the said Companies Act, 2013.

- In respect of certain revalued assets of our Company (land, buildings and plant and machinery), depreciation has been calculated on the revalued figures as per the rates and in the manner specified by the valuers in their revaluation report. The difference between the depreciation so computed and that computed as per the above

has been charged to the revaluation reserve.

- High end operating supplies forming part of hotel opening supplies are depreciated over a period of three years on straight line method.

- Software and goodwill are amortized over a period of five years.

Impairment of Assets

In accordance with Accounting Standard 28 ("**Impairment of Assets**"), where there is any indication of impairment of our Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such asset is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of such assets exceed its recoverable amount. Impairment loss, if any, is recognised in the statement of profit and loss.

Investments

Long term investments are valued at cost of acquisition less diminution if any, of a permanent nature. Current investments are stated at cost or market or fair value whichever is lower.

Inventories

- Inventories are valued at lower of cost or net realisable value. Cost is determined on first in first out basis.

- Cost of realty construction or 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 or receipts).

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

Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Revenue recognition

- Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. License fees, rental income and service charges are recognised based on contractual rights. Interest is recognised on time proportion basis. Dividend income is recognised when the right to receive the same is established.

- 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 when the 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 or 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 or received are reflected as debtors or 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 estimates. Accordingly, the effect of such changes to estimates is recognized in the year in which 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.

- Revenues from hotel component of sale of rooms, banquets, foods and beverages, allied services relating to hotel operations are recognised upon rendering of the respective services.

Employee Benefits

- Short term employee benefits are recognised as expenses at the undiscounted amounts in the statement of profit and loss of the year in which the related service is rendered.

- Post employment and other long term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expenses are recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits net of expected return on plan assets are charged to the statement of profit and loss.

- In the case of Pallazzio Hotels & Leisure Limited, as per the policy of Shangri-La International Pte. Limited (the erstwhile Hotel Operator), certain employees (expatriates) were eligible for a death benefit plan wherein a defined amount would be paid to the survivors of the relevant employee upon the death of the employee whilst in service with the Company. To fulfill this obligation, an insurance policy had been taken out by Shangri-La International Hotel Management Pte. Limited. The annual premium attributable to the Company was recovered by Shangri–La International Hotel Management Pte. Limited and the said amount was debited to the statement of profit and loss.

Foreign Currency transactions

- Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the balance sheet date are restated at the year-end rates. Non monetary foreign currency items are carried at cost.

- Exchange differences arising as a result of the subsequent settlements or on translations are recognised as income or expense in the statement of profit and loss.

- In Pallazzio Hotels & Leisure Limited, in accordance with the option given by the Ministry of Corporate Affairs in 2011, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, in so far as they relate to acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and will be depreciated over the balance life of the asset, and in other cases are accumulated in foreign currency monetary item translation difference account in our financial statements and amortized over the balance period of such long-term asset or liability by recognition as income or expense in each of the periods. In accordance with circular issued by Ministry of Corporate Affairs, no portion of exchange difference adjusted to capital assets in accordance with paragraph 46A of Accounting Standard 11 is regarded as an adjustment to interest costs in terms of paragraph 4(e) of Accounting Standard 16 ("**Borrowing Costs**").

Securities issue expenses

Expenses in connection with issue of securities are adjusted against securities premium account.

Taxes on Income

- Provision for income tax (current tax) is determined on the basis of the taxable income of the current year in accordance with the Income Tax Act, 1961.

- Deferred tax is recognised in respect of deferred tax assets (subject to the consideration of prudence) and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

- Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and carried forward as "MAT Credit Entitlement".

The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will be able to utilise the MAT Credit Entitlement within the period specified under the Income-tax Act, 1961

Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes to Accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

Loyalty Program

Contribution to loyalty programs, if any, are calculated as per agreed percentages of qualifying revenues that are accounted on a monthly basis.

Lease

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease.

Rental expenses or license fees income received on assets obtained or given under operating lease arrangements are recognized on a straight-line basis as an expense in the statement of profit and loss over the lease term of the respective lease arrangement.

Recent changes in accounting policies

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

1) Effective from April 1, 2012, Vamona Developers Private Limited (subsidiary) has, with retrospective effect, changed its method of providing depreciation on Tangible Fixed Assets from the 'Written Down Value' method to 'Straight Line' method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. The Management believes that this change results in more appropriate presentation and gives a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits flow to the company, from the use of these assets. Accordingly, the Company has written back the accumulated Depreciation of ₹ 141.83 million pertaining to the period up to March 31, 2012. Had the company continued to use the earlier method of Depreciation, the Profit after Tax for the year under report would have been lower by ₹ 230.98 million, excluding the impact of the Depreciation written back for the period up to March 31, 2012;

2) During the Financial Year 2012-13, Pallazzio Hotels & Leisure Limited has changed its accounting policy with respect to classification of high end operating supplies acquired pre commencement of operations like crockery & cutlery etc from inventory to fixed assets; and

3) During the Financial Year 2013-14, Pallazzio Hotels and Leisure Limited has changed its accounting policy with respect to method of charging depreciation on fixed tangible assets from 'Written Down Value' to 'Straight Line Method' at the rates prescribed in Schedule XIV of the Companies Act, 1956. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefit will flow to the Company. Accordingly the company has recognized a surplus of ₹ 84.41 million arising from retrospective change as an exceptional item. Had the company followed written down value method of providing depreciation, the depreciation charge for the year would have been higher by ₹389.38 million, exceptional income would have been lower by ₹ 84.41 million

and the loss of the year would also have been higher by ₹473.79 million.

Segment Information

Our operations are broadly divided into the following financial segments:

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

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts are allocated thereunder on a reasonable basis. Net expenditure that is not directly attributable to any business segment is shown under unallocated segment. Assets and liabilities that cannot be allocated between the two segments are shown as a part of unallocated assets and liabilities, respectively. The following table sets out our segment-wise revenue and results (after exceptional items but before interest and tax) for the periods indicated:

		Financial Year		
		2015	**2014**	**2013**
		(₹ in million)		
Property & Related Services	**Total Revenue**	14,942.93	13,601.32	4,537.06
	Segment Results	7,040.45	6,000.17	2,410.14
Hospitality Services	**Total Revenue**	1,590.31	883.83	162.02
	Segment Results	(1,101.50)	(186.28)	(280.00)
Unallocated	**Total Revenue**	312.34	390.61	520.67
	Segment Results	(625.69)	390.61	541.52
Total	**Total Revenue**	16,845.58	14,875.76	5,219.75
	Segment Results	5,313.26	6,204.50	2671.66

For further information on our segment information, see "Financial Statements".

Results of Operations

The following table sets forth information with respect to our results of operations for the periods indicated:

	Financial Year					
	2015		**2014**		**2013**	
	(₹ in million)	*(%)*	*(₹ in million)*	*(%)*	*(₹ in million)*	*(%)*
Income						
Revenue from Operations	16,533.24	98.1	14,485.15	97.4	4,699.08	90.0
Other Income	312.34	1.9	390.61	2.6	520.67	10.0
Total	**16,845.58**	**100.0**	**14,875.76**	**100.0**	**5,219.75**	**100.0**
Expenditure						
Cost of Materials/Construction	3,116.23	18.5	4,787.62	32.2	5,253.70	100.7
Change in Inventory	(302.96)	(1.8)	(1,287.80)	(8.7)	(5,292.24)	(101.4)
Employee Costs	914.55	5.4	730.53	4.9	383.47	7.4

	Financial Year					
	2015		2014		2013	
	(₹ in million)	*(%)*	*(₹ in million)*	*(%)*	*(₹ in million)*	*(%)*
Depreciation	1,680.65	10.0	1,054.77	7.1	474.26	9.2
Finance Costs	3,956.09	23.5	3,450.94	23.2	1,430.04	27.4
Operating and other Expenses	5,185.82	30.8	3,470.55	23.3	1,723.39	33.0
Total	**14,550.38**	**86.4**	**12,206.61**	**82.1**	**3,972.61**	**76.1**
Profit / (Loss) before Tax Exceptional Items and Tax	**2,295.20**	**13.6**	**2,669.15**	**17.9**	**1,247.14**	**23.9**
Add : Exceptional Item	(938.03)	(5.6)	84.41	0.6	(6.52)	(0.1)
Profit / (Loss) before Tax	**1,357.17**	**8.1**	**2,753.56**	**18.5**	**1,240.62**	**23.8**
Less : Provision for Taxation						
Current Income Tax	974.55	5.8	871.11	5.9	476.49	9.1
Deferred Tax	(180.95)	(1.1)	37.34	(0.3)	(49.25)	(0.9)
Tax Adjustments of earlier years	(31.87)	(0.2)	0.72	-	0.15	-
Minimum Alternate Tax Credit	(268.54)	(1.6)	–	-	–	-
Profit after Tax	**863.98**	**5.1**	**1,844.39**	**12.4**	**813.23**	**15.6**
Add : Share of Profit / (Loss) in Associates	43.23	0.3	(28.84)	(0.2)	11.23	0.2
Less : Share of Minority (Loss) / Profit	552.92	3.3	530.93	3.6	(17.07)	(0.3)
Profit after Tax and Minority Interest	**354.29**	**2.1**	**1,284.62**	**8.6**	**841.53**	**16.1**

Principal Components of our Statement of Profit and Loss

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

Revenue from Operations. Our revenue from operations includes revenue derived from realty sales, license fees and rental income, service charges, room rent income, food, beverage and banquet income, cloth sales and other operating income. While the revenues from sales of real estate developments varies year to year and is dependent upon timing of construction and sales of developments, the revenue from operations and lease of malls and lease of commercial office developments has continued to increase over the three financial years presented.

Other Income. Our other income primarily comprises interest income, dividend income, profit on the sale of investments, profit on sale of assets and credit balances written back, among others.

Total Expenditure. Our total expenditure includes costs of materials and construction, changes in inventory, employee costs, depreciation, finance costs and operating and other expenses. Our total expenditure as a percentage of our total revenue was 86.4%, 82.1% and 76.1% for the financial years 2015, 2014 and 2013, respectively. While the cost of materials/construction has decreased (primarily due to the timing of completion of projects being developed), our other costs have increased as a result of growth of our business and operations, over the three financial years presented.

Cost of Materials/Construction. Our cost of materials/construction primarily includes land costs and construction and other related costs. Such costs also include the costs of purchase of food and beverages for our restaurants and banquet facilities and cloth for trading.

Employee Costs. Our employee costs include salaries, wages and bonus paid to employees, contribution towards provident fund and other funds as well as gratuity, leave encashment and staff welfare expenses. Our employee costs have increased over the three financial years presented due to the growth of our business and operations leading to an increase in number of employees and also the increase in average annual salaries, wages and bonuses.

Operating and other Expenses. Our operating and other expenses include several costs such as electricity, repairs and maintenance, insurance, stores and operating supplies, rent, communication expenses, legal and professional charges, travelling expenses, write-offs, security charges, housekeeping expenses and other miscellaneous expenses. Our operating and other expenses have increased over the three financial years presented due to increase in number of operational malls, the development of the residential and commercial projects, all leading to a growth in our business

and operations.

Finance Costs. Our finance/borrowing costs include interest expenses on fixed and other loans and other borrowing costs. Borrowing costs attributable to qualifying assets are capitalized as part of the cost of such assets. Our total finance costs (that were charged to our statement of profit and loss or capitalized) as a percentage of our total revenue was 23.5%, 23.2% and 27.4% for the financial years 2015, 2014 and 2013, respectively. Our total finance costs were ₹ 3,956.09 million, ₹ 3,450.94 million and ₹ 1,430.04 million for the financial years 2015, 2014 and 2013, respectively.

Depreciation. Our depreciation expenses include amortisation of leasehold land (not held in perpetuity), goodwill and software, depreciation on other fixed assets (excluding land and lease land in perpetuity) viz. buildings, plant and machinery and operating supplies, among others. Our depreciation costs have increased over the three years presented due to our projects becoming operational, additional capital expenditures incurred in the operational projects and changes in the depreciation computation methodology, based on the revised useful lives of the assets, notified by the Companies Act, 2013, applicable with effect from April 1, 2014.

Financial Year 2015 compared to Financial Year 2014

Our results of operations for the fiscal year 2015 were particularly affected by the following factors:

- the decrease in sales revenue from our residential projects;
- an increase in operating expenses; and
- an impairment provision of ₹ 912.50 million towards the value of securities of Entertainment World Developers Limited and Treasure World Developers Limited.

Income

Revenue from operations

Revenue from operations increased by ₹ 2,048.09 million, or 14.1%, to ₹ 16,533.24 million for the financial year 2015 from ₹ 14,485.15 million for the financial year 2014, primarily due to an increase in license fees and rental income from our High Street Phoenix, Phoenix MarketCity Mumbai, Phoenix MarketCity Pune, Phoenix MarketCity Bengarulu and Phoenix MarketCity Chennai projects. The increase in revenue from our Palladium Hotel and the recognition in revenue for the first time from our Phoenix Paragon Plaza project also contributed to the increase in revenue from operations. However, this increase was partially offset by a decrease in sales revenue from our One Bangalore West and Kessaku residential projects because a majority of sales revenue was recognized in financial year 2014.

Other income

Other income decreased by ₹ 78.27 million, or 20.0%, to ₹ 312.34 million for the financial year 2015 from ₹ 390.61 million for the financial year 2014, primarily due to lower interest and dividend income received and a decrease in sales of investments.

Expenditure

Our total expenditure increased by ₹ 2,343.77 million, or 19.2%, to ₹ 14,550.38 million for the financial year 2015 from ₹ 12,206.61 million for the financial year 2014, primarily due to an increase in operating and other expenses, depreciation cost and finance cost.

Cost of Materials/Construction

Cost of materials/construction decreased by ₹ 1,671.39 million, or 34.9%, to ₹ 3,116.23 million for the financial year 2015 from ₹ 4,787.62 million for the financial year 2014, primarily due to a decrease in cost of construction for our One Bangalore West and Kessaku residential projects and our Phoenix MarketCity Mumbai, primarily due to the application of percentage of completion method accounting policy.

Change in Inventory

Change in inventory was an increase of ₹ 302.96 million for the financial year 2015. This was 76.5% lower than the increase in change in inventory for the financial year 2014 of ₹ 1,287.80 million, primarily due to an increase in sales and recognition of revenue in our Phoenix Paragon Plaza and Art Guild House commercial office projects, and our One Bangalore West and Kessaku residential projects.

Employee Costs

Employee costs increased by ₹ 184.02 million, or 25.2%, to ₹ 914.55 million for the financial year 2015 from ₹ 730.53 million for the financial year 2014, primarily due to an increase in our number of employees and an increase in average annual salaries, wages and bonuses for our Phoenix MarketCity Mumbai and Phoenix MarketCity Chennai projects, our Ongoing residential projects, including One Bangalore West, Kessaku, Crest and Fountainhead, and our Courtyard by Marriott, Agra hotel. As of March 31, 2015 we had 1,461 employees, compared to 1,190 employees as of March 31, 2014.

Operating and other expenses

Operating and other expenses increased by ₹ 1,715.27 million, or 49.4%, to ₹ 5,185.82 million for the financial year 2015 from ₹ 3,470.55 million for the financial year 2014, primarily due to an increase in operating and other expenses at our Palladium Hotel, our Phoenix Paragon House, Phoenix MarketCity Mumbai and Phoenix MarketCity Chennai projects and our One Bangalore West and Kessaku projects.

Finance costs

Finance costs increased by ₹ 505.15 million, or 14.6%, to ₹ 3,956.09 million for the financial year 2015 from ₹ 3,450.94 million for the financial year 2014, primarily due to an increase in interest expenses at our High Street Phoenix and Palladium mall, Phoenix MarketCity Mumbai and Phoenix MarketCity Chennai projects and our Palladium Hotel and lower capitalization of interest in respect of our Palladium Hotel. This was partially offset by a decrease in interest expenses for our East Court Pune and Phoenix Paragon Plaza commercial office projects. Our total indebtedness decreased marginally from ₹ 34,061.32 million as of March 31, 2014 to ₹ 34,023.25 million as of March 31, 2015. As of March 31, 2015, our average cost of debt was 11.72%.

Depreciation

Depreciation and amortization costs increased by ₹ 625.88 million, or 59.3%, to ₹ 1,680.65 million for the financial year 2015 from ₹ 1,054.77 million for the financial year 2014, primarily due to change in depreciation method as per Schedule II of the Companies Act 2013, increased capital expenditure incurred for our High Street Phoenix and Palladium project, our Palladium Hotel and our Phoenix Paragon Plaza project, and full year operations realised in our operating Subsidiaries in which we acquired further equity interests during financial year 2014 and were, accordingly, consolidated from the date of such acquisition.

Tax expenses

Total tax expenses decreased by ₹ 415.99 million, or 45.8%, to ₹ 493.18 million for the financial year 2015 from ₹ 909.17 million for the financial year 2014, primarily due to a MAT credit of ₹ 268.54 million in Phoenix MarketCity Chennai. Current taxes increased by ₹ 103.45 million, from ₹ 871.10 million for the financial year 2014 to ₹ 974.55 million for the financial year 2015, and deferred taxes decreased from ₹ 37.34 million for the financial year 2014 to a credit of ₹ 180.95 million for the financial year 2015. Our effective tax rate for the financial year was 36.34%.

Profit after tax and minority interest

Profit after tax and minority interest decreased to ₹ 354.29 million for the financial year 2015 from ₹ 1,284.62 million for the financial year 2014, primarily as a result of the impairment provision of ₹ 912.50 million towards the value of securities of Entertainment World Developers Limited and Treasure World Developers Limited.

Financial Year 2014 compared to Financial Year 2013

Our results of operations for the fiscal year 2014 were particularly affected by the following factors:

- full-year operations of our Phoenix MarketCity developments in Chennai, Bangalore, Pune and Mumbai;
- full-year operations of the expanded developments of our High Street Phoenix and Palladium Mall; and
- pre-sales recognised for our One Bangalore West, Crest, Centrium and Art Guild House projects; and
- acquisition of additional equity interests in Offbeat Developers Private Limited, Island Star Mall Developers Private Limited and Classic Mall Development Company Private Limited resulting in their consolidation as Subsidiaries.

Income

Revenue from operations

Revenue from operations increased by ₹ 9,786.07 million to ₹ 14,485.15 million for the financial year 2014 from ₹ 4,699.08 million for the financial year 2013, primarily due to increase in license fees and rental income from our operational developments (High Street Phoenix and Palladium and Phoenix MarketCity projects), sales recognised from our One Bangalore West and Crest residential projects and Centrium and Art Guild House commercial office projects, and the acquisition of further equity interests in Offbeat Developers Private Limited, Island Star Mall Developers Private Limited and Classic Mall Development Company Private Limited resulting in their consolidation as Subsidiaries.

Other income

Other income decreased by ₹ 130.06 million, or 25.0%, to ₹ 390.61 million for the financial year 2014 from ₹ 520.67 million for the financial year 2013, primarily due to a decrease in interest income and dividend income that was partially offset by an increase in profit on sale of investments.

Expenditure

Our total expenditure increased by ₹ 8,234.00 million to ₹ 12,206.61 million for the financial year 2014 from ₹ 3,972.61 million for the financial year 2013, primarily due to an increase in change in inventory, employee costs, depreciation expenditure and an increase in finance costs attributable to consolidation of Offbeat Developers Private Limited, Island Star Mall Developers Private Limited and Classic Mall Development Company Private Limited as Subsidiaries following the acquisition of further equity interests in such companies in financial year 2014.

Cost of Materials/Construction

Cost of materials/construction decreased by ₹ 466.08 million, or 8.9%, to ₹ 4,787.62 million for the financial year 2014 from ₹ 5,253.70 million for the financial year 2013. This was primarily due to there being land costs that, as a result of recognisation of revenue for the first time at our One Bangalore West and Kessaku residential projects in financial year 2013, were transferred to costs of materials/construction in financial year 2013, with no similar transfers of land costs being made in financial year 2014.

Change in Inventory

Change in inventory was an increase of ₹ 1,287.80 million for the financial year 2014. This was 75.7% lower than the increase in change in inventory for the financial year 2013 or ₹ 5,292.24 million, primarily due to an increase in sales and recognition of revenue in our One Bangalore West residential project.

Employee costs

Employee costs increased by ₹ 347.05 million, or 90.5%, to ₹ 730.53 million for the financial year 2014 from ₹ 383.47

million for the financial year 2013, due to an increase in our number of employees and an increase in average annual salaries, wages and bonuses in the Palladium Hotel and our Paragon Plaza project, and as a result of consolidation of Offbeat Developers Private Limited, Island Star Mall Developers Private Limited and Classic Mall Development Company Private Limited as Subsidiaries following the acquisition of further equity interests in such companies in financial year 2014. As of March 31, 2014, we had 1,190 employees, compared to 1,002 employees as of March 31, 2013.

Operating and other expenses

Operating and other expenses increased by ₹ 1,748.16 million or 101.5% to ₹ 3,470.55 million for the financial year 2014 from ₹ 1,722.39 million for the financial year 2013, primarily due to realization of full year operations of our Palladium Hotel, an increase in rates and taxes at our High Street Phoenix and Palladium mall and because of consolidation of Offbeat Developers Private Limited, Island Star Mall Developers Private Limited and Classic Mall Development Private Company Limited as Subsidiaries following the acquisition of further equity interests in such companies in financial year 2014.

Finance costs

Finance costs increased by ₹ 2,020.90 million to ₹ 3,450.94 million for the financial year 2014 from ₹ 1,430.04 million for the financial year 2013, primarily due to increase in borrowings for our High Street Phoenix and Palladium mall, and the Palladium Hotel, and consolidation of Offbeat Developers Private Limited, Island Star Mall Developers Private Limited and Classic Mall Development Company Private Limited as Subsidiaries following the acquisition of further equity interests in such companies in financial year 2014.

Depreciation

Depreciation costs increased by ₹ 580.52 million, from ₹ 474.26 million for the financial year 2013 to ₹ 1,054.77 million for the financial year 2014, due to consolidation of Offbeat Developers Private Limited, Island Star Mall Developers Private Limited and Classic Mall Development Company Private Limited as Subsidiaries.

Tax expenses

Total tax expenses increased by ₹ 480.79 million to ₹ 909.17 million for the financial year 2014 from ₹ 428.38 million for the financial year 2013. Current taxes increased by ₹ 394.35 million, or 82.6%, to ₹ 871.83 million for the financial year 2014 from ₹ 477.49 million for the financial year 2013. Our effective tax rate for the financial year 2014 was 33.02%.

Profit after tax and minority interest

Profit after tax and minority interest increased by ₹ 443.09 million, or 52.7%, to ₹ 1,284.62 million for the financial year 2014 from ₹ 841.53 million for the financial year 2013.

Financial Condition, Liquidity and Capital Resources

We have historically financed our capital expenditure requirements and working capital requirements primarily through financing from banks and other financial institutions in the form of term loans, and through issuance of debt securities and equity shares. Our liquidity requirements have in the past primarily included investments in our projects, cost of materials and construction, employee costs, operating and other expenses, servicing our outstanding indebtedness and financing our capital requirements. We believe that we will have sufficient resources from cash flows from our operations, net proceeds of this Issue and other financings from banks and financial institutions to meet our financing requirements for at least the next 12 months.

Cash Flows

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

	Financial Year ended March 31,		
	2015	**2014**	**2013**
		(₹ in millions)	
Net Cash from Operating Activities	5,636.20	3,768.20	392.08
Cash generated from/(used in) Investing Activities	(1,020.82)	(12,628.98)	(4,809.18)
Cash generated from/(used in) Financing Activities	(4,546.35)	8,855.30	3,989.76
Total cash and cash equivalents	920.09	851.06	683.48

Operating Activities

Net cash generated from operating activities for the financial year 2015 was ₹ 5,636.20 million, while net profit before taxation was ₹ 1,357.17 million. The adjustments were primarily attributable to interest expenses of ₹ 3,956.09 million, depreciation of ₹ 1,680.65 million, a one-off impairment of investment of ₹ 938.03 million and working capital changes relating to trade and other payables of ₹ 541.99 million, partially offset by interest income of ₹ 178.79 million and working capital changes relating to trade and other receivables of ₹ 1,594.50 million and inventories of ₹ 366.56 million.

Net cash generated from operating activities for the financial year 2014 was ₹ 3,768.20 million, while net profit before taxation was ₹ 2,753.55 million. The adjustments were primarily attributable to interest expenses of ₹ 3,450.94 million, depreciation of ₹ 1,054.77 million and working capital changes relating to trade and other payables of ₹ 2,768.16 million, partially offset by interest income of ₹209.75 million and working capital changes relating to trade and other receivables of ₹ 1,308.00 million and inventories of ₹ 3,646.93 million.

Net cash generated from operating activities for the financial year 2013 was ₹ 392.08 million, while net profit before taxation was ₹ 1,241.62 million. The adjustments were primarily attributable to interest expenses of ₹ 1,430.04 million, depreciation of ₹ 475.24 million and working capital changes relating to trade and other payables of ₹ 2,275.09 million, partially offset by working capital changes relating to inventories of ₹ 5,253.28 million and trade and other receivables of ₹ 1,099.35 million.

Investing Activities

Net cash used in investing activities for the financial year 2015 was ₹ 1,020.82 million, primarily comprising additions and purchase of fixed assets of ₹ 1,200.43 million and purchase of investments of ₹ 2,473.68 million, partially offset by proceeds from sale of investments of ₹ 1,148.18 million and advance for fixed assets refunded of ₹ 808.01 million.

Net cash used in investing activities for the financial year 2014 was ₹ 12,628.98 million, primarily comprising additions and purchase of fixed assets of ₹ 15,514.71 million, partially offset by proceeds from sale of investments of ₹ 2,143.09 million.

Net cash used in investing activities for the financial year 2013 was ₹ 4,809.18 million, primarily comprising additions and purchase of fixed assets of ₹ 4,447.20 million and purchase of investments of ₹ 1,214.29 million, partially offset by proceeds from sale of investments of ₹ 584.10 million.

Financing Activities

Net cash used in financing activities for the financial year 2015 was ₹ 4,546.35 million, primarily comprising repayment of long-term borrowings of ₹ 12,808.71 million, interest paid of ₹ 4,016.62 million, short term loans repaid of ₹ 239.90 million and dividends paid (including tax on dividends) of ₹ 371.93 million, partially offset by proceeds from long-term borrowings of ₹ 13,010.56 million and issue of equity shares of ₹30.06 million.

Net cash generated from financing activities for the financial year 2014 was ₹ 8,855.30 million, primarily comprising proceeds from long-term borrowings of ₹ 15,045.07 million and short term loans availed of ₹ 921.53 million, partially offset by repayment of long-term borrowings of ₹ 3,861.78 million and interest paid of ₹ 3,493.24 million.

Net cash generated from financing activities for the financial year 2013 was ₹ 3,989.77 million, primarily comprising proceeds from long-term borrowings of ₹ 6,339.59 million, partially offset by repayment of long-term borrowings of ₹ 1,831.53 million and interest paid of ₹ 1,529.45 million.

Our Indebtedness

As of March 31, 2015, our consolidated total indebtedness was ₹ 33,083.10 million (excluding Debentures & Loans & Advances from others of ₹ 940.15 million), as set out below:

A) Long Term Debt

	As of March 31, 2015
	Amount *(₹ in millions)*
Secured:	
Loan from financial institutions	2,126.13
Loan from banks:	
Term Loans – Indian Rupees	27,805.50
Term Loans – Foreign Currency	1,369.17
Vehicle Loans	5.67
Total Secured	**31,306.47**
Unsecured:	
Loan from banks	550.00
Loans and advances from related parties	33.04
Loans from others	461.56
Debentures	
635,294 Zero Coupon Compulsory Convertible Debentures ("**CCDs**") Series "A" of ₹ 100 each	63.53
769,440 Zero Coupon CCDs Series "B" of ₹ 100 each	76.94
407,703 Zero Coupon CCDs Series "D" of ₹ 100 each	40.77
1 Zero Coupon Non Convertible Fully Redeemable Non Transferrable Debentures series "F"	230.00
176,600 0.0001% Series A Optionally Convertible Debentures of ₹ 100 each	17.66
166,483 Zero Coupon CCDs Series "G" of ₹ 100 each	16.65
Total Unsecured	**1,490.15**
Total Borrowings	**32,796.62**

B) Short Term Debt

	As of March 31, 2015
	Amount *(₹ in millions)*
Secured:	
Loan from banks	1,226.63
Total Borrowings	**1,226.63**

Non-compliance with covenants in financing agreements

Certain of our Subsidiaries and Associates have not been, and currently are not, in compliance with specific financial and other covenants, which constitute events of default under the respective financing agreement of the relevant Subsidiary and can also, with the operation of the relevant agreements, trigger cross default provisions under certain other financing agreements that such Subsidiary or Associate and, in certain cases, our other Subsidiaries have entered into. These non-compliances of our Subsidiaries and Associates include:

- Alliance Spaces Private Limited did not comply with two requirements of facility agreement dated November 12, 2013 with Standard Chartered Bank for a term loan of ₹ 900.00 million: (i) the sales milestone to be achieved as of April 30, 2015 was 35,548 square feet whereas the actual sales was 26,508 square feet; and (ii) the construction milestone to be achieved by February 28, 2015 was 64.7%, whereas the actual construction completed was 61.05%. As at March 31, 2015, the amount outstanding under this loan was ₹ 434.38 million.

- Pallazzio Hotels & Leisure Limited was not in compliance with (i) the debt-service coverage ratio for financial years 2015, 2014 and 2013; and (ii) credit rating requirements, under the common loan agreement dated January 14, 2011 with Bank of India, HDFC Limited, Saraswat Bank and Canara Bank for a loan of ₹ 6,400.00 million. As at March 31, 2015, the amount outstanding under this loan was ₹ 5,717.40 million.

- Offbeat Developers Private Limited was not in compliance with requirements to obtain a rating from an external credit rating agency for the financial years 2015 and 2014, under the term loan agreement dated June 29, 2012 with Yes Bank Limited for a term loan of ₹ 1,500.00 million. As at March 31, 2015, the amount outstanding under this loan was ₹ 545.50 million.

- Island Star Mall Developers Private Limited was not in compliance with the minimum occupancy rate required for the financial years 2015 and 2014 under the term loan agreement dated April 5, 2012 with Standard Chartered Bank for a term loan of ₹ 4,000.00 million. This loan has subsequently been repaid in full on June 19, 2015.

- Starboard Hotels Private Limited was not in compliance with the leasing milestone of 50,000 square feet for disbursement amounts beyond ₹ 550.00 million under the term loan agreement dated May 14, 2013, with ICICI Bank Limited for a term loan of ₹ 850.00 million. As at March 31, 2015, the amount outstanding under this loan was ₹ 650.00 million.

- In the past, each of Offbeat Developers Private Limited, Pallazzio Hotels & Leisure Limited and Gangetic Hotels Private Limited has deferred payments of amounts of principal and/or interest due to lenders under the terms of their respective loan agreements. As at March 31, 2015, the amount outstanding under Gangetic Hotels Private Limited's loan agreement was ₹ 1,402.46 million.

As at March 31, 2015, the total amount outstanding under the financing agreements of our Subsidiaries (excluding Island Star Mall Developers Private Limited's abovementioned loan from Standard Chartered Bank in light of its subsequent repayment) which could be accelerated due to the abovementioned non-compliances and cross-defaults was in excess of ₹ 18,000.00 million.

As at June 30, 2015, we had received no notices from lenders to the Company, our Subsidiaries or our Associates in connection with any defaults (including any cross defaults).

While we have been in discussions with our lenders in relation to the non-compliances of Alliance Spaces Private Limited, Starboard Hotels Private Limited, Pallazzio Hotels & Leisure Limited and Offbeat Developers Private Limited, we have not applied for or received formal waivers from those lenders in relation to the above-mentioned non-compliances of such companies. In respect of Island Star Mall Developers Private Limited, the term loan agreement dated June 29, 2012, with Standard Chartered Bank has been repaid in full on June 19, 2015. We are currently in negotiations to enter into a new facility in order to repay, in full, the loan in respect of which Offbeat Developers Private Limited is in non-compliance.

In respect of the deferred payments by Offbeat Developers Private Limited, Pallazzio Hotels & Leisure Limited and Gangetic Hotels Private Limited, as at May 31, 2015 no such defaults were subsisting, with such companies having made all necessary payments of outstanding amounts of principal and interest, any default interest or penalties thereon, to the relevant lenders.

For details see "Certain of our Subsidiaries and Associates were, in the past, and are currently, not in compliance with specific obligations under their financing agreements, each of which has the potential to trigger cross defaults under other financing agreements that the relevant Subsidiary or Associate and, in certain cases, our other Subsidiaries have entered into. Our Subsidiaries and Associates may not be able to meet their obligations to their lenders if such current or

any future defaults lead to acceleration of repayment obligations or termination of one or more of our Subsidiaries' or Associates' financing agreements, which may adversely affect our cash flows, business, results of operations and financial condition".

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under contractual commitments as of March 31, 2015, aggregated by type of contractual obligation, and as specified in our Financial Statements:

	As of March 31, 2015				
	Total	**Less than 1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
			(₹ in millions)		
Long term debt	31,306.47	3,567.19	12,007.29	8,724.22	7,007.77
Working capital loan	1,776.63	1,222.55	553.36	0.71	–
Capital commitments.....	1,199.51	1,199.51	–	–	–
Total Contractual Obligations	**34,282.61**	**5,989.25**	**12,560.65**	**8,724.93**	**7,007.77**

Contingent Liabilities and other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as of March 31, 2015:

	As of March 31, 2015
Particulars	*(₹ in millions)*
Estimated amount of contracts remaining to be executed on capital account.....	1,199.51
Income tax	252.01
Service tax	140.25
Provident fund	2.47
Outstanding guarantees given by banks	1,686.93
Other claims	127.46
**Total..... **	**3,408.63**

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We have in the course of our business entered into transactions with related parties. These transactions include lease of properties, loans and advances given, among others.

For further information on our related party transactions under Accounting Standard 18, see note 29 to our financial statements.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, commodities risk and foreign currency exchange risk. We are exposed to commodity risk and interest rate risk in the normal course of our business.

Interest Rate Risk

We currently have floating rate indebtedness with banks and other financial institutions and thus are exposed to market

risk as a result of changes in interest rates. As of March 31, 2015, most of our indebtedness consisted of floating rate indebtedness. We do not currently use any derivative instruments to modify the nature of our exposure to floating rate indebtedness or our deposits so as to manage interest rate risk. See further "Risk Factors — Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly".

Commodity Price Risk

We are exposed to risk fluctuations in prices of commodities such as steel, cement and sand in the construction of our developments, though our construction contracts limit our exposure to a certain degree. We currently do not have any hedging mechanism in place in respect of any of these commodities.

Exchange Rate Risk

We are exposed to exchange rate risk because a portion of our borrowings are denominated in foreign currencies. We have not entered into any forward exchange contracts to hedge our exchange rate risk. Therefore, exchange rate fluctuations may affect the amount of income and expenditure we realize or our ability to service debt repayments in a foreign currency. See "Risk Factors – Internal Risks – Exchange rate fluctuations may adversely affect our results of operations as a portion of our borrowings are denominated in foreign currencies".

Matters of Emphasis in Auditor's Examination Report

For the financial year 2014, our Auditors have included the following matters of emphasis in their examination report:

- no impairment provision in respect of Company's investment in equity shares of Entertainment World Developers Limited ("**EWDL**") and the pending realization from EWDL against the put option exercised on fully convertible debentures of Treasure World Developers Private Limited, a subsidiary of EWDL. See "Risk Factors – Internal Risks – Our investment in Entertainment World Developers Limited is impaired and may adversely affect our results of operations"; and

- the termination of the hotel management agreement dated August 24, 2007 between Pallazzio Hotels & Leisure Limited and Shangri-La International Hotel Management Pte. Limited for operation of the hotel of Pallazzio Hotels & Leisure Limited in Lower Parel, Mumbai, the dispute thereof having been referred to arbitration and is currently pending conclusion; see "Legal Proceedings".

For the financial year 2015, our Auditors have included the following matters of emphasis in their examination report:

- the impairment provision in respect of Company's investment in equity shares of EWDL and the pending realization from EWDL against the put option exercised on fully convertible debentures of Treasure World Developers Private Limited, a subsidiary of EWDL. A provision of ₹ 912.50 million for diminution of these investments has been made. See "Risk Factors – Internal Risks – Our investment in Entertainment World Developers Limited is impaired and may adversely affect our results of operations";

- as of March 31, 2015, trade receivables of ₹ 559.73 million in respect of mall operations of Offbeat Developers Private Limited were outstanding for more than six months. The Company is in the process of recovering these receivables, pending which, a provision of ₹ 368.82 million has been made in our Audited Consolidated Financial Statements as doubtful debts;

- as of March 31, 2015, unsecured trade receivables of ₹19.30 million and ₹ 3.22 million in respect of operations of Upal Developers Private Limited and Blackwood Developers Private Limited, respectively, were outstanding for recovery from various parties; however, no provision against these amounts has been made in the Audited Consolidated Financial Statements; and

- the termination of the hotel management agreement dated August 24, 2007 between Pallazzio Hotels & Leisure Limited and Shangri-La International Hotel Management Pte. Limited for operation of the hotel of Pallazzio Hotels & Leisure Limited in Lower Parel, Mumbai, the dispute thereof having been referred to arbitration and is currently pending conclusion; see "Legal Proceedings".

Seasonality of Business

Our results of operations do not generally exhibit seasonality.

Interest Coverage Ratios:

The Company's interest coverage ratio as per the Company'standalone financial statements as of March 31, 2015, 2014 and 2013 was as follows:

Particulars	**For the year ended March 31,**		
	2015	**2014**	**2013**
Interest Coverage Ratio*	3.80	5.58	7.83

* Interest Coverage Ratio = $\frac{\text{EBIT}}{\text{Interest Expense}}$

Where, EBIT = Earnings Before Interest and Tax

Significant developments occurring after March 31, 2015

To our knowledge, except as described below and as otherwise disclosed in this Placement Document, no circumstances have arisen since March 31, 2015 which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

NCD Issue by Classic Mall Development Company Private Limited

The board of directors and the shareholders of Classic Mall Development Company Private Limited have passed resolutions on May 13, 2015 and June 8, 2015, respectively, approving an issuance of 4,500 rated, listed, secured, taxable, redeemable non-convertible debentures of a face-value of ₹ 1 million each ("**NCD**") aggregating up to ₹ 4,500 million on a private placement basis for the purpose of, inter alia: a) repayment of existing debt of the Classic Mall Development Company Private Limited, and b) general corporate purpose ("**NCD Issue**"). The aforesaid debentures are proposed to be listed on the NSE and the BSE. Pursuant to the aforesaid resolutions, the board of directors and the shareholders of Classic Mall Development Company Private Limited have also approved, creation of a first ranking equitable mortgage on pari-passu basis undivided share of land admeasuring 34,136.72 square meters or thereabouts out of larger extent of 66,915.10 square meters situated at northern and western part of Old Door No. 27/39, then Door No. 66, now bearing New Door No. 142, Velachery Road, Chennai 400042, in Velachery Village, Mambalam Guindy Taluka, (formerly Saidapet Taluka, Chenglepet District, comprised in T.S. nos.: 6/2 and 6/3 (formerly T.S No. 6) of Block 20, Velachery Village, Mambalam Guindy Taluka), Registration District of Chennai south in the state of Tamil Nadu, city of Chennai and Sub- Registration District Velachery, comprised in Patta No. CA 508/94, along with the building located at Phoenix MarketCity, Chennai constructed thereon in favour of the trustees for the holders of the NCDs ("**Debenture Trustee**") to secure the amount payable by Classic Housing Projects Private Limited ("**Option Provider"**) under the terms of the put option agreement to be executed between the Debenture Trustee, the Option Provider and the Company in connection with the NCD Issue.

Rights Issue by Pallazzio Hotels & Leisure Limited

The board of directors of Pallazzio Hotels & Leisure Limited has passed a resolution on May 13, 2015, approving an issuance of 842,969 CCDs of face value of ₹ 100 each for cash at a premium of ₹ 1,240.50 per CCD to the existing security holders of Pallazzio Hotels & Leisure Limited in proportion to their holdings on fully diluted basis, aggregating to ₹ 1,130.00 million, as on a specified record date on a rights basis ("**Record Date**") ("**Rights Issue**"). The board of directors of Pallazzio Hotels & Leisure Limited vide the aforesaid resolution also approved: a) the Record Date for the Rights Issue as May 13, 2015; and b) the Rights Issue opening and closing dates as June 29, 2015, and July 13, 2015, respectively. If fully subscribed by existing security holders of Pallazzio Hotels & Leisure Limited in accordance with their entitlements, the Rights Issue will not result in any change to existing security holders' percentage equity interests (on a fully diluted basis).

Acquisition of equity shares in Vamona Developers Private Limited and Island Star Mall Developers Private Limited

Our Company has entered into a share purchase agreement, dated June 18, 2013, with K2 Property Limited and K2C Retail Limited, to acquire 6,000,000 equity shares (representing 24.0% of the outstanding equity shares) of Vamona Developers Private Limited from K2 Property Limited and K2C Retail Limited. On June 23, 2015, we completed the acquisition of shares under the agreement and accordingly our total equity shareholding in Vamona Developers Private Limited is 86.6%.

Pursuant to a share purchase agreement, dated June 5, 2015, the Company acquired 1,992,593 equity shares (representing approximately 6.9% of the outstanding equity shares) of Island Star Mall Developers Private Limited from Edelweiss Trustee Services Limited on June 10, 2015.

INDUSTRY OVERVIEW

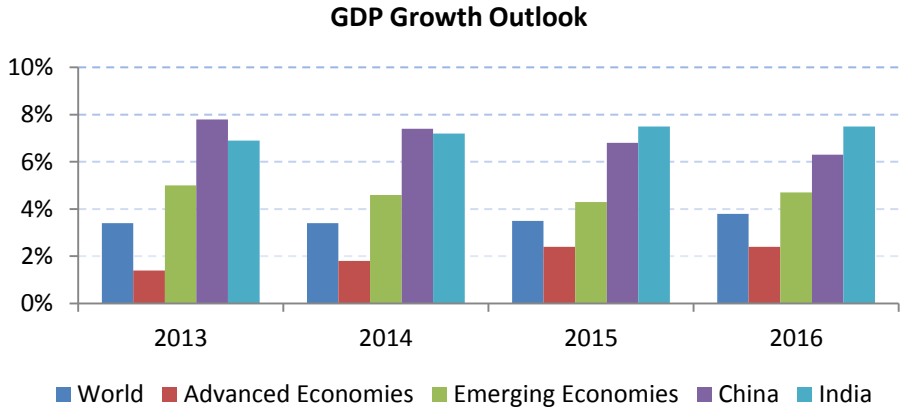
*The information contained in this section is derived from Knight Frank (India) Private Limited ("**Knight Frank**") and Cushman & Wakefield India Private Limited ("**Cushman & Wakefield**") and various government publication, analyst reports and industry sources. Neither we nor any other person connected with this Issue have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.*

Industry publication are also based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

The data/information from the Knight Frank Research, Think India. Think Retail., 2015 and Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014 reports referenced herein is published for general information only and not to be relied upon in anyway. Although high standards have been used by Knight Frank in the preparation of the information analysis, views and projections, no responsibility or liability whatsoever can be accepted by Knight Frank for any loss or damage resultant from any use of, reliance on or reference to the contents of this material. The material does not necessarily represent the view of Knight Frank in relation to particular properties or projects.

The Indian Economy

The Indian economy is one of the largest economies in the world with a GDP at current prices of ₹ 105.40 trillion for financial year 2014 (*Source: Ministry of Statistics and Programme Implementation, Annual Report 2013-14*). India is one of the fastest-growing major economies in the world, with an estimated GDP growth rate at constant prices of 7.5% for the fourth quarter of financial year 2015 (*Source: Central Statistics Office*). In financial year 2014, China and India sustained real GDP growth rates of 7.4% and 7.2%, respectively, which are among the highest of any economy in the world. The following graph shows India's economic growth in comparison to other economies:



(*Source: International Monetary Fund World Economic Outlook Database, April, 2015)*

Brighter prospects in India owe mainly to the fact that the economy stands largely relieved of the vulnerabilities associated with an economic slowdown, persistent inflation, elevated fiscal deficit, slackening domestic demand, external account imbalances, and the oscillating value of the rupee in financial year 2012 and financial year 2013. Indicators emerging from revised estimates of national income published by the Indian Central Statistics Office, point to the fact that the revival of growth started in financial year 2014 and attained further vigour in financial year 2015. (*Source: Economic survey, FY 2014-15, available at http://indiabudget.nic.in/es2014-15/echapter-vol2.pdf*)

With the revision in calculation methodology and base year to financial year 2012, India's real GDP growth numbers have been restated – reflecting a growth of 6.9% in financial year 2014 and 7.4% (advanced estimates) in financial year 2015.

Industry	FY 2013-14	FY 2014-15 (AE)
Agriculture, forestry & fishing	**3.7**	**1.1**
Industry	**4.5**	**5.9**
Mining & quarrying	5.4	2.3
Manufacturing	5.3	6.8
Electricity, gas, water supply& other utility services	4.8	9.6
Construction	2.5	4.5
Services	**9.1**	**10.6**
Trade, hotels & restaurants, transport &communication	11.1	8.4
Financing, insurance, real estate & business services	7.9	13.7
Community, social,& personal services	7.9	9.0
Gross Value Added at basic prices	**6.6**	**7.5**
Gross Domestic Product (at market prices)	**6.9**	**7.4**

(Source: CSO, Advanced Estimates of National Income, shared in Economic survey, available at http://indiabudget.nic.in/es2014-15/echapter-vol2.pdf)

Domestic economic activity remains moderate in the first quarter of financial year 2016. Agricultural activity was adversely affected by unseasonal rains and hailstorms in north India during March 2015 and leading indicators of services sector activity are emitting mixed signals. A pick-up in service tax collections, sales of trucks, railway freight, domestic air passenger and air freight traffic could augur well for transport and communication and trade. On the other hand, the slowdown in tourist arrivals, railway traffic and international air passenger and freight traffic could affect hotels, restaurants and some constituents of transportation services adversely. (*Source: RBI Second Bi-monthly Monetary Policy Statement, 2015-16, available at https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=34073*).

Merchandise export growth has weakened steadily since July 2014 and entered into contraction from January 2015 through April, with a recent shrinking of even volumes exported. Net exports are, therefore, unlikely to contribute as much to growth going forward as they did in financial year 2015. Consequently growth will depend more on a strengthening of domestic final demand. While portfolio and direct foreign investment flows were buoyant during financial year 2015, with net foreign direct investment to India at US$ 36.6 billion and net portfolio inflows at US$ 41 billion, the financial year 2016 has begun with net portfolio outflows in the wake of a reduction in global portfolio allocations to India. Foreign exchange reserves are around US$ 350 billion, providing a strong second line of defence to good macroeconomic policies if external markets turn significantly volatile. (*Source: RBI Second Bi-monthly Monetary Policy Statement, 2015-16, available at https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=34073*).

The Real Estate Market in India

Overview

The real estate market in India can broadly be divided into residential, commercial and retail segments. According to the economic survey financial year 2015, the real estate and ownership of dwellings sector constituted 7.8% of India's GDP in financial year 2014. Both domestic and global slowdown affected this sector with growth decelerating from 7.6% in financial year 2013 to 6.0% in financial year 2014 and FDI in the real estate sector falling to US$ 703 million in the period between April to November 2014. (*Source: Economic survey, FY 2014-15, available at http://indiabudget.nic.in/es2014-15/echapter-vol2.pdf*)

Historically, the real estate market has been highly fragmented and consists of unorganised entities such as local builders as well as corporate developers and builders. Factors such as the absence of a centralized title registry providing title guarantee, a lack of uniformity in local laws affecting real estate and their application, a lack of availability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values hampered organisation and transparency in this sector. However, various regulatory reforms over the years, including the repeal of the Urban Land (Ceiling and Regulation) Act (in most states), repealing the Rent Control Act, revised FDI norms and new development control regulations have contributed towards greater organisation and transparency over the recent years. The passing of the Land Acquisition Bill and Real Estate Regulation and Development Bill, 2013, is also expected to further contribute towards greater regulation of the real estate sector in India, for more details, see "—

Current and Proposed Regulations Impacting the Real Estate Market" below.

The Government of India is also in the process of promulgating regulations to permit REITs and Rupee denominated bonds, which will provide further access to funding for developers, better valuations of commercial properties and access to individual commercial real estate investors. Further, the Smart Cities project initiated by the Government to upgrade urban India may lead to more opportunities for real estate development across India, see "—Current and Proposed Regulations Impacting the Real Estate Market" below.

Some of the key characteristics of the Indian real estate sector are:

Highly fragmented market dominated by regional players. Rapid growth in the last decade has seen the emergence of larger players who have differentiated themselves through superior execution and branding. Further, these players are now able to capitalise on their early mover advantage with high market share while remaining confined to local or regional markets. While the larger regional players are now initiating efforts to develop a broader geographic presence, their home markets continue to generate a majority of their profitability.

Local know-how is a critical success factor in the development phase. One of the key reasons for the emergence of local developers is the critical importance of local knowledge, supply chain, customer insights and relationships in ensuring successful and timely development and sale of real estate projects. Property is a state-governed industry in India and the rules and regulations that affect, among other things, approval processes and transaction costs, vary from state to state.

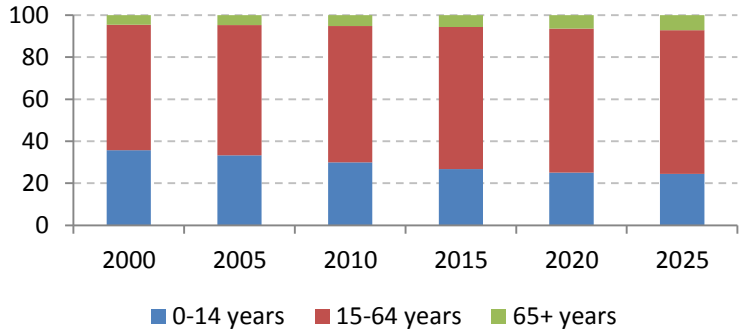
Key Drivers of the Real Estate Sector

The following are some of the key drivers of real estate demand and supply in India:

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

Demographic shifts. Demographic trends such as a rising population, increased urbanisation, the growth of families and an increase in the working population play a key role in driving real estate demand. The increasing working age population, more and more of which is shifting to urban agglomerates, is a long term positive indicator for the sector in India.

Key Results of Population Projection for India under the Optimistic Scenario, 2000-2025

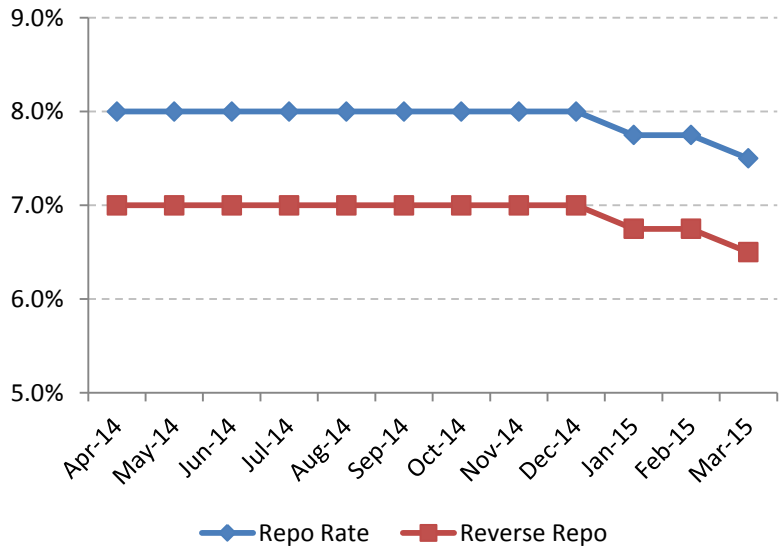


(Source: Planning Commission, Demographic scenario, 2025, P.N. Mari Bhaat, Institute of Economic Growth, Delhi, available at http:// http://planningcommission.nic.in/reports/sereport/ser/vision2025/demogra.pdf)

Interest rates and credit off-take. Rate cut cycle has already been kickstarted with the RBI reducing the benchmark repo rates by 50 basis points since January 2015. This has resulted in the lowering of base rates by banks and is expected to increase housing loan demand. On June 2, 2015, the RBI has announced a reduction in the policy repo rate under the liquidity adjustment facility ("**LAF**") from 7.5% to 7.25% with immediate effect. (*Source: RBI Second Bi-monthly Monetary Policy Statement, 2015-16, available at https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=34073*)

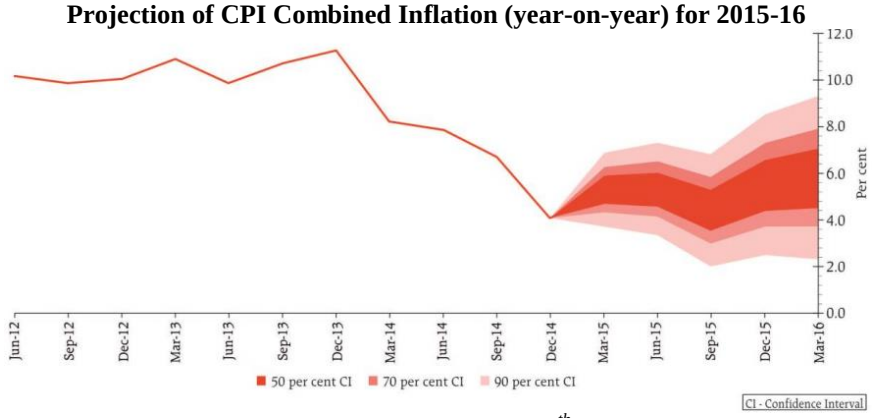
Further, the RBI expects CPI combined inflation (year-on-year) to remain close to 6.0% target levels, creating more headroom for an accommodative monetary policy.

Key Interest Rates



(Source: RBI, available at http://dbie.rbi.org.in/DBIE/dbie.rbi?site=home)

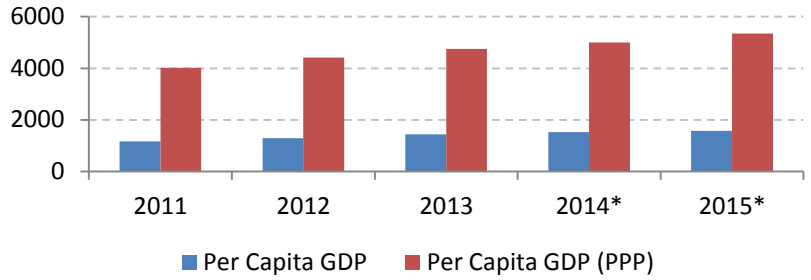
Projection of CPI Combined Inflation (year-on-year) for 2015-16



(Source: RBI, Monetary policy statement, 7th April, 2015, available at https://rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=33628)

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

Per capita GDP -India



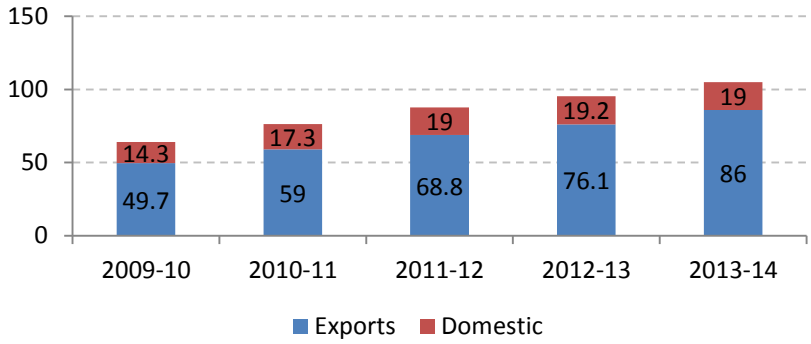
** IMF Staff Estimates*
(*Source: International Monetary Fund, World Economic Outlook Database*)

Household savings, as a percentage of GDP, are projected by the working group on savings during the Twelfth Five Year Plan to increase from 23.2% in 2011 to 2012 to 25.2% in 2016 to 2017 (*Source: RBI, available at https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?ID=662#C6*). Increasing income and rates of savings increase affordability for the general population, positively impacting the real estate market.

Increase in Foreign Direct Investment. Overall, India attracted FDI of approximately US$ 36,860 million in financial year 2013, US$ 36,396 million in financial year 2014 and US$ 44, 877 million in financial year 2015, as compared to an average of US$ 24,563 million per year from financial year 2001 through financial year 2015 (*Source: Reserve Bank of India Bulletin, Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India –FDI Statistics*).

Growth in Services. Services-sector growth has increased from 8.0% in 2012 - 2013 to 9.1% in 2013 - 2014 and further to 10.6% in 2014 - 2015, as per the union budget for 2014 - 2015 (*Source: Economic Survey, FY 2014-15, available at http://indiabudget.nic.in/es2014-15/echapter-vol2.pdf*). Strong growth in services, led by the IT and ITeS sectors has resulted in increased demand for office spaces across the major urban centres in India. According to the Government of India, Department of Electronics and Information Technology, the sector has grown at a CAGR of 11.88% over the period of 2009 to 2014, to a total size of US$ 105.00 billion (*Source: DeitY, available at http://deity.gov.in/content/performance-contribution-towards-exports-it-ites-industry*). The industry information technology – business process management body, NASSCOM, expects 13.0% to 15.0% growth in exports in 2014 to 2015, with expected domestic market growth of 9.0% to 12.0%. (*Source: NASSCOM, available at: http://www.nasscom.in/upbeat-and-growing-itbpm-industry-enters-digital-ecosystem-era*)

IT/ITeS Industry Size (USD Billion)



(Source: Department of Electronics and Information Technology, Govt. Of India, available at http://deity.gov.in/content/performance-contribution-towards-exports-it-ites-industry#tab1)

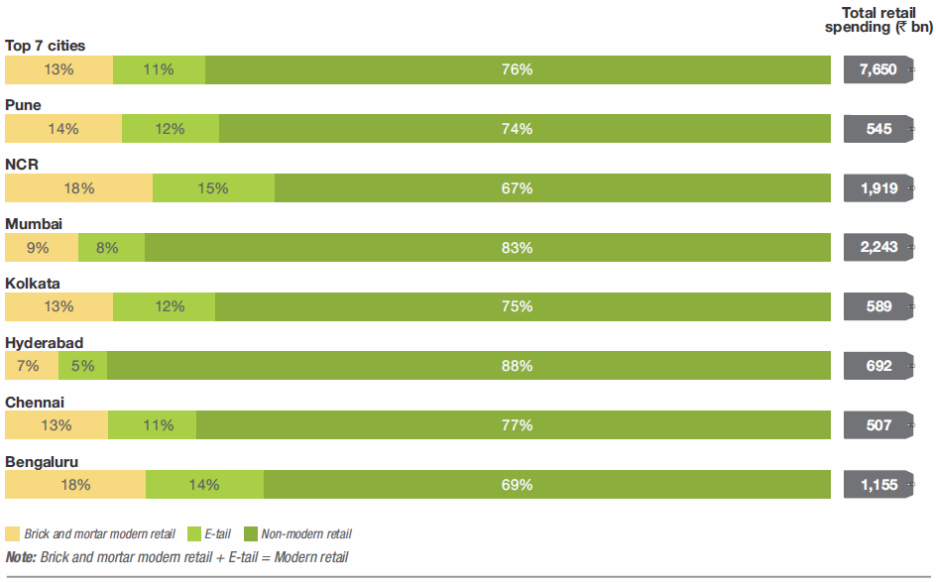
Enhanced role of mortgage financing. Over the last five years, a significant portion of new land acquisitions, particularly in the larger cities in India, has been financed through banks and financial institutions. This has been aided by a decline in interest rates and broader availability of financing products, due to aggressive marketing and product

development by financial institutions. According to the RBI, the gross personal loan credit outstanding to the housing sector (including priority sector housing) from scheduled commercial banks has grown from ₹ 4,567.00 billion at the end of March 2013 to ₹ 6,309.00 billion in March 2015. (*Source: RBI – Sectoral Deployment of Bank Credit – March 2015, available at http://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/IEPR2308B672060AF2BD4E83BE441DD4C11442AA.PDF*) However, institutional credit for housing investment is well below that of countries such as China, Thailand, and Malaysia despite growing at a CAGR of about 19.0% per annum, as per the union budget for 2014 - 2015. (*Source: Economic Survey, FY 2014-15, available at http://indiabudget.nic.in/es2014-15/echapter-vol2.pdf*)

Retail Real Estate in India

In 2014, the total retail spending in the cities of Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, National Capital Region ("**NCR**") and Pune, amounted to ₹ 3,586.00 billion (US$ 59.80 billion), with the Mumbai market accounting for 29.0% of total retail spending and NCR and Bengaluru accounting for 25.0% and 15.0%, respectively. Total spending in these cities is expected to more than double from ₹ 3,586.00 billion (US$ 59.80 billion) in 2014 to ₹ 7,650.00 billion (US$ 127.50 billion) in 2019. The sale of modern retail is estimated to increase between 19.0% to 24.0% during the same period. Modern retail covers stores that provide a purchase invoice, are recognised/national brands or have air-conditioning and consists of both brick and mortar modern retail and "E-tail". Brick and mortar modern retail covers the physical modern retail stores whilst E-tail covers the sale of retail products through online channels such as the Internet, mobile phones and television. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

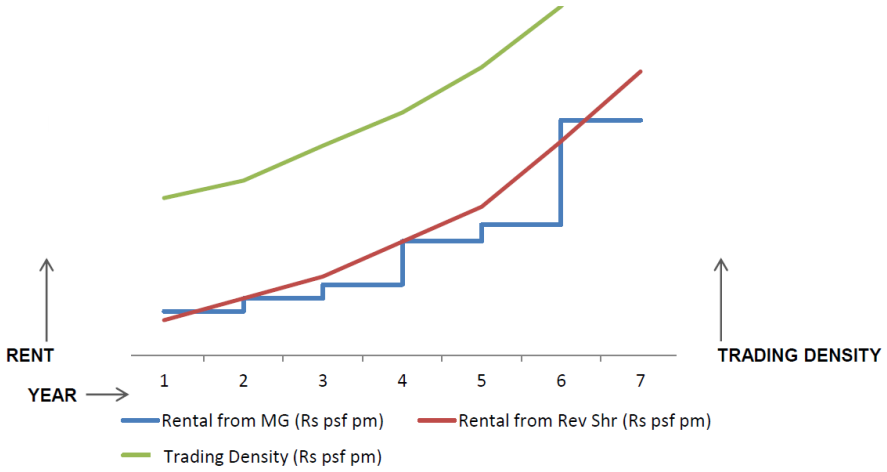
Projected Total Retail Spending and Penetration of Modern Retail in 2019 (Space in square feet)



(Source: Knight Frank Research, Think India. Think Retail., 2015)

Modern retail penetration in the cities of Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, National Capital Region and Pune stood at 19.0% in 2014, of which brick and mortar modern retail was at 17.0% and E-tail at 2.0%. NCR has the highest penetration of brick and mortar modern retail at 23.0%, followed by Bengaluru at 21.0%. Mumbai, on the other hand, only has a 12.0% penetration of brick and mortar modern retail. Between 2014 and 2019, the share of brick and mortar modern retail is expected to fall from 17.0% to 13.0%, thereby moderating the expected annual growth rate for brick and mortar modern retail to 4.3 million square feet per annum during the same period. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Increasing Consumption Leading to Increasing Rental Income (Illustration)



(Source: Company illustrative chart based on management and company data)

Rentals in India are generally benchmarked to nominal inflation rates and the general convention is to include a contractual escalation of 15% every three years and a percentage increase annually in the interim for minimum guaranteed rental. In a market with growing retail spending, linking rentals to business performance can enable the mall owner to earn higher rentals when compared to contractually guaranteed rental amounts. Hence, a majority of contracts with tenants set rentals as the higher of minimum guarantee or revenue share, where minimum guarantee is a fixed amount and revenue share is a variable amount, calculated as a percentage of revenues earned by the tenant. Over time, as the mall business stabilizes and Consumption grows, the revenue share component would grow much faster than contractual escalations in minimum guarantee which would enable the mall owner to earn higher rentals. When the term of the lease expires, the fresh lease signed typically sets the minimum guaranteed rental in-line with the revenue share amount at the time.

Entertainment in India

Entertainment, including multiplexes, accounts for approximately 8.0% of the occupied modern retail space of the top seven cities (Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, NCR and Pune). Domestic retailers dominate the entertainment product category of the occupied modern retail space across the top seven cities with national retailers represent 64.0%, regional retailers represent 13.0% and local retailers represent 16.0%. Foreign retailers represent only 7.0% of the entertainment product category in the occupied modern retail space. Further, 58.0% of all retail stores in the entertainment category are above the size of 3,000 square feet. (*Source: Knight Frank Research, Think India. Think Retail., 2015*)

Residential Real Estate in India

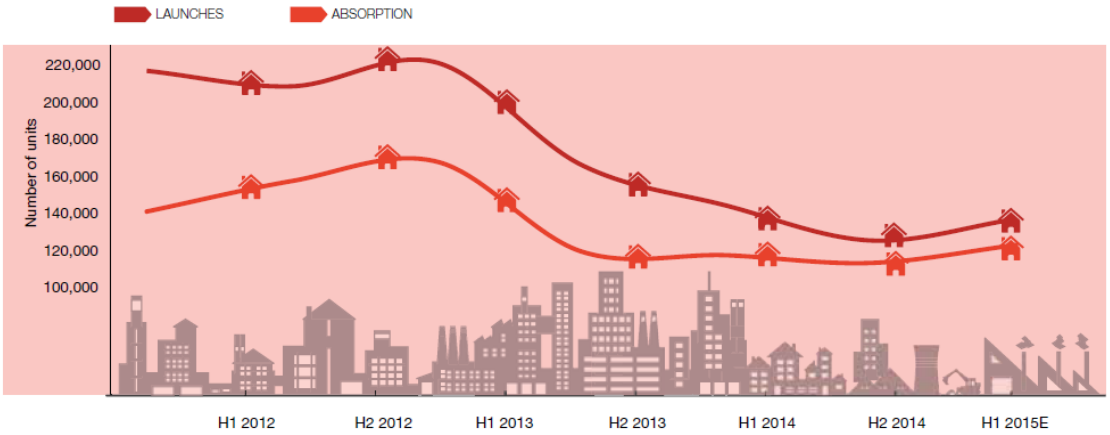
Propelled by various key drivers, as discussed below, demand in the Indian residential property segment has consistently outpaced supply, resulting in massive urban housing shortage. According to the Ministry of Housing and Urban Poverty Alleviation (MHUPA), the urban housing shortage stood at 18.8 million units in 2012, down from 24.71 million units in 2007, but still creating a huge potential demand. *(Source: MHUPA, Govt. of India, available at http://mhupa.gov.in/pdf/annual-reports/Annual_Reprot_English_2012-13.pdf)*

However, this potential demand, based on long term factors, is not reflected in the real demand in the cities of Bengaluru, Chennai, Hyderabad, Mumbai, NCR and Pune, where launched supply continues to outpace demand, resulting in unsold inventory, mainly due to a lack of affordability.

In 2014, a total of 234,930 units were sold in Bengaluru, Chennai, Hyderabad, Mumbai, NCR and Pune, while 268,950 units were launched. Sales volume fell by 17.0% in 2014 over 2013 while launches were down 28.0%. The fall in new launches was observed across all these cities. Going forward, modest increases in sales volume of 4.0% in January to June 2015 and a 4.0% fall in new launches are expected, thereby easing the amount of accumulated inventory. A 2.0% to 6.0% price growth is expected in most cities. Though Mumbai is expected to have double digit growth in the

weighted average price of 10.0% for the same period. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Launches and Absorption in 6 major cities

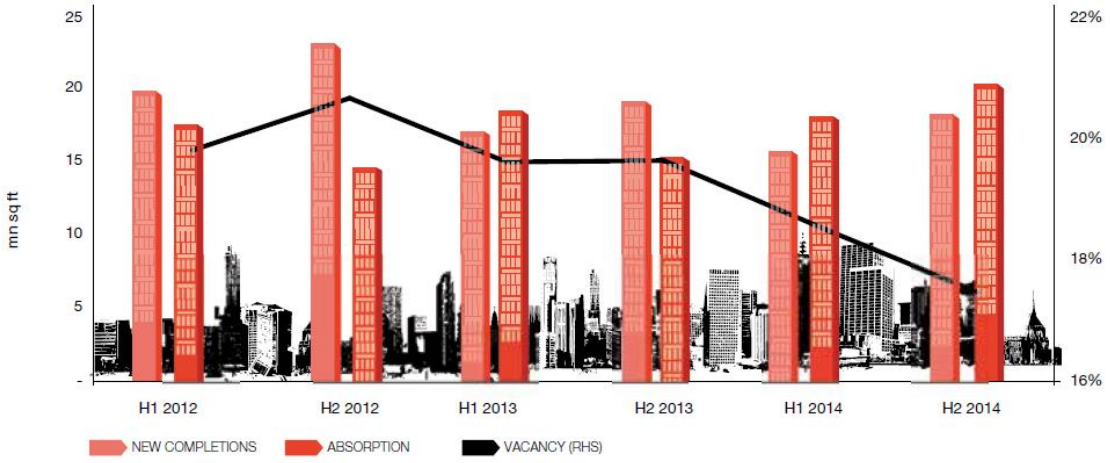


(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)

Commercial real estate in India

The office real estate market in India is gradually showing signs of growth, with vacancy levels on a downward trend, since 2013. Vacancy levels have dropped to 17.5% in July to December 2014 from 19.6% a year ago in the cities of Bengaluru, Chennai, Hyderabad, Mumbai, NCR and Pune. While absorption increased by 14.0% in 2014, new completions contracted by 6.0%. The growth in the office real estate market has been led by the IT/ITeS sector. Bengaluru leads the market in terms of occupied stock. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Office space completion, absorption and vacancy across 6 major cities



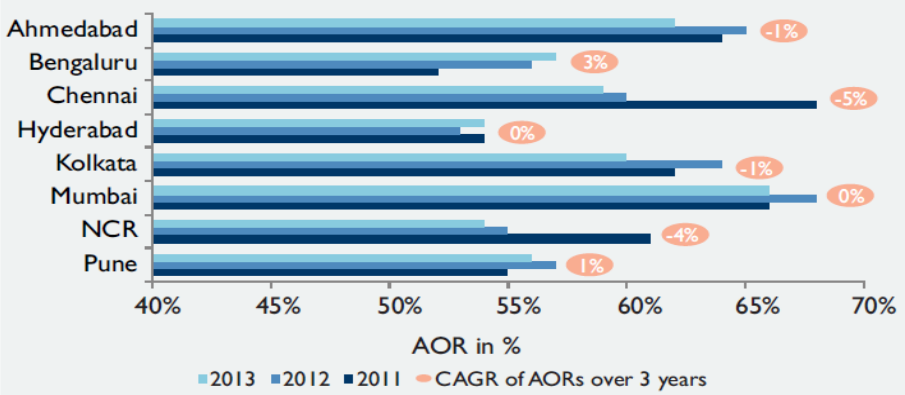
Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)

Hospitality in India

Recent growth in the hospitality sector in India has primarily been attributable to a strong economy, increased business travel and tourism. Demand in the hospitality sector for Tier 1 cities (Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, Delhi and Pune) is expected to increase by 68.0% by 2018 from 77,000 rooms in 2013, with supply in Kolkata expected to double, and supply in Mumbai and NCR expected to increase by 71.0% and 86.0%, respectively.

During 2013, most destinations showed a decrease in Average Occupancy Rate ("**AOR**") levels over 2012 with the exception of Bengaluru and Hyderabad. The overall decline could be attributed to the addition of substantial inventory, an average decline of 3.0% in air passengers to these cities, slower commercial and investment activity and watchful travellers. *(Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014)*

Average Occupancy Rate



(Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014)

Nevertheless, growth in the hospitality sector is likely to be assisted significantly by tourism and travel to India, which will be further aided by the introduction of visa on arrival and online visa applications for citizens of several countries. According to The World Travel & Tourism Council's report on the impact of Tourism & Travel, the total contribution to the Indian economy from the travel and tourism sector is expected to increase by 7.3% in 2014 from ₹ 6,632.00 billion in 2013 *(Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014)*

Growth of the hospitality sector in leisure destinations is also expected to be positive. Demand in leisure destinations, such as Agra, Goa, Jaipur and Varanasi, typically exhibit high seasonality, a high dependence on leisure tourists and the presence of supply in almost all hotel categories (budget to luxury). However, with the development of better access (road and air), these destinations have been able to recreate themselves to attract newer market segments, which has also attracted interest from international operators. *(Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014)*

Real Estate Market in Mumbai

Overview of Mumbai

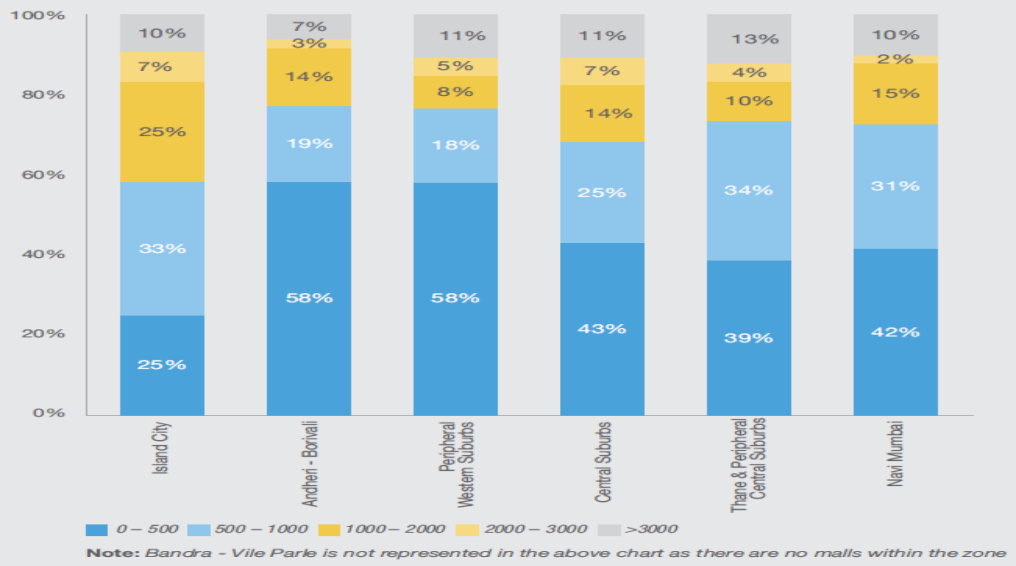
Mumbai is the capital city of the State of Maharashtra and is also the commercial, entertainment and fashion capital of India. Mumbai consists of two distinct regions: the island city (South Mumbai) and the suburbs (Western and Central). As per the 2011 census, the populations of Mumbai and Thane were approximately 12.4 million and approximately 11.1 million, respectively, representing 1.94% of the Indian population (*Source: India 2011 Census, available at: http://www.censusindia.gov.in/*).

Retail Micro Market in Mumbai

Mumbai has the highest proportion of mall space in India, as 59.0% of total modern retail space in Mumbai consists of malls. However, Mumbai has only a 12.0% penetration of brick and mortar modern retail and has mall space penetration per capita of 350 square feet per 1,000 population. This is lower than the average mall space penetration per capita of in the of Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, NCR and Pune in terms of. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Compared to shopping streets, malls dominate the retail arena in Mumbai at 59.0%. However, the Bandra-Vile Parle zone of Mumbai, which only has shopping streets, has the highest density of modern retail space, as most modern retail space is located in prominent shopping streets such as Linking Road, Juhu Tara Road and S.V. Road. Further, due to space constraints the majority of retail stores in malls in Mumbai are below the size of 1,000 square feet. (*Source: Knight Frank Research, Think India. Think Retail., 2015*)

Size-wise split of occupied modern retail stores in malls (per sq. ft.)



(Source: Knight Frank Research, Think India. Think Retail., 2015)

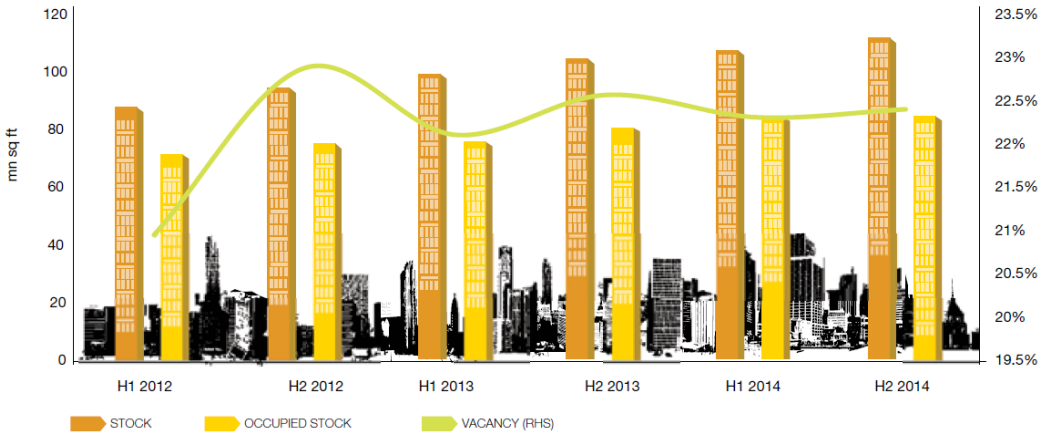
Total retail spending in Mumbai is projected to increase to more than double from ₹ 1,037.00 billion in 2014 to ₹ 2,243.00 billion in 2019, primarily on account of an accelerated growth in modern retail. The expansion of modern retail is in line with changing consumer tastes of the Mumbai retail market, whereby consumers are currently inclining towards lifestyle products and services. For example, in Navi Mumbai, apparel has the highest penetration of the modern retail space at 16.0%, followed by hyper and supermarkets at 15.0% and food and beverage and entertainment at 13.0% each. Foreign brands, such as Vero Moda, Hamleys, Lifestyle, McDonalds and Dominos, have a significant presence in the occupied modern retail space in almost all zones of Mumbai, especially in the Central Suburbs zone at 28.0%. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Commercial Micro Market in Mumbai

Mumbai continues to offer a wide range of job opportunities and this reflects in India's migration patterns. While Mumbai's manufacturing sector has relocated to its satellite towns and extended suburbs, its services base is the most diversified. Banking, financial services, insurance, consumer goods and services, electronics, healthcare, media and entertainment, IT services, professional services, transportation and logistics, among others, make Mumbai a "City of Opportunities".

Renewed economic sentiment has started to reflect on the Mumbai office absorption numbers. At 7.3 million square feet, office space absorption in the Mumbai is at a three-year high and 18.0% stronger than last year. In July to December 2014, absorption doubled to 4.8 million square feet and project completions increased 67.0% to 6.4 million square feet compared to July to December 2013. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

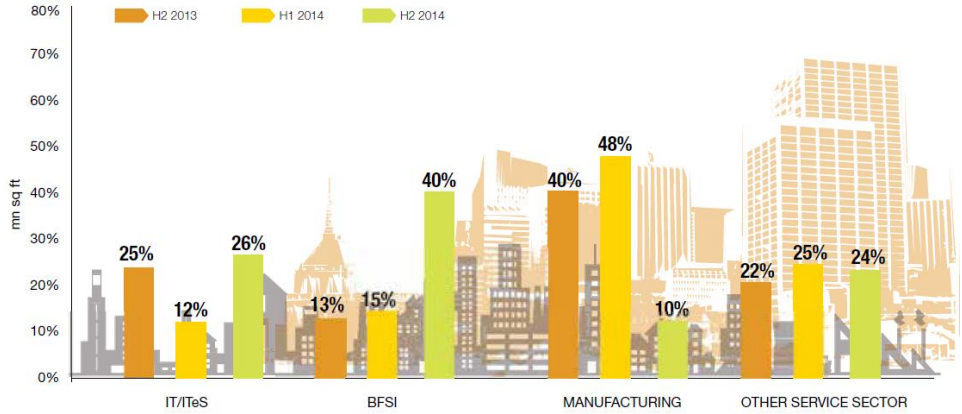
Mumbai office space stock and vacancy levels



(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)

The banking, financial services and insurance sector has made a remarkable comeback in July to December 2014 by contributing 40.0% of absorption in Mumbai. Corporates such as Reliance Capital, Deutsche Bank, ICICI Prudential and Société Générale have taken up office space in this period, while the share of manufacturing industry participants has declined. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Sector wise split of absorption



(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)

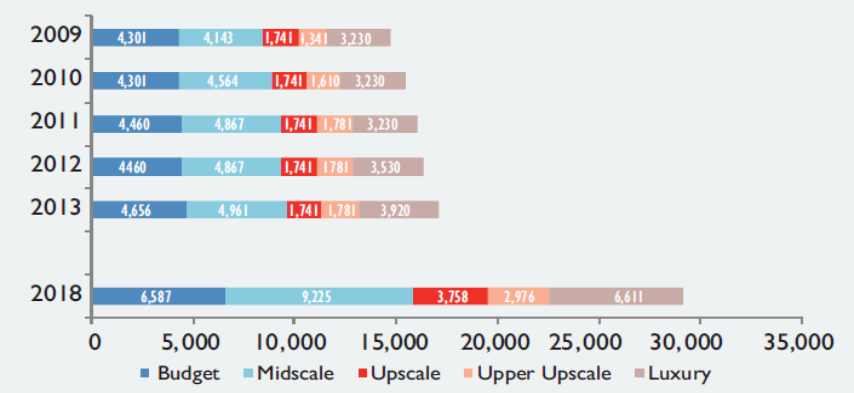
Going forward, it is expected that improving economic momentum and easing monetary policy will revitalise the business prospects of driver industries in Mumbai. Absorption in January to June 2015 is projected to improve by 60.0% to 4.0 million square feet and project completions to improve by 85.0% to 5.3 million square feet compared to January to June 2014. The vacancy level will move in a narrow range, from 22.5% to 22.7% during this period. A 9.0% appreciation in rent is also forecasted for January to June 2015, taking the weighted average rent to ₹ 122.00 per square foot per month. The Maharashtra government's plan to set up new business districts, along the lines of Bandra Kurla Complex ("**BKC**"), is also likely to provide a boost to commercial real estate in Mumbai. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Hospitality in Mumbai

Within Mumbai, the midscale segment has the largest inventory at 29.1%, followed by the budget segment with 27.3%, luxury with 23%, upper upscale with 10.4 % and upscale with 10.2%. The average inventory per hotel is currently 91 keys. The iconic Taj Mahal Palace and Towers, located in South Mumbai, with a total of 560 keys has been the city's largest for decades, and the current pipeline does not feature a larger hotel. *(Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014)*

During 2013, Mumbai had a total of 17,059 keys available for sale, having grown 4.0% year-on-year (with the opening of the Palladium Hotel (390 keys) and others. Mumbai has a pipeline of 12,098 keys; of which 22.2% in the luxury segment and 16.7% in the upscale segment *(Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014)*

Inventory Growth



(Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014)

Residential Micro Market in Mumbai

Despite the slowdown in the overall real estate market, Mumbai continues to retain the top slot among the cities of Bengaluru, Chennai, Hyderabad, Mumbai, NCR and Pune for achieving the highest sales volume in 2014. Moreover, prices in Mumbai continued to grow at a quick pace of 10.0% in 2014, again the highest among the aforementioned cities. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

The Mumbai residential market shrunk sequentially over the last five years and 2014 absorption, at 67,715 units, was the lowest in five years. High prices and weakening investment rationale has been keeping end users and investors respectively away from the market, resulting in inventory pile up. As a response to this, the property industry reduced launches by 43.0% in 2014 to 62,345 units, a five year low, marginally bringing down the inventory to 11.5 Quarters to Sell Unsold Inventory ("**QTS**"). Despite this, the weighted average price continues to rise. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Going forward, further improvements in demand are expected, even though launches are expected to be marginally lower. In January to June 2015, absorption is projected to improve by 25.0% to 38,936 units, and launches to decline marginally by 3.0%, to 34,289 units compared to January to June 2014. The weighted average price growth is projected to slow down to 4.0%, reaching ₹ 8,106.00 per square foot by the end of January to June 2015. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Real Estate Market in Pune

Overview of Pune

Pune, including its twin city, Pimpri-Chinchwad, is the eighth largest city in India, with a population of approximately 4.80 million. Located just 160 kilometres from Mumbai, it is the second largest city in the State of Maharashtra and the sixth largest metropolitan economy in India. The Mumbai-Pune Expressway has contributed to Pune's development as an IT destination, as well as a destination for software, automobile parts and other engineering industries. About 30.0% of the households in the city earn an annual income of over ₹ 140,000.00, while 26.0% of the population spends between ₹ 50,000.00 and ₹ 100,000.00 on various goods and services.

Retail Micro Market in Pune

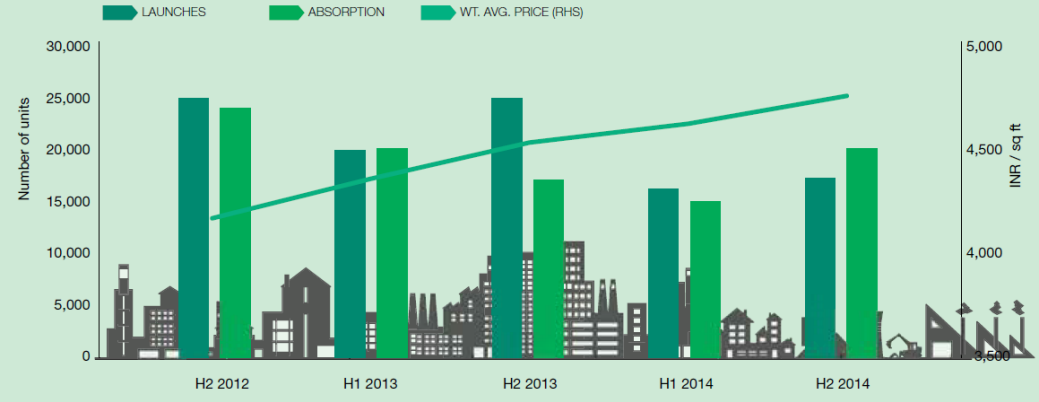
Pune has a per capita penetration of modern retail of 1,002 square feet per 1,000 population, and ranks first among the cities of Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, NCR and Pune in terms of mall space per 1,000 population for households earning more than ₹ 300,000.00 per annum. The modern retail space in Pune is almost equally divided between malls and shopping streets at 48.0% and 52.0%, respectively, however, the modern retail landscape of Pune is highly skewed towards the Central and Eastern part of the city. Malls in West Pune have a good mix of retail stores of all sizes compared to malls in East Pune, which are dominated by retail stores that are below 500 square feet in size. In contrast, 40.0% of retail stores in malls in Central Pune are above 1,000 square feet in size, notwithstanding high rental prices in this zone. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Total spending in Pune is projected to more than double in five years from ₹ 238.00 billion in 2014 to ₹ 545.00 billion in 2019, and the share of modern retail is also expected to increase from 22.0% to 26.0% during the same period. Central Pune is expected to witness the maximum gain in terms of modern retail share in the next five years. The expansion of modern retail is in line with changing consumer tastes of the Pune retail market, whereby consumers are currently inclining towards lifestyle products and services. For example, in Central Pune, apparel has the highest penetration of the modern retail space at 18.0%, followed by hyper and supermarkets at 11.0% and food and beverage at 11.0%. There is also a strong presence of foreign brands in retail malls in Pune, such as Hallmark, LG, Nike and Adidas, particularly in the Central and West zones of Pune where foreign brands occupy 19.0% and 22.0%, respectively, of modern retail store space in malls in Pune. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Residential Micro Market in Pune

Pune has one of the healthiest residential real estate markets with a low QTS and minimum age of unsold inventory, despite a decrease in demand for residential properties in Pune in 2014. The drop in demand, and thus sales volume, in Pune was compensated by a sharper fall in new launches during 2014, dropping by 26.0% from 45,370 units in 2013 to 33,580 units in 2014. Due to the limited number of new launches, the weighted average prices in Pune increased moderately by 5.0% over the same period.

Pune Market Trends



(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)

Going forward, it is expected that the number of new launches will decrease further to 13,300 units during January to June 2015. The large amount of unsold inventory from previous quarters is likely to compel developers to restrict the number of new projects in the coming quarters in order to liquidate existing unsold inventory. However, the positive sentiment in the residential market due to the cut in policy rate by the RBI is expected to usher in a double-digit growth in sales volume during January to June 2015. It is forecasted that sales volume will increase by 13.0% in January to June 2015, to 16,560 units, compared to 14,700 units in January to June 2014. Further, weighted average prices in Pune is expected to increase by a moderate 4.0% in January to June 2015, on the back of improved sales volume. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Real Estate Market in Chennai

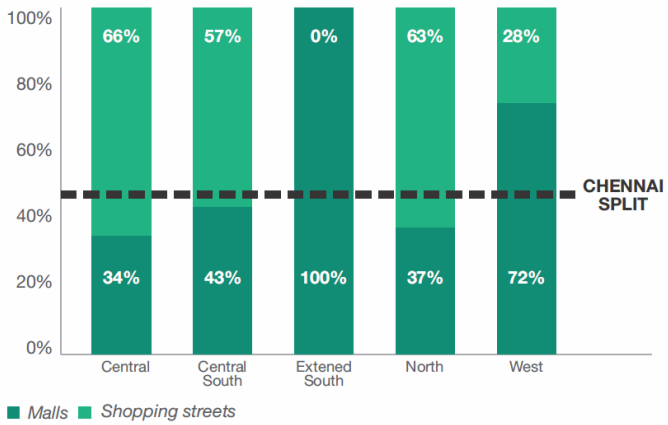
Overview of Chennai

Chennai is the capital of the state of Tamil Nadu. It has a population of 7 million and is the fourth largest metropolitan city in India. Five national highways connect Chennai to Kolkata, Bengaluru, Trichy, Trivallur and Pondicherry. The primary industries in Chennai are automobile, hardware manufacturing, software services and financial services. The Tamil Nadu government has been proactive and has implemented industry friendly policies and initiatives to encourage the growth of IT industry in Chennai.

Retail Micro Market in Chennai

Chennai ranks third among the cities of Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, NCR and Pune in terms of per capita penetration of modern retail space at 1,001 square feet per 1,000 population. The split of modern retail space in Chennai between malls and shopping streets is skewed towards shopping streets at 55.0%. Only the Extended South and West zones of Chennai have mall spaces above the city average of 45.0%. The proportion of retail stores in malls above the size of 2,000 square feet is higher for the West and Extended South zones of Chennai, primarily due to the availability of large tracts of land and the anticipated ambitious growth projection for these zones, which has in turn attracted mall developers. Steep rentals in the Central and Central South zones of Chennai have resulted in a larger portion of smaller retail stores below the size of 1,000 square feet. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Split of Occupied Modern Retail Space into Malls and Shopping Streets



(Source: Knight Frank Research, Think India. Think Retail., 2015)

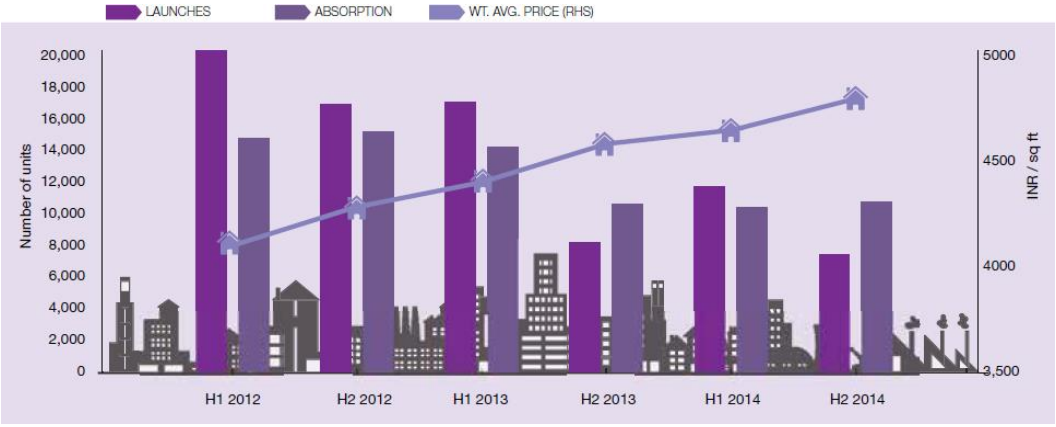
Total retail spending in Chennai is projected to increase from ₹ 225.00 billion in 2014 to ₹ 507.00 billion in 2019, implying an annual growth rate of 18.0%. Moreover, the share of modern retail is expected to increase from 20.0% to 24.0% during the same period. The expansion of modern retail is in line with changing consumer tastes of the Chennai retail market, whereby consumers are currently inclining towards lifestyle products and services. For example, in Western Chennai, entertainment has the highest penetration of the modern retail space at 28.0%, followed by apparel at 20.0% and food and beverage at 8.0%. There is also a strong presence of foreign brands, such as Levi's, Samsung, Samsonite and Adidas, particularly in malls located in Central-South and West Chennai at 34.0% and 31.0%, respectively. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Residential Micro Market in Chennai

Among the cities of Bengaluru, Chennai, Hyderabad, Mumbai, NCR and Pune, Chennai has one of the healthiest residential markets in terms of QTS and is also the most affordable market, as 30.0% of all new launches in July to December 2014 were below the ticket size of ₹ 2.50 million. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Improved sales volume during July to December 2014 has stabilised rising QTS numbers, which has remained at 6.9 since the last two quarters. However, the QTS number is expected to slightly increase on account of moderate expected sales volume. (Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)

Chennai Market Trends



(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)

Going forward, the number of new launches is expected to drop by 20.0% to 9,158 units during January to June 2015 as compared to 11,377 units in January to June 2014. The large amount of unsold inventory from previous quarters is likely to impede developers from launching new projects in the Chennai market. Sales volume is also expected to increase by 10.0% in January to June 2015 to 11,357 units compared to 10,315 units in January to June 2014. Further, constricted supply coupled with moderate growth in absorption is expected to increase prices, and weighted average prices is expected to increase by 4.0% in January to June 2015. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Real Estate Market in Bengaluru

Overview of Bengaluru

Bengaluru is the state capital of Karnataka, and with a population of 6.2 million, it is also India's fifth largest metropolitan city. Bengaluru is growing to be the business destination of South India as there is a sudden population explosion and increase in local and international investment in the city. Bengaluru has experienced rapid growth and international recognition in the software development industry within a short period of time, making it Asia's fastest growing city with a growth rate of 3.5% per annum. The major industries that are based in the city are services, IT and ITES. It is also an academic centre with the presence of a number of management and science schools and universities.

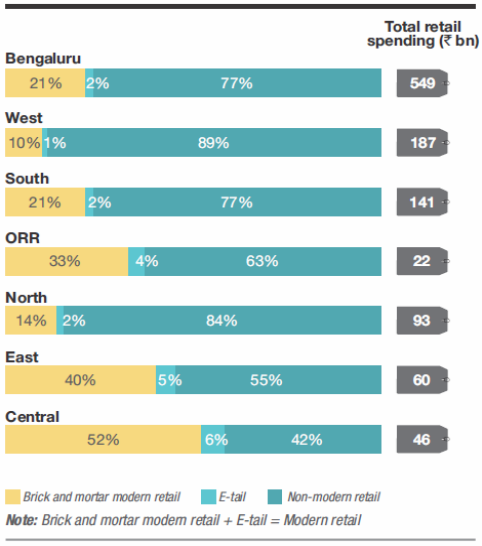
Retail Micro Market in Bengaluru

The Bengaluru retail market is characterised by a fair distribution of modern retail, primarily as a result of rising income levels of consumers. The city, has on average, 1,323 square feet of modern retail space per 1,000 population and 2,455 square feet is available per 1,000 population for households earning over ₹ 300,000.00. Consumers of the Bengaluru retail market are currently inclined towards lifestyle products and services. For example, in Central Bengaluru, apparel has the highest penetration of the modern retail space at 36.0%, followed by food and beverage at 10.0% and home and lifestyle at 10.0%. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

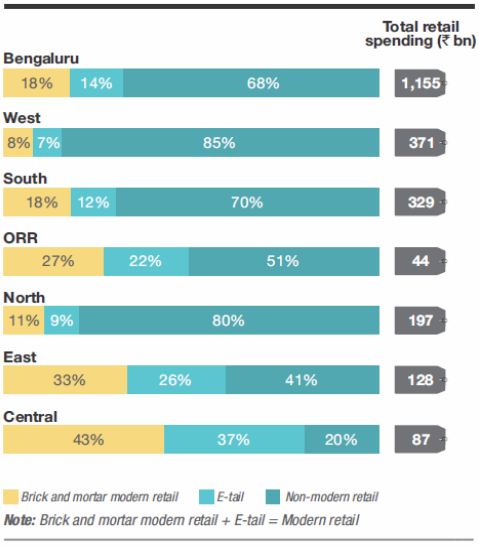
Bengaluru has emerged as a sought after retail market in recent years, with several foreign and national brands setting up their stores in the city. Today, Bengaluru houses large-format retail malls, targeting both the luxury and budget segments, and providing for modern retail space in shopping streets as well. The majority of foreign brands, such as Levi's, United Colors of Benetton, Samsung and Nike, are located mainly in the malls of East and West Bengaluru. Currently, the total spending in Bengaluru amounts to ₹ 549.00 billion and is projected to increase to ₹ 1,155.00 billion by 2019. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

The share of modern retail in Bengaluru is estimated to increase from 23.0% in 2014 to 32.0% in 2019, however, the penetration of brick and mortar modern retail in Bengaluru is expected to decrease from 21.0% to 18.0% during the same period. Bengaluru has the highest per capita penetration of modern retail in India at 1,323 square feet per 1,000 population. Central Bengaluru has the highest share of modern retail, followed by the Eastern zone. The presence of a large number of shopping streets in Central Bengaluru and several large-format malls in East Bengaluru have been the primary drivers towards the expansion of modern retail in these two zones. Bengaluru is expected to witness the highest growth rate in terms of space requirement at 6.5% per annum between 2014 to 2019. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Total Retail Spending and Penetration of Modern Retail in 2014



Total Retail Spending and Penetration of Modern Retail in 2019



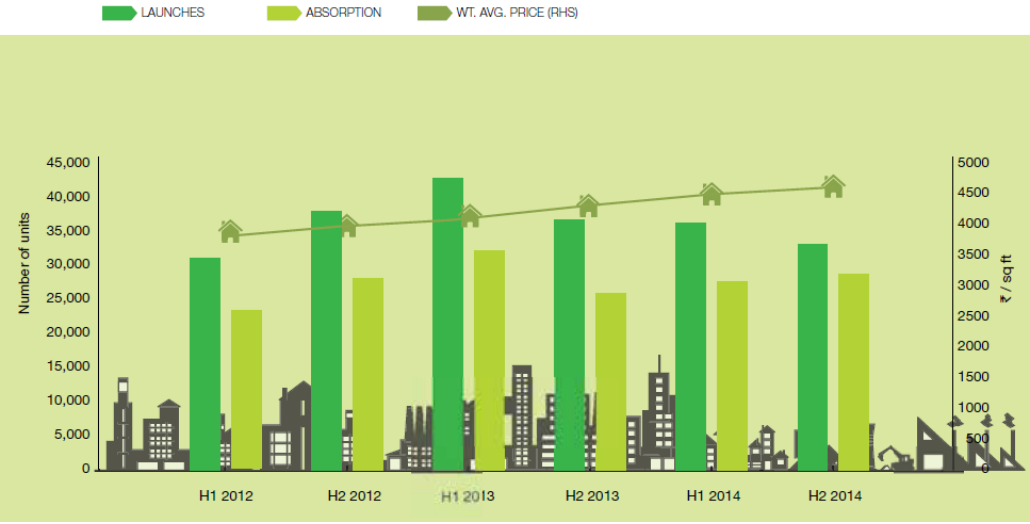
(Source: Knight Frank Research, Think India. Think Retail., 2015)

Residential Micro Market in Bengaluru

Bengaluru currently has the healthiest residential real estate market with the lowest QTS and minimum age of unsold inventory. Out of the cities of Bengaluru, Chennai, Hyderabad, Mumbai, NCR and Pune), Bengaluru also comes in second in terms of sales volume and growth rate at 7.0% in 2014. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Consistent sales volume during July to December 2014 has stabilised the QTS number of the Bengaluru market at 7.05. With expected increases in sales volume in January to June 2015, the QTS number is estimated to fall in the coming months, thereby indicating signs of market recovery. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Bengaluru Residential Market Launches, Absorption and Price Trends



(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)

Going forward, the number of new launches is expected to slightly decrease by 4.0% to 34,216 units during January to June 2015 as compared to 35,545 units in January to June 2014. The Bengaluru market, primarily being an end-user market, will continue to witness buyer demand for mid-end residential properties. Sales volume is expected to increase by 11.0% in January to June 2015 to 30,121 units compared to 27,256 units in January to June 2014. Further, a relatively constricted supply coupled with moderate growth is expected to increase prices marginally, and weighted average prices is expected to increase by 3.0% in January to June 2015. Demand for residential units will most likely be concentrated in and around the North and South-East corridor in the coming months. *(Source: Knight Frank India Real Estate Outlook, Residential and Office, July-December 2014)*

Real Estate Market in Agra

Overview of Agra

Agra is one of the most iconic destinations in India, and together with Delhi and Jaipur comprises the Golden Triangle of Indian tourism. According to the Uttar Pradesh Tourism Directorate, the volume of tourists at the Taj Mahal increased by 12.0% from 4.7 million in 2010 to 5.3 million in 2011. The Archaeological Survey of India reports that the number of visitors across the Agra circle (which includes the Agra Fort, Fatehpur Sikri, and Itmad-ud-Daula) rose by 12.8%, year-on-year, to 9.90 million in 2012, with 85.0% consisting of domestic tourists and the remaining 15% consisting of foreign tourists. *(Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014)*

Hospitality in Agra

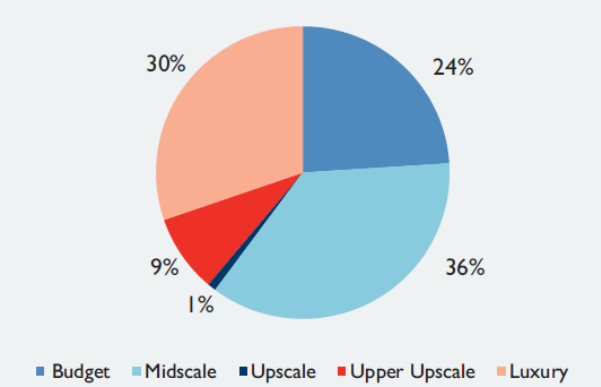
As of 2013, the total number of keys in Agra is approximately 4,700, with 33.0% inventory in the luxury segment, 29.0% in the midscale segment, 26.0% in budget, 11.0% in upper upscale segment, and 1.0% in the upscale segment. The average inventory in the city is 89 keys per hotel. There were no new hotels opened in the city during 2012 and 2013, however, Agra has close to 650 keys in the pipeline over the next five years. With the opening of these hotels, the segment mix will change, resulting in the midscale segment with 36.0%, luxury with 30.0%, budget segment with 24.0%, upper upscale segment to 9.0% and the upscale segment to 1.0%. (*Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014*)

Hotel performance in the city has been a function of accessibility from Delhi, as well as the organised travel trade plans for tour circuits. Increasingly, Agra has become a day's excursion from Delhi for an increasing number of tourists, mainly due to greater accessibility from Delhi via the Yamuna Expressway and the Shatabdi Express between Agra and Jaipur were introduced. As a result of this, the hospitality market in Agra has been severely affected. Between 2012-2013, hotels in Agra witnessed a decrease in AOR of 59.0% to 53.0%, as a result of an increasing number of tourists

preferring day trip's to Agra. Nevertheless, the Agra hotel market is considered a "must-have" for hotel chains specialising in the leisure segment. This has resulted in the creation of many high-end hotels, despite the low/shrinking demand in the hospitality sector in Agra. Hotels have therefore introduced extensive weekend packages and offer a number of meetings-related activities, in order to increase demand in the hospitality market in Agra. (*Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014*)

(Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014)

Inventory Composition 2018



(Source: Cushman & Wakefield, Hospitality Almanac, South Asia market Overview, May 2014)

Real Estate Market in Kolkata

Overview of Kolkata

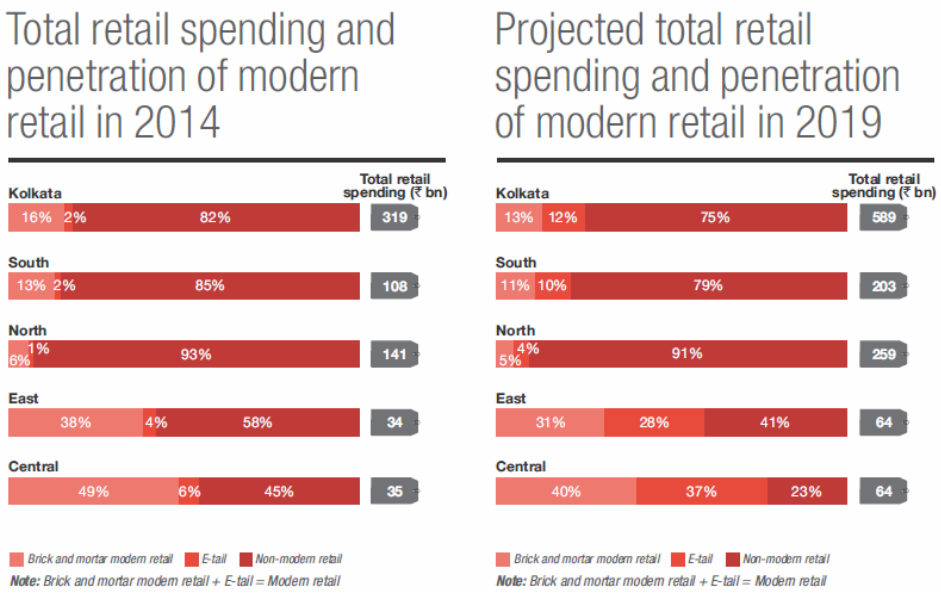
Popularly known as the city of Joy, Kolkata is the capital of the state of West Bengal. Formerly called Calcutta, Kolkata is located on the eastern banks of the river Hoogly in India. The city has a population of approximately 4.5 million *(Source:http://www.censusindia.gov.in/2011-prov-results/census2011_PPT_paper .html)* and boasts of a number of art galleries, cultural centers, heritage buildings and museums. Famous for its malls, art galleries, nightlife and entertainment Kolkata draws millions of travelers from different parts of the country every year.

Retail Micro Market in Kolkata

Modern retail in Kolkata has evolved steadfastly over the past few decades, and today, the city is considered by retailers and developers as among the top destinations in the country to set up their retail establishments/projects. The city, on an average, has 569 sq ft of modern retail space catering to the needs of every 1,000 of the population, while around 1,588 sq ft is available per 1,000 of the population in households earning over ₹ 300,000. The average mall space availability per 1,000 persons in Kolkata stands at 229 sq ft, while it is higher at 637 sq ft, for households earning over ₹ 300,000. East Kolkata remains the region with the highest per capita mall space availability. The presence of several large-format malls catering to the retail needs of the population, chiefly employed in the IT hub of Salt Lake Sector V and Rajarhat, has taken the per capita mall space to a whopping 2,859 sq ft for households with an income of over ₹ 300,000 *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Modern retail space in Kolkata's malls is skewed considerably towards national brands, with its share in all the regions upward of 50%. Although the share of foreign brands is significantly less in the city's shopping streets, Central Kolkata, followed closely by South Kolkata has emerged as the preferred region for foreign retailers to set up their stores. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Kolkata has a clearly demarcated shopping street domination, with its share of modern retail space skewed at 6% indicating a preference of the traditional markets of the city against the demand for modern retail. However East Kolkata shows a reverse trend, with a mall space of over 70% leading the way in modern retail space. The share of shopping streets is the highest in North Kolkata, with only one operational mall in the region. Central and South Kolkata have higher shares, too, as these regions, although substantiated with malls have numerous shopping streets adjacent to heavily-populated residential areas *(Source: Knight Frank Research, Think India. Think Retail., 2015)*



(Source: Knight Frank Research, Think India. Think Retail., 2015)

The total retail spending in Kolkata amounted to ₹ 319 billion, with North Kolkata accounting for the largest share at 44%. The share of modern retail in Kolkata stood at 18% in 2014 of which brick and mortar stood at 16% and E-tail at 2%. The total retail spending in Kolkata is projected to increase from ₹ 319 billion in 2014 to ₹ 589 billion in 2019. The share of modern retail is estimated to increase from 18% to 25% during this period. While the share of E-tail is expected to increase exponentially by six times from 2% in 2014 to 12% in 2019, the share of brick and mortar modern retail is expected to fall correspondingly from 16% to 13% during the same period. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Real Estate Market in Hyderabad

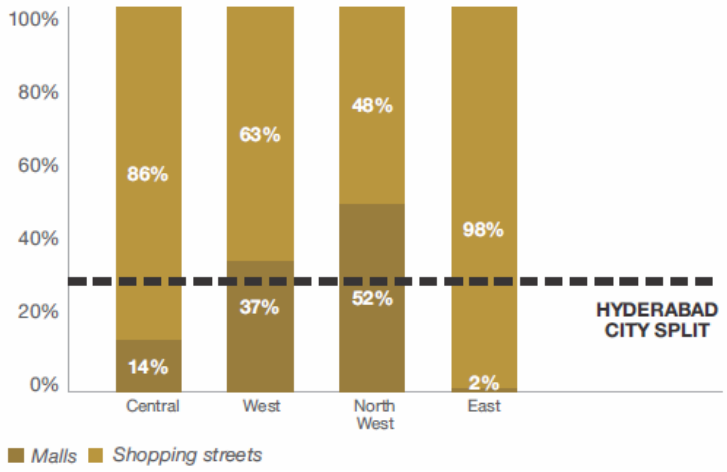
Overview of Hyderabad

Hyderabad is the capital of southern India's Telangana state. It is a major center for the technology industry and home to many upscale restaurants and shops. The city has an estimated population of approximately 4.0 million *(Source:http://www.censusindia.gov.in/2011-prov-results/census2011_PPT_paper1.html)*. Hyderabad was historically known as a pearl and diamond trading centre and till today continues to be known as the City of Pearls.

Retail Micro Market in Hyderabad

Hyderabad ranks fifth among the cities of Mumbai, NCR, Bengaluru, Pune, Chennai, Kolkata and Hyderabad in terms of retail space per 1,000 population. Locations like HITEC City and KPHB account for more than two-thirds of the total mall space in the city of Hyderabad. The western region of Hyderabad is the highest ranked among the retail zones in Hyderabad and is also currently ranked 14 among 42 retail zones in terms of modern retail space per 1,000 population in India. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Split of occupied modern retail space into malls and shopping streets



(Source: Knight Frank Research, Think India. Think Retail., 2015)

All the major malls in the city of Hyderabad are primarily located in the West and North West zones. Even though the Central zone consists of the oldest and most dense markets of Hyderabad, very few of the shops in these markets can be encompassed in the gamut of modern retail. Paucity of land and the relative abundance of fast-evolving locations in the West zone have resulted in very little mall development. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

The total retail spending in Hyderabad is forecasted to increase from ₹ 319 billion in 2014 to ₹ 692 billion in 2019 at a CAGR of 17%. The West and North West zones have 30% of the total population of Hyderabad but account for 56% of the modern retail spending in the city. This is largely due to the fact that the bulk of the malls and premium high street stores are concentrated in the IT corridor of the HITEC City road, Banjara Hills and Jubilee Hills. Also, most of the commercial and residential development in the city is concentrated in these zones and attract the high income earners/spenders of the city. *(Source: Knight Frank Research, Think India. Think Retail., 2015)*

Current and Proposed Regulations Impacting the Real Estate Market

Various regulatory measures are likely to impact the real estate sector in the near term, at the national level, including, without limitation:

Smart Cities, affordable housing and Make in India. The Union Cabinet of India chaired by Prime Minister Narendra Modi approved a mission of building 100 smart cities, wherein each selected city would get central assistance of ₹ 100 crores per annum for a period of five years. This mission intends to promote adoption of smart solutions for efficient use of available assets, resources and infrastructure with the objective of enhancing the quality of urban life and providing a clean and sustainable environment. *(Source: Press Information Bureau Government of India Cabinet Press Release dated April 29, 2015, available at http://pib.nic.in/newsite/PrintRelease.aspx?relid=119925)* Further, the Central Government has proposed to set up a mission on low cost affordable housing to be anchored in the National Housing Bank. The intention of the government through this mission is to endeavour to have housing for all by 2022 by extending additional tax incentive on home loans to encourage people, especially the young, to own houses. Such initiatives are likely to have significant positive impact on the real estate sector. *(Source: Press Information Bureau Government of India Cabinet Press Release dated July 10, 2014, available at http://pib.nic.in/newsite/PrintRelease.aspx?relid=106341)*

See also "Regulations and Policies".

BUSINESS

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

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

Our existing real estate development portfolio primarily comprises retail-led, mixed-use developments in prime locations, together with a number of other standalone residential and commercial office developments. Our developments include retail and entertainment, commercial, hotel and residential properties in Mumbai, Chennai, Bengaluru, Pune, Lucknow, Bareilly and Agra. Our operations typically encompass most aspects of real estate development, including land acquisition, planning (including liaison and approvals), execution and marketing of projects, through to the management, maintenance and sales of the completed developments.

We were one of the first real estate developers in India to transform a textile mill property into a modern, multi-use retail-led integrated development – High Street Phoenix and Palladium in Lower Parel, Mumbai. This development is comprised of a mall of approximately 0.74 million square feet of Leasable Area consisting of retail, entertainment and commercial office space of approximately 0.13 million square feet of Leasable Area (net of areas let out on long leases), the Palladium Hotel, a 389 key luxury hotel, and Phoenix Towers, residential apartment towers built in partnership by the Company, as well as parking space. We believe High Street Phoenix was amongst the first large format, retail led, mixed use centre developments in India. Our Company's wholly owned subsidiary, Pallazzio Hotels & Leisure Limited, has entered into agreements with Starwood Hotels & Resorts India Private Limited and its affiliates for the management and re-branding of the hotel from the Palladium Hotel to The St. Regis, Mumbai, and subject to compliance with the terms of the agreement, we expect re-branding to occur in the third quarter of 2015.

Our Phoenix MarketCity projects are conceptualized as large scale, retail-led, mixed-use, real estate developments which we believe are in prime locations and in close proximity to high-catchment areas. We own and operate several malls, through our Subsidiaries and Associates, under the brand "Phoenix MarketCity" in Mumbai, Chennai, Bengaluru and Pune (one mall in each city). Our Phoenix MarketCity developments encompass retail and entertainment space, including food and beverage and multiplex facilities, outdoor space and, subject to market demand, include one or more of commercial offices, hotel or residential apartments for sale. These projects seek to optimize a combination of retail, entertainment and commercial and retail clients in order to attract a wide spectrum of consumers. We also operate malls under the brand name of "Phoenix United", with two operational projects in Lucknow and Bareilly, respectively. We believe that we have achieved reasonable success in each of our operational developments.

Our real estate development portfolio is comprised of four types of real estate developments: retail, commercial office, residential and hospitality. We characterize our projects as Completed, Ongoing and Planned projects (see further "—Description of our Business"). We currently have a portfolio of approximately 17.88 million square feet of constructed areas in our Completed and Ongoing projects, consisting of:

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

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

Our retail development portfolio consists of approximately 6.16 million square feet of Leasable Area in Completed and Ongoing projects. Our commercial office development portfolio consists of approximately 1.82 million square feet of Saleable and Leasable Area in Completed, Ongoing and Planned projects (including areas already sold). Our residential development portfolio consists of approximately 5.51 million square feet of Saleable Area in Ongoing and Planned projects, of which we have sold approximately 1.65 million square feet.

We have received several awards for our retail developments including "Retailer of the Year (Mall) – 2015", "Shopping Center of the Year (Palladium Mall) – 2015" from CMO Asia, and "Among India's Best Existing Neighbourhood Shopping Malls, 2013-2014" from Estate Avenues for our High Street Phoenix and Palladium development, "Most Admired Shopping Centre of the Year, 2015" from CMO Asia and "India's Best Existing Neighbourhood Shopping Mall, 2013-2014" from Estate Avenues for our Phoenix MarketCity Mumbai development, "Most Admired Shopping Centre of the Year Non Metro West, 2013" from Estate Avenues for our Phoenix MarketCity Pune development and "Best Malls & Shopping Centre of the Year 2015 – Operational Mixed Use" from Estate Avenues for our Phoenix MarketCity Chennai development. We have also won several awards for our One Bangalore West, Kessaku and Fountainhead residential developments. See *"*Our Business―Awards and Recognitions*"*.

Our developments

Large mixed-use retail developments

Name of Project	Location	Total Leasable Area (in million square feet)	Number of Stores	Company/ project-specific developing entity	Shareholding of Company in developing entity as at March 31, 2015 (%)	Status of the project	Date of Completion
High Street Phoenix and Palladium	Lower Parel, Mumbai	0.74	273	The Phoenix Mills Limited	n/a Project owned by Company	Completed	1999 (High Street Phoenix) 2008 (Palladium)
Phoenix MarketCity Chennai	Velachery, Chennai	1.00	260	Classic Mall Development Company Private Limited	50.0	Completed	2013
Phoenix MarketCity Bengaluru[1]	Bengaluru (E)	0.98	295	Island Star Mall Developers Private Limited	75.3	Completed	2011
Phoenix MarketCity Pune[2]	Viman Nagar, Pune	1.13	319	Vamona Developers Private Limited	62.6	Completed	2011
Phoenix MarketCity Mumbai[3]	Kurla, Mumbai	1.11	310	Offbeat Developers Private Limited	56.3	Completed	2011
Phoenix United Lucknow	Lucknow	0.33	106	Big Apple Real Estate Private Limited through its 100% subsidiary Upal Developers Private Limited	76.6	Completed	2010
Phoenix United Bareilly	Bareilly	0.31	132	Big Apple Real Estate Private Limited through its 100% subsidiary Blackwood Developers Private Limited	76.6	Completed	2012
Palladium Mall, Chennai[4]	Velachery, Chennai	0.22	76 (expected)	Starboard Hotels Private Limited	28.5	Ongoing	2016 (estimated)
Phoenix Paragon Plaza[5]	Kurla, Mumbai	0.34	305 (expected)	Graceworks Realty & Leisure Private Limited	44.0	Completed	2015

Notes:

1 Our Company currently owns 21,098,455 equity shares (representing approximately 73.6% of the outstanding equity shares) in Island Star Mall Developers Private Limited. Pursuant to a share purchase agreement, dated June 5, 2015, the Company acquired 1,992,593 equity shares (representing approximately 6.9% of the outstanding equity shares) of Island Star Mall Developers Private Limited from Edelweiss Trustee Services Limited on June 10, 2015.

Our Company also owns 10,000 equity shares (representing 100% of the outstanding equity shares) of Pinnacle Real Estate Development Private Limited. Pinnacle Real Estate Development Private Limited owns 2,500,000 equity shares (representing

approximately 8.7% of the outstanding equity shares) of Island Star Mall Developers Private Limited. Effective direct and indirect shareholding of the Company in Island Star Mall Developers Private Limited is 82.3%. Our Company has entered into a share purchase agreement, dated December 2, 2014, with IL&FS Trust Company Limited and IIRF Holdings IX Limited, to acquire 7,168,967 equity shares (representing approximately 25.0% of the outstanding equity shares) of Island Star Mall Developers Private Limited from IL&FS Trust Company Limited and IIRF Holdings IX Limited. Pursuant to the terms of this agreement, we have acquired 2,090,949 equity shares of Island Star Mall Developers Private Limited and, subject to the satisfaction of conditions precedent provided in the agreement, the remaining shares are expected to be acquired by or during the fourth quarter of 2015. On completion of the acquisition of the remaining equity shares, our total effective equity shareholding in Island Star Mall Developers Private Limited would be 100%.

2 Our Company has entered into a share purchase agreement, dated June 18, 2013, with K2 Property Limited and K2C Retail Limited, to acquire 6,000,000 equity shares (representing 24.0% of the outstanding equity shares) of Vamona Developers Private Limited from K2 Property Limited and K2C Retail Limited. On June 23, 2015, we completed the acquisition of shares under the agreement and accordingly our total equity shareholding in Vamona Developers Private Limited is 86.6%.

3 Our Company has entered into a share purchase agreement, dated July 9, 2014, with Horizon Ventures I, to acquire 6,713,865 equity shares (representing approximately 21.3% of the outstanding equity shares) of Offbeat Developers Private Limited from Horizon Ventures I. Pursuant to the terms of this agreement, we have acquired 959,121 equity shares of Offbeat Developers Private Limited, and, subject to the satisfaction of conditions precedent provided in the agreement, a further 5,754,744 equity shares of Offbeat Developers Private Limited are expected to be acquired by or during the third quarter of 2016. On completion of the acquisition of the remaining equity shares, our total equity shareholding in Offbeat Developers Private Limited would be 74.5%.

4 Our Company owns 1,321,400 equity shares (representing approximately 56.9% of the outstanding equity shares) of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 2,499,374 equity shares (representing approximately 50.0% of the outstanding equity shares) of Starboard Hotels Private Limited. Additionally, we also own 50.0% of the outstanding equity shares of Escort Developers Private Limited which owns 1,252 equity shares (representing approximately 0.03% of the outstanding equity shares) of Starboard Hotels Private Limited. Accordingly, the effective (indirect) shareholding of the Company in Starboard Hotels Private Limited is 28.5%.

5 Our Company owns 1,321,400 equity shares (representing approximately 56.9% of the outstanding equity shares) of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 52,250 equity shares (representing approximately 77.3% of the outstanding equity shares) of Graceworks Realty & Leisure Private Limited. Accordingly, the effective (indirect) shareholding of the Company in Graceworks Realty & Leisure Private Limited is 44.0%.

Commercial office projects

Name of Project	Location	Total Saleable/ Leasable Area (in million square feet)	Company/ project-specific developing entity	Shareholding of Company in developing entity as at March 31, 2015 (%)	Status of the project	Date of Completion
Phoenix House[1]	Lower Parel, Mumbai	0.13	The Phoenix Mills Limited	n/a Project owned by Company	Completed	1996
Centrium[2 3]	Kurla, Mumbai	0.28	Offbeat Developers Private Limited	56.3	Completed	2012
East Court[4 5]	Viman Nagar, Pune	0.25	Vamona Developers Private Limited	62.6	Completed	2012
Phoenix Paragon Plaza[6]	Kurla, Mumbai	0.12	Graceworks Realty & Leisure Private Limited	44.0	Completed	2015
Art Guild House[3 7]	Kurla, Mumbai	0.76	Offbeat Developers Private Limited	56.3	Ongoing	2015 (estimated)
West Court[5 8 9]	Pune	0.28	Alliance Spaces Private Limited	33.0	Planned	n/a

Notes:

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

2 Centrium has approximately 0.28 million square feet of Saleable/Leasable Area, of which 248,617 square feet has been sold.

3 See footnote 3 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

4 East Court has approximately 0.25 million square feet of Saleable/Leasable Area, approximately 0.24 million square feet of which has been sold.

5 See footnote 2 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

6 Our Phoenix Paragon Plaza commercial office project has approximately 0.12 million square feet of Saleable/Leaseable Area, approximately 0.05 million square feet of which has been sold.

7 Art Guild House has approximately 0.76 million square feet of Saleable/Leasable Area, approximately 0.38 million square feet of which has been sold.

8 The land on which our West Court, Pune commercial office project is located is owned by Vamona Developers Private Limited. Pursuant to a Memorandum of Understanding dated March 4, 2014 and entered into between Vamona Developers Private Limited and Alliance Spaces Private Limited, Alliance Spaces Private Limited is the developer of this project.

9 Our Company owns 1,321,400 equity shares (representing approximately 56.9% of the outstanding equity shares) of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 1,158,950 equity shares (representing approximately 58.0% of the outstanding equity shares) of Alliance Spaces Private Limited. Accordingly, the effective (indirect) shareholding of the Company in Alliance Spaces Private Limited is 33.0%.

Residential Projects

Name of Project	Location	Total Saleable Area (in million square feet)	Company/ project-specific developing entity	Shareholding of Company in developing entity as at March 31, 2015 (%)	Status of the project	Estimated Date of Completion
Phoenix Towers[1]	Lower Parel, Mumbai	-	The Phoenix Mills Limited	n/a Project owned by Company	Completed	Completed
Fountainhead Pune (Towers A and B)[2]	Pune	0.35	Alliance Spaces Private Limited	33.0	Ongoing	2018
Crest, Chennai (Towers A and B)	Chennai	0.24	Classic Housing Projects Private Limited	50.0	Ongoing	2015
Crest, Chennai (Tower C)	Chennai	0.29	Classic Mall Development Private Limited	50.0	Ongoing	2015
Kessaku[3 4]	Bengaluru	0.99	Palladium Constructions Private Limited	73.3	Ongoing	2018
One Bangalore West (Towers 1-5) [3]	Bengaluru	1.21	Palladium Constructions Private Limited	73.3	Ongoing	2016
One Bangalore West (Towers 6-9) [3]	Bengaluru	1.04	Palladium Constructions Private Limited	73.3	Ongoing	2018
Oberhaus (Phase I) [4]	Bengaluru	0.38	Island Star Mall Developers Private Limited	75.3	Ongoing	2018
Oberhaus (Phase II) [4]	Bengaluru	0.64	Island Star Mall Developers Private Limited	75.3	Planned	2020
Crest, Chennai (Tower D) [5]	Chennai	0.41	Starboard Hotels Private Limited	28.5	Planned	2018

Notes:

1 Phoenix Towers comprises residential apartments that were built in partnership by the Company. There are no revenues earned from this residential project.

2 See footnote 9 to the table under "—Recent Developments—Commercial Office Projects" above.

3 Our Company owns 15,836,664 equity shares (representing approximately 48.3% of the outstanding equity shares) of Palladium Constructions Private Limited. Our Company also owns 1,321,400 equity shares (representing approximately 56.9% of the outstanding equity shares) of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 14,357,706 equity shares (representing approximately 43.8% of the outstanding equity shares) of Palladium Constructions Private Limited. Accordingly, the effective (direct and indirect) shareholding of the Company in Palladium Constructions Private Limited is 73.3%. Our Company and Phoenix Hospitality Company Private Limited have entered into a share purchase agreement, dated November 14, 2014, with K2G Residential Limited and K2F Residential Limited, to acquire, in aggregate, 7,752,779 equity shares (representing approximately 23.7% of the outstanding equity shares) of Palladium Constructions Private Limited from K2G Residential Limited and K2F Residential Limited. Pursuant to the terms of the agreement, we have acquired

1,391,358 equity shares held by K2G Residential Limited and 1,319,511 equity shares held by K2F Residential Limited. Also, pursuant to the terms of the agreement, Phoenix Hospitality Company Private Limited has acquired 1,261,421 equity shares held by K2G Residential Limited and 1,196,285 equity shares held by K2F Residential Limited. Subject to the satisfaction of conditions precedent provided in the agreement, the remaining equity shares are expected to be acquired by the Company and Phoenix Hospitality Company Private Limited from K2F Residential Limited in the third quarter of 2015. On completion of the acquisition of the remaining equity shares, the Company's effective (direct and indirect) total equity shareholding in Palladium Constructions Private Limited would be 79.5%.

4 See footnote 1 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

5 See footnote 4 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

Hospitality

Name of Project	Location	Number of Keys	Company/ project-specific developing entity	Shareholding of Company in developing entity as at March 31, 2015 (%)	Date of Completion
Palladium Hotel[1,2]	Lower Parel, Mumbai	389	Pallazzio Hotels & Leisure Limited	100.0	2012
Courtyard by Marriott − Agra [3]	Agra	193	Gangetic Hotels Private Limited	23.6	2015

Notes:

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

2 Our Company currently owns 1,200,000 equity shares (representing 100.0% of the outstanding equity shares) of Pallazzio Hotels & Leisure Limited. Pursuant to two investment agreements dated March 8, 2007 and September 30, 2008, Pallazzio Hotels & Leisure Limited has allotted, in aggregate, 2,659,802 compulsory convertible debentures, of various series ("**CCDs**") to our Company, Avinash Bhosale Infrastructure Private Limited and Aller River Ltd. On July 10, 2014, pursuant to a rights issue, Pallazzio Hotels & Leisure Limited allotted an additional 616,147 CCDs to our Company and to Avinash Bhosale Infrastructure Private Limited. Further, on October 13, 2014, our Company transferred 65,208 CCDs to Avinash Bhosale Infrastructure Private Limited. All allotted CCDs are convertible into equity shares of face value of ₹ 100 each of Pallazzio Hotels & Leisure Limited on a 1:1 basis. Our Company currently holds 1,297,029 CCDs. Conversion of all allotted CCDs will result in dilution of our Company's equity interest in Pallazzio Hotels & Leisure Limited, reducing our Company's shareholding to 55.8% (on a fully diluted basis). See also "Management's discussion and analysis of financial condition and results of operations—Significant developments occurring after March 31, 2015—Rights Issue by Pallazzio Hotels & Leisure Limited".

3 Our Company owns 1,321,400 equity shares (representing approximately 56.9% of the outstanding equity shares) of Phoenix Hospitality Company Private Limited. Phoenix Hospitality Company Private Limited owns 2,070,800 equity shares (representing approximately 41.5% of the outstanding equity shares) of Gangetic Hotels Private Limited. Accordingly, the effective (indirect) shareholding of the Company in Gangetic Hotels Private Limited is 23.6%.

Food and Beverage

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

Our Strengths

Diversified portfolio and revenue streams

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

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

Our retail development portfolio consists of approximately 6.16 million square feet of Leasable Area in eight Completed and one Ongoing project. Our commercial office development portfolio consists of approximately 1.82 million square feet of Saleable/Leasable Area in four Completed, one Ongoing and on Planned projects, (including areas already sold). Our residential development portfolio consists of approximately 5.51 million square feet of Saleable Area in five Ongoing and Planned projects, of which we have sold approximately 1.65 million square feet of Saleable Area. Our hospitality portfolio consists of two Completed hotels with a total of 582 keys. Our developments are located on freehold land owned by us or the respective project specific company that owns the project, except in the case of our High Street Phoenix and Palladium project in Lower Parel, Mumbai, where land is held by the Company in part on a freehold basis and in part on a leasehold basis (partly under a 999 year lease and partly on a perpetual lease basis).

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

Established market leadership and brand name

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

We believe we have a competitive advantage over our new and potential competitors in cities where we are already present due to several factors, including the significant time outlay required for potential competitors to build and establish a profitable retail mall (which, in our experience, typically takes approximately five to seven years), our early mover advantage in large, retail-led developments in specific micro-markets, non-availability or low availability of large parcels of land in proximity to our retail developments, high entry costs for our competitors to develop similar projects in cities where our developments and projects are located, our established track record in mall management testified by various awards we have won and our established relationships with international brands. In particular, we believe that our track record and the quality of our retail developments has enabled us to maximise our lease revenues through our established relationships with domestic and global retail clients.

For our residential projects, we believe that the Phoenix brand is well established and recognised, and is associated with good quality, design, innovation, marketing and project management that generally helps to achieve timely delivery of completed projects to buyers of residential apartments. Amongst other factors, we believe our strong market position and recognisable brand is a differentiating factor for our customers, which helps establish customer confidence, influences buying decisions and has enabled us to generally achieve high realizable prices for our projects. Some of our Ongoing residential projects have won several awards. See *"*—Awards and Recognitions" below. Our premium and luxury residential projects, One Bangalore West and Kessaku, in Bengaluru, comprise, in aggregate, approximately 3.24 million square feet of Saleable Area. We launched Phase I of One Bangalore West, comprising approximately 1.21 million square feet of Saleable Area, in the third quarter of 2012, in respect of which, as of March 31, 2015, we have sold approximately 0.99 million square feet of Saleable Area. We launched our Kessaku project, comprising approximately 0.99 million square feet of Saleable Area, in the first quarter of 2015, in respect of which, as of May 31, 2015, we have sold approximately 0.21 million square feet of Saleable Area (under various configurations including warm shell and/or fully furnished apartments).

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

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

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

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

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

We further believe that the business of developing and operating successful retail properties also depends on our ability to cater to the consumption pattern of target customers, including spending patterns and behaviour within a catchment area. We believe that the income earning potential of a retail property is closely linked to a property's client mix and quality of management. We seek to leverage our long-standing presence in this market segment and believe we are able to maximize the potential of a particular catchment area by bringing together appropriate retail clients. We also regularly evaluate the retail client mix at our retail properties to ensure that it caters to the consumption and spending patterns of customers. To capitalize on these trends, as of March 31, 2015, a majority of the leases across our retail properties are structured so that we receive the higher of a fixed guaranteed license fee / rental income, as applicable, or a percentage of revenue generated by the retail client, with such fixed guaranteed license fee / rental rate generally increasing on a percentage basis annually with a further higher percentage increase after, for example, three to five years. This assures us of minimum guaranteed license fees / rental income, as applicable, across our retail properties, while aligning our interest with those of our retail clients through revenue share arrangements. With this model, our license fees and rental income collected, as applicable, can increase as Consumption increases in a particular location.

Quality project execution and management capabilities

We believe that our position as a successful property developer in some of India's largest cities is largely due to our project execution capabilities, our quality of operation and our management team, which have enabled us to deliver over 17 million square feet of Built-up Area across various geographies and categories in India. We select whom we believe to be reputed and highly qualified contractors and international architects, and we use quality construction materials and modern technology in our developments. We have established dedicated teams to oversee the design, engineering and construction phases of development to allow us to complete our projects in a cost-effective and quality-controlled manner.

In addition, critical to our success at our retail and hospitality projects is the successful ongoing operation and

management of our developments. All projects are designed to address both various consumer concerns, such as adequate parking, aesthetics, comfort, safety and cleanliness, as well as the concerns of our retail clients, such as the continuous supply of utilities and security. We believe our focus on these operation and management aspects has a significant impact on the success of our developments. We periodically upgrade our retail developments in terms of quality and facilities offered in order to enhance visual impact and increase footfalls. We also track the revenues of our retail clients and provide suggestions to underperforming retail clients on how to improve revenues based on our operational experience. We also focus on developing a range of in-house food and beverage outlets as anchors to drive footfalls to our retail clients. We believe that our focused initiatives that seek to enhance the quality and revenues of our retail clients and our malls will lead to higher Consumption and Trading Density.

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

Our Strategy

Our key focus is to continue to increase our revenues while maintaining a balance between revenues derived from license fees / rental income and sales revenues derived from properties sold. Our focus is also to maintain our market position in India through the implementation of the following business strategy:

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

We intend to focus on developing new retail-led mixed-use projects in prime locations with development sizes similar to our existing malls, which could be of between two to four million square feet of Built-Up Area, including parking and other amenities, and which feature a diverse range of retail clients and a combination of retail developments, commercial office and residential projects. We intend to continue to develop and expand our existing Phoenix MarketCity developments, where such further development potential may be permitted on the basis of existing policies, rules and regulations and/or may become permissible on the basis of any changes in the existing policies, rules and regulations, subject to the approvals of our plans for such expansion by the relevant authorities. We also intend to continue to seek and identify opportunities to develop new Phoenix MarketCity developments in micro-markets different from where our retail malls currently exist, such as, but not limited to, (North) Mumbai West Chennai and West Bengaluru, expand our existing mixed-use projects by acquiring and developing adjacent or proximate land parcels and explore opportunities to enter new cities such as, but not limited to, Hyderabad and Kolkata. We are seeking to acquire two to three suitable land parcels of varying sizes in the next 12 to 24 months for mixed-use developments of between two to four million square feet, including sites adjacent or proximate to our existing developments.

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

Explore growth opportunities through development or acquisition of standalone malls

As part of our ongoing growth strategy, we intend to continue to evaluate the performance of retail business in certain non-competing micro markets, including, but not limited to, Mumbai, Chennai, Bengaluru and Pune and other growth locations in which we currently do not have a presence, such as Hyderabad, Kolkata, Ahmedabad, Chandigarh, Amritsar, Ludhiana and Kochi, for prospective growth opportunities. We believe that there is significant potential in these cities for standalone malls of between approximately 0.35 million square feet to approximately 0.8 million square

feet of Leasable Area. We are in the process of identifying several opportunities for growth in these cities, including in relation to both the acquisition of land for the development of malls and the acquisition of certain existing, standalone under-development malls or operational malls, and are seeking to acquire two to three green or brown field standalone malls in the next 12 to 24 months. We believe that the acquisition of existing, standalone under-development malls or operating malls will enable us to grow our revenues under our Phoenix brand and management. We believe any such acquisitions will help to further diversify our portfolio into new growth locations in India.

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

Explore growth opportunities for our residential and real estate portfolio

We will continue to explore growth opportunities for future residential projects in several cities in India. We believe that significant demand exists in several cities for premium and luxury residential projects. In order to meet this demand, we intend to explore opportunities to enter into joint venture and/or joint development agreements with land owners and/or acquire land in cities such as Mumbai, Pune, Bengaluru, Hyderabad and Ahmedabad to develop projects of 0.35 million square feet or more of Saleable Area in locations which we believe will enable us to obtain favourable pricing, similar to our Ongoing and Planned Projects in the cities of Bengaluru, Chennai and Pune. In particular, we are seeking to enter into joint venture and joint development agreements with existing land owners for one to three land plots for residential developments. Our intention is to maintain, on a continuing basis, an Ongoing and Planned residential project portfolio ranging from five to seven million square feet of Saleable Area at various stages of development.

We plan to grow our residential development portfolio by focusing on a detail oriented approach to planning, by collaborating with established architects and vendors, by endeavouring to both execute projects in a timely and cost effective manner and ensure that our projects meet global standards, including in relation to project design and engineering. We also plan to focus on fulfilling our ongoing commitments, effective customer management and ensuring post-sale satisfaction of customers, to ensure the continuing success of our projects post-development.

Explore growth opportunities for our commercial office real estate portfolio

We will continue to explore opportunities for developing new commercial office projects. Such projects could be located either as part of our mixed-use retail-led developments or undertaken on a standalone basis. We believe that the availability of suitable land with development potential in cities such as Mumbai, Bengaluru and Hyderabad among others is one of the determining factors for prospective commercial office projects. We are also exploring potential opportunities to add commercial space to our existing Ongoing and Planned mixed-use developments through the effective use of balance / further floor space index development potential as rules and regulations permit. We believe our strategy to include both retail and commercial space within a mixed-use development provides greater value to both prospective buyers and clients for commercial space

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

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

We will also seek to continue to renegotiate lease terms to our advantage as they expire or come up for renewal. Some of our current agreements with retail clients will be coming up for renewal over the next three financial years at our malls located in our High Street Phoenix and Palladium (approximately 0.35 million square feet coming up for renewal), Phoenix MarketCity Mumbai (approximately 0.71 million square feet coming up for renewal), Phoenix MarketCity Pune (approximately 0.61 million square feet coming up for renewal over next three years with approximately 0.37 million square feet coming up for renewal in financial year 2016), Phoenix MarketCity Bengaluru (approximately 0.50 million square feet coming up for renewal) and Phoenix MarketCity Chennai (approximately 0.52 million square feet coming up for renewal). See "— Marketing" below. Several recent renewals have resulted in us obtaining fixed guaranteed license fee / rental rates of more than double the prior fixed guaranteed license fee / rental rate for such leases.

Explore opportunities to complement our retail developments with eCommerce

In addition to our strategies to grow our brick and mortar retail business, we are also exploring opportunities utilise technology to provide shopping options or services options to consumers through smart phones and eCommerce by introducing and making our online services and searchable mall concept, Phoenix E-Mall, accessible either via smartphone or a computer. Through Phoenix E-Mall, we expect to provide consumers with online access to both our retail malls in multiple cities and the latest in-store merchandise on a single eCommerce platform. We are exploring several revenue sharing models, including sharing of a percentage of the revenues from online sales as well as a managed service fee. Further, by using technology, we believe we will be able to reach out to more customers for our existing malls and also provide them with services not currently available in physical malls. Further, we also believe that Phoenix E-Mall will enhance our understanding of consumer behaviour and allow us to enter new markets and extend the geographical reach of our existing malls.

Focus on inorganic growth opportunities through mergers and acquisitions

We intend to continue to evaluate opportunities to undertake mergers and acquisitions of complementary real estate companies in India in order to enhance our capabilities, diversify our business, address specific industry opportunities and expand our operations geographically.

We may also consider further increasing our equity interests in our Subsidiaries and Associates. We have invested approximately ₹ 6,101 million, in the past five years up to June 30, 2015, in acquiring equity shares and securities convertible into equity shares in our Subsidiaries and Associates, and expect to invest a further amount of approximately ₹ 2,537 million to complete such acquisitions under various sale and purchase agreements that we have entered into with our partners in our Subsidiaries and Associates. Past acquisitions since 2010 and contracted future acquisitions of equity interests in our projects, made either directly or through our Subsidiaries or Associates, are as set out below:

		Our Company's aggregate (direct and indirect) Equity Shareholding		
Development Name	**Name of project-specific developing entity**	**As of March 31, 2010** (unless otherwise stated)	**As of March 31, 2015**	**Contracted Future Shareholding***
Retail				
Phoenix MarketCity Bengaluru [1]	Island Star Mall Developers Private Limited	28.0%	75.3%[2]	100.0%
Phoenix MarketCity Mumbai [3]	Offbeat Developers Private Limited	24.3%	56.3%	74.5%
Phoenix MarketCity Pune [4]	Vamona Developers Private Limited	59.0%	62.6%	86.6%[5]
Phoenix MarketCity Chennai	Classic Mall Development Company Private Limited	31.0%	50.0%	50.0% (no change)
Residential				
Crest (Towers A and B)	Classic Housing Projects Private Limited	34.0% [6] as of November 26, 2010	50.0%	50.0% (no change)
One Bangalore West and Kessaku [7]	Palladium Constructions Private Limited	63.0% [8]	73.3%	79.5%

* We have entered into sale and purchase agreements with various parties to acquire additional equity interests in the project-specific companies that own and operate the projects referred to in the above table. The 'Contracted Future Shareholding' column shows what our shareholding in such the project-specific companies will be upon completion of contracted purchases of equity interests under these sale and purchase agreements.

1 See footnote 1 to the table under *"*—Recent Developments—Large Mixed-Use Retail Developments" above.

2 Our Company's current effective shareholding in Island Star Mall Developers Private Limited, following completion of the acquisition of equity shares on June 10, 2015, is 82.3%. See footnote 1 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

3 See footnote 3 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

4 See footnote 2 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

5 Our Company's current shareholding in Vamona Developers Private Limited, following completion of the acquisition of the acquisition of equity shares on June 123, 2015, is 86.6%. See footnote 2 to the table under "—Recent Developments—Large Mixed-Use Retail Developments" above.

6 On November 26, 2010, the Company acquired 3,334 equity shares (representing 32.0% of the outstanding equity shares) of Classic Housing Projects Private Limited from Phoenix Hospitality Company Private Limited (a related party at the time of the acquisition, which subsequently became, and is currently, a Subsidiary of the Company). Additionally, as at November 26, 2010, the Company also owned 50.0% of the outstanding equity shares of Escort Developers Private Limited which owned 417 equity shares (representing 4.0% of the outstanding equity shares) of Classic Housing Projects Private Limited. Accordingly, as at November 26, 2010, the effective (indirect) shareholding of the Company in Classic Housing Projects Private Limited was 34.0%.

7 See footnote 3 to the table under "—Recent Developments—Residential Projects" above.

8 As on March 31, 2010, our Company owned 12,760,000 equity shares (representing 63.0% of the outstanding equity shares) of Palladium Constructions Private Limited. In addition, as of March 31, 2010, the Company had paid subscription consideration of ₹ 1,161.90 million for the allotment to it of 4,740,000 compulsory convertible debentures. These compulsory convertible debentures were allocated to the Company on February 13, 2012, and were subsequently converted into 4,740,000 equity shares of Palladium Constructions Private Limited on May 17, 2013. Following conversion, the Company owned a total of 17,500,000 equity shares (representing 70.0% of the outstanding equity shares) of Palladium Constructions Private Limited. Since May 17, 2013, following two share buybacks by Palladium Constructions Private Limited and the merger of Palladium Constructions Private Limited with Platinum Spaces Private Limited, the shareholding of the Company in Palladium Constructions Private Limited has changed. See footnote 3 to the table under "—Recent Developments—Residential Projects" above for details of the current shareholding structure of Palladium Constructions Private Limited.

Description of our Business

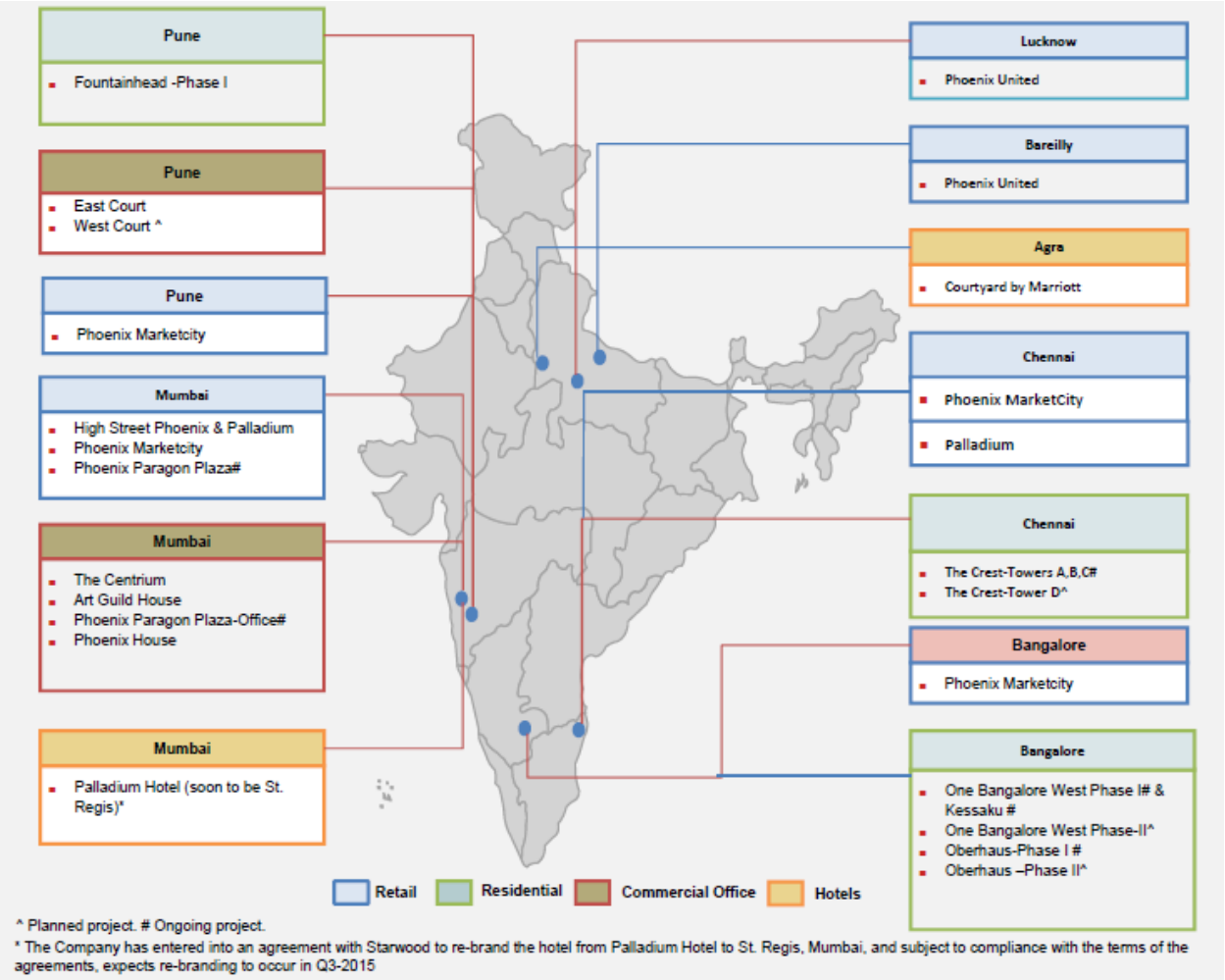
Our property portfolio includes Completed, Ongoing and Planned retail, residential and commercial office developments that include large mixed-use retail projects, commercial office projects, hospitality/hotel projects and residential projects.

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

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

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

The following map illustrates the locations of our projects across India, as of March 31, 2015:



Large Mixed-Use Retail Developments

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

High Street Phoenix and Palladium

As a result of development and its central location between South Mumbai and suburbs, we believe that Lower Parel has emerged as a viable alternative to the South Mumbai business district for commercial and retail purposes. Of the approximate 17.15 acres of land parcel on which our High Street Phoenix Mall, Palladium Mall, Palladium Hotel and Phoenix Towers residential apartments are located, approximately 6.43 acres are held on freehold basis by our Company, 6.56 acres held on perpetual lease basis by our Company and approximately 4.15 acres are held on a 999 year lease from the Municipal Corporation of Greater Mumbai. The retail development on this land parcel consists of a combined Leasable Area of approximately 0.87 million square feet of retail mall and commercial office space (net of areas let out on long lease basis). For the financial years 2015, 2014 and 2013, ₹ 3,154.53 million, ₹ 2,948.02 million and ₹ 2,706.01 million of our total consolidated revenue, respectively, was attributable to the revenues (including common area maintenance revenues and other recoveries) of High Street Phoenix and Palladium.

As of March 31, 2015 there were over 270 stores at High Street Phoenix and Palladium divided among distinct areas known as the "Skyzone," "Grand Galleria," "Grand Galleria Annexe," "Courtyard" and "Palladium". These areas were developed and became operational in phases over a period of time, with the final retail space, Palladium, commencing operations in 2008.

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

As of March 31, 2015, approximately 0.13 million square feet out of the total Leasable Area of High Street Phoenix and Palladium was leased. During the financial year 2015, approximately 90% - 95% of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 256 per square foot. From the financial year 2010 to financial year 2015, our rental income grew from ₹ 757 million to ₹ 2,293 million, at a CAGR of 17%. During the same period the monthly average rental grew from ₹ 115 per square foot to ₹ 256 per square foot.

In financial year 2015, we re-leased and/or renewed approximately 0.24 million square feet of Leasable Area at High Street Phoenix and Palladium at an average estimated minimum guaranteed fixed monthly license fee of approximately ₹ 335 per square foot with 108 of our retail clients. There has also been a significant increase in minimum guaranteed license fees from a number of our retail clients between the financial years 2014 and 2015. During this period, in leases renewed or released by 19 of our retail clients, estimated minimum guaranteed license fees increased by between 50% and 100%, in leases renewed or released by 30 of our retail clients, estimated minimum guaranteed license fees increased by between 100% and 200%, and in leases renewed or released by three of our retail clients, estimated minimum guaranteed license fees increased by over 200%.

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

Financial Year	Consumption (₹ in millions)	Average Trading Density (₹ per square foot per month)	Rental Income (₹ in millions)*
2010	4,373	1,055	757
2011	7,881	1,532	1,262
2012	9,710	1,676	1,495
2013	11,711	2,029	1,824
2014	13,185	2,263	2,039
2015	14,403	2,553	2,293

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

See further "Presentation of Financial and Other Information".

Phoenix MarketCity Projects

"Phoenix MarketCity" projects, as have been built by us at Pune, Chennai, Bengaluru and Mumbai, are conceptualized as large-scale, retail-led real estate developments of over two to three million square feet of Built-Up Area and approximately one million square feet in Leasable Area, in prime locations that are in close proximity to high-catchment areas. All of our Phoenix MarketCity projects have been developed on freehold land owned by the Company's Subsidiaries or Associates, as the case may be. Our Phoenix MarketCity projects encompass large retail stores, including several stores of varying sizes across all consumer categories, and multiple food and beverage outlets including fine dining, lounges, casual and quick service options. They also include large leisure and entertainment options, including cinemas, gaming, family entertainment centres and outdoor activities. Further, the Phoenix MarketCity projects may also include either commercial office and/or residential projects depending on the need of the specific micro-market. Therefore, we believe these projects optimize a mix of retail, entertainment and commercial office retail clients and residential buyers in order to attract a wide spectrum of consumers. We own and operate Phoenix MarketCity projects in Mumbai, Chennai, Bengaluru and Pune. All of our Phoenix MarketCity projects are undertaken by project-specific companies. Subsequent to the completion of each Phoenix MarketCity project, we have continued to manage the developments.

Phoenix MarketCity Chennai. Phoenix MarketCity Chennai is a development located on Velachery Road at Velachery in central Chennai on approximately 14.5 acres of land with approximately 1.00 million square feet of Leasable Area and approximately 0.69 million square feet of parking. Phoenix MarketCity Chennai has more than 250 stores and during financial year 2015, approximately 90% - 95% of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 104 per square foot.

The leases for approximately 0.5 million square feet or 52% of mall area are up for renewal between the financial years 2016 to 2018. Our consumption, average Trading Density and rental income grew at a growth rate of 51%, 21% and

29%, respectively, from financial year 2014 to financial year 2015. The table below sets out our consumption, average Trading Density and rental income for the financial years 2013 to 2015:

	Financial Year		
	2013	**2014**	**2015**
Consumption (₹ in millions)	518	6,938	10,481
Average Trading Density (₹ per square foot per month)	800	1,226	1,480
Rental Income (₹ in millions)	117	858	1,109

See further "Presentation of Financial and Other Information".

We hold a 50.0% equity interest in Classic Mall Development Company Private Limited, the project-specific company that has developed and owns the project.

Phoenix MarketCity Bengaluru. Phoenix MarketCity Bengaluru is a development located on Whitefield Road in the commercial area of Whitefield in Bengaluru on approximately 15 acres of land with approximately 0.98 million square feet of Leasable Area and approximately 0.43 million square feet of parking). Phoenix MarketCity Bengaluru has more than 290 stores and during financial year 2015, 90% - 95% out of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 84 per square foot.

The leases for approximately 0.50 million square feet or 51% of mall area are coming up for renewal between the financial years 2016 to 2018. Consumption, average Trading Density and rental income grew at a CAGR of 42%, 25% and 21%, respectively, from financial year 2013 to financial year 2015. The table below sets out consumption, average Trading Density, rental income, common area maintenance and other recoveries, total income and EBITDA for the financial years 2013 to 2015. The figures demonstrate the efficiency of our Phoenix MarketCity Bengaluru mall (as an example), as EBITDA approximately equates to rental income.

	Financial Year		
	2013	**2014**	**2015**
Consumption (₹ in millions)	3,832	6,573	7,753
Average Trading Density (₹ per square foot per month)	723	975	1,131
Rental Income (₹ in millions)	603	768	876
Common Area Maintenance and Other Recoveries	398	498	527
Total Income	1,001	1,266	1,403
EBITDA	583	843	935
EBITDA as % of Rental Income	97%	110%	107%

See further "Presentation of Financial and Other Information".

We currently hold an effective 82.3% equity interest in Island Star Mall Developers Private Limited, the project-specific company that has developed and owns the project. See "—Our Developments" above for details of agreements entered into to acquire additional equity shares in Island Star Mall Developers Private Limited.

Phoenix MarketCity Pune. Phoenix MarketCity Pune is a development located on Nagar Road in Pune on approximately 17.6 acres of land with approximately 1.13 million square feet of Leasable Area and approximately 0.72 million square feet of parking). Phoenix MarketCity Pune has more than 310 stores and during the financial year 2015, approximately 90-95% out of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 82 per square foot.

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

income for the financial years 2013 to 2015:

	Financial Year		
	2013	**2014**	**2015**
Consumption (₹ in millions)	4,610	6,221	7,650
Average Trading Density (₹ per square foot per month)	653	812	975
Rental Income (₹ in millions)	640	789	941

See further "Presentation of Financial and Other Information".

We currently hold an 86.6% equity interest in Vamona Developers Private Limited, the project-specific company that has developed and owns the project. See "—Our Developments" above for details of agreements entered into to acquire additional equity shares in Vamona Developers Private Limited.

Phoenix MarketCity Mumbai. Phoenix MarketCity Mumbai is a development located in the eastern Mumbai suburb of Kurla, approximately five kilometres from the business district of Bandra-Kurla complex. The metro, the east-west link of Chembur Santacruz link road and the eastern express freeway also make this development accessible from the tertiary catchment areas of Juhu, Andheri and Dadar, among others. Phoenix MarketCity Mumbai is developed on approximately 22 acres of land with approximately 1.11 million square feet of Leasable Area and approximately 0.43 million square feet of parking. Phoenix MarketCity Mumbai has more than 300 stores and during financial year 2015, approximately 85% - 90% of the total Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 85 per square foot.

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

	Financial Year		
	2013	**2014**	**2015**
Consumption (₹ in millions)	2,818	4,460	5,480
Average Trading Density (₹ per square foot per month)	454	586	705
Rental Income (₹ in millions)	750	934	991

See further "Presentation of Financial and Other Information".

We hold currently 56.3% equity interest in Offbeat Developers Private Limited, the project-specific company that has developed and owns the project. See "—Our Developments" above for details of agreements entered into to acquire additional equity shares in Offbeat Developers Private Limited.

Phoenix United, Lucknow

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

We hold a 76.6% equity interest in Big Apple Real Estate Private Limited, which in turn wholly owns Upal Developers Private Limited, the project-specific company that has developed and owns the project.

Phoenix United, Bareilly

Phoenix United, Bareilly is located along the Pilibhit Bypass Road, on approximately 3.5 acres of freehold land owned by Blackwood Developers Private Limited, with approximately 0.31 million square feet of Leasable Area. Phoenix United, Bareilly has more than 130 stores with and during financial year 2015, approximately 90% - 95% of the total

Leasable Area was leased (including under executed letters of intent) at an average monthly license fee or rental, as applicable, of approximately ₹ 44 per square foot.

We hold a 76.6% equity interest in Big Apple Real Estate Private Limited, which in turn wholly owns Blackwood Developers Private Limited, the project-specific company that has developed and owns the project.

Between the financial years 2013 and 2015, Consumption from our High Street Phoenix and Palladium, Phoenix MarketCity and Phoenix United retail projects, on a consolidated basis, grew at a CAGR of 38%. The combined Consumption for the financial years 2015, 2014 and 2013 were approximately ₹ 49.0 billion, ₹ 40.3 billion and ₹ 25.7 billion, respectively. Between the financial years 2013 and 2015, the combined rental income grew at a CAGR of 25% during which period the total rental incomes for the financial years 2015, 2014 and 2013 were approximately ₹ 6.5 billion, ₹ 5.7 billion and ₹ 4.2 billion, respectively.

Palladium Mall, Chennai

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

We hold an effective 28.5% equity interest in Starboard Hotels Private Limited, the project-specific company that is developing and owns the project.

Phoenix Paragon Plaza, Mumbai

Phoenix Paragon Plaza, Mumbai, is our Completed retail development project, located at L.B.S. Marg, Kurla, situated on approximately 22 acres of freehold land owned by Offbeat Developers Private Limited and Graceworks Realty & Leisure Private Limited each having ownership to the extent of approximately 18.4 acres and 3.6 acres respectively, with approximately 0.34 million square feet of expected retail Leasable Area. Phoenix Paragon Plaza, Mumbai, is expected to have more than 300 stores and is partly operational since April 30, 2015.

We hold an effective 44.0% equity interest in Graceworks Realty & Leisure Private Limited, the project-specific company that is developing and owns the project.

Commercial Office Projects

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

Phoenix House, Mumbai

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

Centrium, Mumbai

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

We currently hold a 56.3% equity interest in Offbeat Developers Private Limited, the project-specific company that has developed the project. See "—Our Developments" above for details of agreements entered into to acquire additional equity shares in Offbeat Developers Private Limited.

East Court, Pune

East Court, Pune is our Completed project located at Viman Nagar, Pune, forming part of the mixed-use development,

Phoenix MarketCity Pune, on approximately 18 acres of freehold land owned by Vamona Developers Private Limited, with approximately 0.25 million square feet of Saleable/Leasable Area. As of March 31, 2015, approximately 0.24 million square feet of Saleable/Leasable Area of East Court, Pune had been sold.

We currently hold an 86.6% equity interest in Vamona Developers Private Limited, the project-specific company that has developed the project. See "—Our Developments" above for details of agreements entered into to acquire additional equity shares in Vamona Developers Private Limited.

Phoenix Paragon Plaza, Mumbai

Phoenix Paragon Plaza, Mumbai, is our Completed project, within our Phoenix MarketCity Mumbai retail project in the Mumbai suburb of Kurla and situated on approximately 22 acres of freehold land owned by Offbeat Developers Private Limited and Graceworks Realty & Leisure Private Limited each having ownership to the extent of approximately 18.4 acres and 3.6 acres respectively. This development comprises approximately 0.12 million square feet of Saleable/Leasable Area and includes both retail and commercial space with the flexibility to interchange the use between two formats, and has been partially operational since April 30, 2015. The commercial office space of Phoenix Paragon Plaza comprises approximately 0.12 million square feet of Saleable/Leasable Area. As of March 31, 2015, approximately 0.045 million square feet of Saleable/Leasable Area has been sold and approximately 0.04 million square feet of Saleable/Leasable Area has been leased/licensed.

We hold an effective 44.0% equity interest in Graceworks Realty & Leisure Private Limited, the project-specific company that has developed the project.

Art Guild House, Mumbai

Art Guild House, Mumbai is our Ongoing Project which, when completed, will form a part of our Phoenix MarketCity Mumbai development located in the eastern Mumbai suburb of Kurla situated on a part of the parcel of freehold land admeasuring approximately 22 acres owned by Offbeat Developers Private Limited and Graceworks Realty & Leisure Private Limited, each having ownership to the extent of approximately 18.4 acres and 3.6 acres respectively. Art Guild House comprises approximately 0.76 million square feet of proposed Saleable/Leasable Area. Approximately 0.38 million square feet of Saleable/Leasable Area has been sold. The project is expected to be operational in the fourth quarter of 2015.

We currently hold a 56.3% equity interest in Offbeat Developers Private Limited, the project-specific company that has developed the project. See "—Our Developments" above for details of agreements entered into to acquire additional equity shares in Offbeat Developers Private Limited.

West Court, Pune

West Court, Pune, is our Planned Project and part of our Phoenix MarketCity Pune development, located at Nagar Road on approximately 18 acres of freehold land owned by the Vamona Developers Private Limited, with approximately 0.28 million square feet of proposed Saleable/Leasable Area, subject to panning and approval consents. Further, subject to the approval by the Government of the State of Maharashtra of certain proposed policy changes, namely the transfer of development rights notification of May 2015, and thereafter subject to approvals of the relevant development and construction plans by the relevant authorities, there may be further expansion potential of this project.

We currently hold an 86.6% equity interest in Vamona Developers Private Limited, the company that owns the land on which this project is situated. See "—Our Developments" above for details of agreements entered into to acquire additional equity shares in Vamona Developers Private Limited.

Pursuant to a Memorandum of Understanding dated March 4, 2014 and entered into between Vamona Developers Private Limited and Alliance Spaces Private Limited, Alliance Spaces Private Limited is the developer of this project. We currently hold an effective 33.0% equity interest in Alliance Spaces Private Limited, the project-specific company that is developing the project.

Residential Projects

The following is a description of our Ongoing residential projects:

Fountainhead, Pune

Fountainhead is our residential apartment project located on Nagar Road in Pune and forms part of our Phoenix MarketCity Pune development spread across approximately 18 acres of freehold land owned by Vamona Developers Private Limited. Alliance Spaces Private Limited, which has an undivided interest in the land to the extent of 13,982 square metres, owns and is developing this project. Once completed, this project will comprise two towers of 13 floors each. The project was launched in the first quarter of 2014 and construction of tower 1 is currently ongoing while tower 2 is currently under planning and awaiting approvals. It is estimated that tower 1 and tower 2 together will have a total Saleable Area of approximately 0.35 million square feet. The project will include facilities and amenities appropriate for a premium residential development of its type. The project is scheduled to be completed in 2018. As of March 31, 2015, approximately 0.03 million square feet of Saleable Area has been sold.

We hold an effective 33.0% equity interest in Alliance Spaces Private Limited, the project-specific company that is developing the project.

Crest, Chennai

Crest is our residential project located on Velachery Main Road in Chennai that forms part of the Phoenix MarketCity Chennai development, spread across approximately 14.5 acres of freehold land of which approximately 9.68 acres is owned by Classic Mall Development Company Private Limited and approximately 4.78 acres is owned jointly by Classic Housing Projects Private Limited and Starboard Hotels Private Limited. Crest Towers A & B comprise a total Saleable Area of approximately 0.24 million square feet and are being developed by Classic Housing Projects Private Limited. Crest Tower C comprises a total Saleable Area of approximately 0.29 million square feet is being developed by Classic Mall Development Company Private Limited and Crest Tower D comprises a total Saleable Area of approximately 0.41 million square feet is being developed by Starboard Hotels Private Limited and is currently under planning and is awaiting approvals.

Once completed, these projects will comprise an aggregate Saleable Area of approximately 0.94 million square feet. Planning of the projects commenced in 2009, with Towers A, B and C being launched in the third quarter of 2011. Towers A and B are expected to be completed in the second quarter of financial year 2016 and Tower C is scheduled for completion in the third quarter of financial year 2016. Tower D is currently in the planning stage, is expected to be launched this year and is scheduled to be completed in 2018. As of March 31, 2015, approximately 0.36 million square feet of Saleable Area has been sold in Towers A, B and C.

We hold an effective 50.0% equity interest in Classic Housing Projects Private Limited, the project-specific company that is developing Towers A and B, a 50.0% equity interest in Classic Mall Development Company Private Limited, the project-specific company that is developing Tower C, and an effective 28.5% equity interest in Starboard Hotels Private Limited, the project-specific company that is developing Tower D of this project.

One Bangalore West, Bengaluru

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

The current estimated cost (per square foot) for the first phase of the project is ₹ 5,574 per square foot, including land cost of ₹ 1,100 per square foot, TDR cost of ₹ 385 per square foot and cost of construction of ₹ 4,089 per square foot. For the financial years 2015, 2014 and 2013, our average selling price for the same period was ₹ 10,782 per square foot, ₹ 10,073 per square foot and ₹ 7,944 per square foot, respectively. Based on the estimated cost, the average gross

margin for the areas sold during the same period was ₹ 5,208 per square foot, ₹ 4,530 per square foot and ₹ 2,401 per square foot, respectively. Currently, our average selling price is ₹ 12,297 per square foot which gives us an average gross margin of ₹ 6,723 per square foot. The estimated cost of the project may vary going forward subject to changes in input costs.

We currently hold an effective 73.3% equity interest in Palladium Constructions Private Limited, the project-specific company that is developing the project. See "—Our Developments" above for details of agreements entered into to acquire additional equity shares in Palladium Constructions Private Limited.

Kessaku, Bengaluru

Kessaku is our residential apartment project located at Rajkumar Road, Rajajinagar in West Bengaluru and is being constructed on part of the parcel of freehold land measuring approximately 16 acres owned by Palladium Constructions Private Limited, with a total Saleable Area of approximately 0.99 million square feet. Once completed, this project will comprise one tower with 5 wings of 30 floors each. Planning of the project commenced in the third quarter of 2013 with launch occurring in the third quarter of financial year 2015. Completion is scheduled for the first quarter of financial year 2019. The project will include facilities and amenities appropriate for a premium residential development of its type. As of May 31, 2015, approximately 0.21 million square feet of Saleable Area has been sold.

We currently hold an effective 73.3% equity interest in Palladium Constructions Private Limited, the project-specific company that is developing the project and the remaining equity interest is held by K2F Residential Limited. See "—Our Developments" above for details of agreements entered into to acquire additional equity shares in Palladium Constructions Private Limited.

Oberhaus, Bengaluru

Oberhaus is our part Ongoing and part Planned premium residential project and forms part of our Phoenix MarketCity Bengaluru mixed-use development, located at Whitefield in Bengaluru on approximately 14.8 acres of freehold land owned by Island Star Mall Developers Private Limited.

Once completed, this project will comprise 2 towers with a total Saleable Area of approximately 1.02 million square feet. Phase I of this development if our Ongoing project, with a total Saleable Area of approximately 0.38 million square feet. It was launched in the first quarter of 2015 and is scheduled to be completed in the second quarter of financial year 2018. Phase II of this is our Planned project and is currently at the planning stage and awaiting approval. It is expected to have an estimated Saleable Area of approximately 0.64 million square feet. The project will include facilities and amenities appropriate for a premium residential development of its type.

We currently hold an effective 82.3% equity interest in Island Star Mall Developers Private Limited, the project-specific company that is developing the project. See "—Our Developments" above for details of agreements entered into to acquire additional equity shares in Island Star Mall Developers Private Limited.

Hospitality Services

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

Palladium Hotel, Mumbai

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

The Palladium Hotel was developed and is owned by our wholly-owned subsidiary, Pallazzio Hotels & Leisure Limited. In September, 2014, Pallazzio Hotels & Leisure Limited entered into various agreements with certain Starwood entities, including an operating agreement with Starwood Hotels and Resorts India Private Limited and a trademark license and technical assistance agreement with Starwood Asia Pacific Hotels and Resorts Pte. Ltd., amongst others, for the

management, marketing, technical services and branding of the Palladium Hotel to be operated under the trademark of St. Regis, a luxury hotel brand owned by Starwood. It is expected that the Palladium Hotel will be rebranded as The St. Regis, Mumbai in the third quarter of 2015.

In May and August 2007, Pallazzio Hotels & Leisure Limited had entered into several agreements with Shangri-La International Hotel Management Pte. Limited in connection with the development and operation of its hotel at Lower Parel, Mumbai, under the Shangri-La brand. The parties to these agreements have terminated said agreement, effective in August 2013, and the entities are currently in arbitration in India. See "Legal Proceedings".

Our Company currently owns 1,200,000 equity shares (representing 100.0% of the outstanding equity shares) of Pallazzio Hotels & Leisure Limited. Pursuant to two investment agreements dated March 8, 2007 and September 30, 2008, Pallazzio Hotels & Leisure Limited has allotted, in aggregate, 2,659,802 compulsory convertible debentures, of various series ("**CCDs**") to our Company, Avinash Bhosale Infrastructure Private Limited and Aller River Ltd. On July 10, 2014, pursuant to a rights issue, Pallazzio Hotels & Leisure Limited allotted an additional 616,147 CCDs to our Company and to Avinash Bhosale Infrastructure Private Limited. Further, on October 13, 2014, our Company transferred 65,208 CCDs to Avinash Bhosale Infrastructure Private Limited. All allotted CCDs are convertible into equity shares of face value of ₹ 100 each of Pallazzio Hotels & Leisure Limited on a 1:1 basis. Our Company currently holds 1,297,029 CCDs. Conversion of all allotted CCDs will result in dilution of our Company's equity interest in Pallazzio Hotels & Leisure Limited, reducing our Company's shareholding to 55.8% (on a fully diluted basis). See also "Management's discussion and analysis of financial condition and results of operations—Significant developments occurring after March 31, 2015—Rights Issue by Pallazzio Hotels & Leisure Limited".

Courtyard by Marriott, Agra

Courtyard by Marriott, Agra is a premium leisure and business hotel located at Taj Nagri on Fatehbad Road in Agra, in close proximity to the Taj Mahal, with 193 keys, three restaurants and a bar (of which two restaurants and the bar are currently operational), and a banquet hall with a 200 person capacity. The hotel has been operational since January 2015 and is operated by the Marriott Group. The average occupancy during the fourth quarter of financial year 2015 was 28% and the average room rate per night was ₹ 4,800. Gangetic Hotels Private Limited, the project-specific company that has developed and owns this project, has entered into a hotel operating agreement and other related agreements with Marriott Hotels India Private Limited and its affiliates for the operation, marketing, technical services and branding of the hotel to be operated under the trademark of Courtyard by Marriott. The amenities offered to guests include, among others, a swimming pool, fitness centre and meeting rooms.

We currently hold an effective 23.3% equity interest in Gangetic Hotels Private Limited, the project-specific company that owns and operates this hotel.

The real estate development process

We utilize a multi-stage execution methodology for the development of projects, consisting of land identification and acquisition, analysis of the local market potential and development regulations, achieving financial closure, design development, obtaining consents, authorizations and approvals required for development, project preparation, project management and execution, procurement and vendor development, marketing, leasing and sales and post-completion asset maintenance and management.

Land identification and acquisition of ownership interests or development rights

We have a dedicated team that analyzes and monitors existing and future customer profiles and requirements, industry economics, property market trends and government policies. This team identifies areas which it believes have future development potential. We also use the feedback we receive from customers, along with our relationships with property consultants, constructors, sub-contractors and suppliers, to assess future market demand and industry outlook. After we have identified a potential development site, we evaluate and estimate the costs which will be incurred for the development of the project. This process is jointly undertaken by the engineering department and our team which identified the land.

Prior to undertaking each project, we conduct due diligence and assessment exercises in relation to immovable properties and financial viability of the project. Once we have identified a plot that may be suitable for development, our local counsel conducts due diligence in respect of land we intend to develop, including a review of land records,

planning records and ownership records, and publishes a notice in newspapers soliciting objections from persons claiming ownership of the land. Assuming that our investigations reveal no significant problems with the identified land, we enter into negotiations to seek to reach a preliminary agreement with the landowners to acquire the land. Formal conveyance of land by the seller (at which time stamp duty becomes payable), for acquisition of land, is completed only shortly before construction is due to begin and after all requisite governmental consents and approvals have been obtained.

Obtaining consents, authorizations and approvals

Once we have identified and reached an agreement to acquire title to the land, we seek requisite governmental and regulatory consents, sanctions, authorizations and approvals, including siting, development plan and environmental approvals. We believe our experience in working with governmental and regulatory authorities to obtain such approvals has given us an understanding of the regulatory regime in which we operate, thereby enabling us to obtain requisite approvals on a timely basis and to obtain approvals for the development of the maximum permitted square footage for a given plot size.

Project preparation, including design and architecture

After obtaining necessary approvals, we obtain financing for the project. We typically fund all of our projects through project-specific private equity financing and bank borrowings.

After a detailed review of the site parameters, project cost estimate and project development timetable, we formalize an architectural brief which is subsequently finalized either internally or with selected external architects and consultants, depending on the size and complexity of the project.

Project execution

Each of the project-specific companies will enter into an engineering, procurement and construction contract or work order with various contractors for the engineering, procurement and construction of the project. We closely monitor the development process, construction, quality, safety, actual and estimated project costs and construction schedules.

Marketing, including sales or leasing, and post-completion

Our sales and marketing department is responsible for procuring customers for the units in our retail developments. Most of our units are leased through word of mouth, but if required, we market our units through newspapers, internet and billboard advertising, launch events and corporate presentations. We seek to foster good relations with our customers. In each of our retail developments, we provide our customers with a pre-occupancy inspection accompanied by our site engineers.

Residential Sales Process

We have established a sales process for our residential developments pursuant to which our sales and collections teams engage with prospective purchasers of our residential apartments, whether directly or through real estate brokers and/or agents. Generally, purchasers enter into agreements with the Company and/or the relevant project specific Subsidiary or Associate for the purchase of the relevant apartment that they are looking to acquire and pay an up-front deposit of a percentage amount of the agreed sale price of the apartment. During construction of the residential development, purchasers will then make incremental payments on completion of certain key construction milestones and once possession is handed over to them. Our sales team has flexibility in the sales process to deal with the individual circumstances of different purchasers so as to ensure purchaser satisfaction and an optimal result for both the purchaser and the Company on a case by case basis.

Banks and financial institutions approve our residential projects based on the permissions and approvals received from statutory bodies and may agree to finance a purchaser of an apartment within such a project based on the repayment capacity of such purchaser. The banks and financial institutions will then directly pay us contracted installments on behalf of the relevant purchaser, as per the agreed payment schedule.

Insurance

We maintain insurance coverage with several Indian insurers. The insurance that we procure varies with respect to each project and generally includes coverage for fire and allied perils, contractors' all-risk protection and third party liability.

Awards and Recognitions

We have won several awards for our retail, residential, commercial and hospitality developments and projects, including:

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

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

Competition

The real estate development industry in India, while fragmented and regionalized, is highly competitive. We face competition in the cities where our business activities are presently focused, from various Indian retail, commercial, residential and hospitality development and operating companies.

Given our strategy of expanding our business activities to include real estate development in other cities, we face competition from various Indian commercial and retail real estate investment and development companies with significant operations elsewhere in India. Given the fragmented nature of the real estate development industry in India, we often do not have adequate information about the projects our competitors are developing and accordingly, we run the risk of underestimating supply in the market. As we seek to diversify our regional focus, we face the risk that some of our competitors, who are also engaged in real estate development, may be better known in other markets, enjoy better relationships with landowners and international or domestic joint venture partners, gain early access to information

regarding attractive parcels of land and be better placed to acquire such land. We and certain of our retail clients compete with other retail distribution channels, including e-commerce, department stores and malls, in attracting customers. Moreover, we compete with an increasing number of commercial real estate developers. Increasing competition could result in price and supply volatility, which could cause our business to suffer. We may also face competition in the future from certain foreign real estate development companies operating in India or which may in the future enter the Indian market.

Employees

As of March 31, 2015, the Company, its Subsidiaries and Associates have a total of 1,461 employees. None of our employees are represented by any labour or workers' unions. We believe that we have good relations with our employees. Since commencement of our real estate development operations, we have not experienced any work stoppages or strikes.

We believe that a skilled and motivated employee base is essential for our competitive advantage. As such, and also to ensure that our employees have the training and tools needed to be successful in today's competitive environment, we are committed to building teams and invest considerable resources in the development of the expertise and know-how of our employees as well as in employee satisfaction.

Environment, Health and Safety

We believe that we are generally in compliance with applicable environmental laws and regulations. We are not currently a party to any environmental proceedings which, if adversely determined, would reasonably be expected to have a material adverse effect on our financial condition or results of operations.

We are committed to internationally accepted practices and seek to comply with applicable health, safety and environmental legislations and other requirements in our operations. To ensure the effective implementation of our practices, we seek to identify at every project all hazards at the beginning of our work on a project, evaluate the associated risks and institute and monitor appropriate controls and methods.

We believe that all accidents and occupational health hazards can be prevented through systematic analysis and control of risks and by providing appropriate training to employees, subcontractors and communities. We encourage our employees to work constantly and proactively toward eliminating or minimizing the impact of hazards to people and the environment. We encourage the adoption of occupational health and safety procedures as an integral part of our operations.

Intellectual Property

We have a total of 76 registered trademarks held either directly by us or through our Subsidiaries and Associates, including the trademarks "High Street Phoenix", "Phoenix Market City" and the Phoenix logo-bird. We have a total of 98 trademarks that are pending registration, which have been applied for directly by us or through our Subsidiaries or Associates and we have made renewal applications for 36 trademarks which have expired.

Properties

Our registered office is located at 462, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 and is owned by our Company.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board represents the interests of shareholders and is responsible for our general management. The managing director of the Company, subject to the supervision and control of the Board, has the overall responsibility for the administration of our day-to-day activities.

The composition of the Board is primarily governed by the provisions of the Companies Act and the Equity Listing Agreement. The Articles set out that until otherwise determined by a general meeting, the number of Directors shall not be less than three and not more than fifteen. We currently have nine Directors on our Board comprising of four executive Directors and five independent Directors.

The following table sets forth details regarding the Board as at the date of this Placement Document:

Name and Occupation	Age	Designation	Director Identification Number	Address	Term
Mr. Ashokkumar Ruia Occupation: Business Nationality: Indian	71	Chairman & Managing Director	00086762	Ruia House, 19, Bhau Saheb Hira Marg, Malabar Hill, Mumbai 400006, Maharashtra, India.	For a term of five years commencing from April 1, 2015, liable to retire by rotation
Mr. Atul Ruia Occupation: Business Nationality: Indian	44	Joint Managing Director	00087396	Ruia House, 19, Bhau Saheb Hira Marg, Malabar Hill, Mumbai 400006, Maharashtra, India.	For a term of five years commencing from April 1, 2015, liable to retire by rotation
Mr. Shishir Shrivastava Occupation: Service Nationality: Indian	39	Joint Managing Director	01266095	1/1, Prakash Cooperative Housing Society, Relief Road, Santacruz (West), Mumbai 400054, Maharashtra, India.	For a term of five years commencing from July 30, 2011, liable to retire by rotation
Mr. Pradumna Kanodia Occupation: Service Nationality: Indian	50	Director - Finance	01602690	Flat No. 1003, 10th Floor, Phoenix Towers, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra, India.	For a term of five years commencing from April 28, 2011, liable to retire by rotation
Mr. Amit Kumar Dabriwala Occupation: Business Nationality: Indian	42	Independent Director	00164763	Flat No. 43-A, Anita Cooperative Housing Society, Mount Pleasant Road, Malabar Hill, Mumbai 400006, Maharashtra, India.	For a term commencing from April 1, 2014 up to March 31, 2019, not liable to retire by rotation
Mr. Amit Dalal	52	Independent Director	00297603	81, Sherman, 22, Narayan Dhabolkar	For a term commencing

Name and Occupation	Age	Designation	Director Identification Number	Address	Term
Occupation: Service Nationality: Indian				Road, Mumbai, 400006, Maharashtra, India.	from April 1, 2014 up to March 31, 2019, not liable to retire by rotation
Mr. Sivaramkrishnan Iyer Occupation: Professional Nationality: Indian	48	Independent Director	00503487	B-1901, Runwal Pride, Behind R-Mall, LBS Marg, Mulund (West), Mumbai 400080, Maharashtra, India.	For a term commencing from April 1, 2014 up to March 31, 2019, not liable to retire by rotation
Mr. Suhail Nathani Occupation: Professional Nationality: United States	50	Independent Director	01089938	Flat No. 801, Prabhu Kutir, 15 Alta Mount Road, Mumbai 400026, Maharashtra, India.	For a term commencing from April 1, 2014 up to March 31, 2019, not liable to retire by rotation
Ms. Shweta Vyas Occupation: Service Nationality: Indian	34	Additional Independent Director	06996110	41, Parijat, Orchid Society, Majiwada, Thane 400607, Maharashtra, India.	For a term commencing from October 14, 2014 up to the date of the ensuing AGM

Brief profiles of the Directors

Mr. Ashokkumar Ruia

Mr. Ashokkumar Ruia aged 71, is the chairman and managing director of our Company. As the chairman and managing director of our Company, he is involved in mentoring the leadership team, advising on strategy and in various aspects of the Company's expansion plans. He was a member of the board of directors of Galaxy Entertainment Corporation Limited. He has been a member of our Board since November 8, 1963.

Mr. Atul Ruia

Mr. Atul Ruia aged 44, is a joint managing director of our Company. He holds a bachelor's degree of science in economics from the University of Pennsylvania. He was involved in launching High Street Phoenix at Lower Parel, Mumbai and has been involved in establishing the Phoenix MarketCity projects across India. He was a member of the board of directors of Galaxy Entertainment Corporation Limited. He has been a member of our Board since November 19, 1996.

Mr. Shishir Shrivastava

Mr. Shishir Shrivastava aged 39, is a joint managing director of our Company. He holds a diploma in hotel management and catering technology from the National Council for Hotel Management and Catering Technology, New Delhi, through the Institute of Hotel Management, Bangalore. He has been with our Company since 2002 in various capacities in the areas of corporate strategy, private equity fund raising and investor relations. He was involved in launching High

Street Phoenix at Lower Parel, Mumbai. He has been involved in establishing the Phoenix MarketCity projects across India. He is currently involved in the re-branding of the Palladium Hotel to The St. Regis, Mumbai. He has been a member of our Board since March 18, 2010.

Mr. Pradumna Kanodia

Mr. Pradumna Kanodia aged 50, is a Director - Finance of our Company. He is a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. In our Company, he heads the finance and accounts teams and plays a role in fund raising and liaising with banks for debt funding. He has been a member of our Board since April 28, 2011.

Mr. Amit Kumar Dabriwala

Mr. Amit Kumar Dabriwala aged 42, is an independent Director of our Company. He has been the managing director of United Credit Securities Limited, which is registered as a trading member with SEBI since January 12, 1996 and since then he has been associated with the capital markets. He is one of the first directors and signatories to the memorandum and articles of association of JNR Securities Broking Private Limited. He has been a member of our Board since December 31, 2005.

Mr. Amit Dalal

Mr. Amit Dalal aged 52, is an independent Director of our Company. He holds a master's degree in business administration from the University of Massachusetts, United States of America. He has been an executive director at Tata Investment Corporation Limited since January 1, 2010. Currently, he is a member of the board of directors of Manugraph India Limited, Sutlej Textiles and Industries Limited and Tata Investment Corporation Limited. He has been a member of our Board since February 21, 2007.

Mr. Sivaramkrishnan Iyer

Mr. Sivaramakrishnan Iyer aged 48, is an independent Director of our Company. He is a member of the Institute of Chartered Accountants of India and is a partner of Patel Rajeev Siva & Associates. He was a member of the board of directors of IRB Infrastructure Developers Limited and Cineline India Limited. Currently, he is a member of the board of directors of Praj Industries Limited and Man Infraconstruction Limited. He has been a member of our Board since October 31, 2006.

Mr. Suhail Nathani

Mr. Suhail Nathani aged 50, is an independent Director of our Company. He is a member of bar council of Maharashtra and Goa. He holds a bachelor's degree and a master's degree, in arts from the University of Cambridge. He also holds a master's degree in law from Duke University, United States of America. He is one of the senior partners of Economic Laws Practice, a law firm in Mumbai. He was a member of the board of directors of JSW Ispat Steel Limited. Currently, he is a member of the board of directors of Mahindra CIE Automotive Limited and DCB Bank Limited. He has been a member of our Board since December 31, 2005.

Ms. Shweta Vyas

Ms. Shweta Vyas aged 34, is an additional independent Director of our Company. She holds a bachelor's degree in commerce from the University of Mumbai and a post graduate diploma in business management from the K. J. Somaiya Institute of Management Studies and Research. She has worked, in the international private banking department at Barclays Wealth, India and in the priority banking department at Standard Chartered Bank, India. She was also associated with Birla Sun Life Insurance Company Limited as an agency manager. She is a teacher with The Art of Living foundation and is actively involved with its corporate training arm called APEX and MSME. She has been a member of our Board since October 14, 2014.

Compensation paid to our Directors

Executive Directors

The appointment of Mr. Ashokkumar Ruia and Mr. Atul Ruia, is governed by the resolutions passed by our Board and Shareholders, which cover the terms of such appointment and are implemented in conjunction with the service rules of our Company. Remuneration paid to them, which is recommended by the nomination and remuneration committee and approved by the Board, is within the limits set by the Shareholders in their general meetings.

Set forth below are details of the compensation (and other terms and benefits) paid by our Company to Mr. Ashokkumar Ruia and Mr. Atul Ruia during the current financial year and the last three financial years:

Mr. Ashokkumar Ruia

(₹ in million)

Financial Year	Salary & Allowances	Contribution to provident fund	Perquisites	Total
April 1, 2015 to May 31, 2015	1.00	0.00	0.00	1.00
2015	6.00	0.00	0.00	6.00
2014	6.00	0.00	0.00	6.00
2013	6.00	0.00	0.00	6.00

Mr. Atul Ruia

(₹ in million)

Financial Year	Salary & Allowances	Contribution to provident fund	Perquisites	Total
April 1, 2015 to May 31, 2015	1.00	0.00	0.00	1.00
2015	6.00	0.00	0.00	6.00
2014	6.00	0.00	0.00	6.00
2013	6.00	0.00	0.00	6.00

Mr. Kiran Gandhi

Mr. Kiran Gandhi was appointed as a whole time Director for a term of two years with effect from April 22, 2014. However, Mr. Kiran Gandhi unfortunately passed away on May 31, 2015 and has accordingly ceased to be a Director. Set forth below are details of the compensation (and other terms and benefits) paid by the Company to Late Mr. Kiran Gandhi during the current financial year and the last three financial years**:**

(₹ in million)

Financial Year	Salary & Allowances	Contribution to provident fund	Perquisites	Total
April 1, 2015 to May 31, 2015	0.41	0.00	0.00	0.41
2015	2.79	0.00	0.00	2.79
2014	3.73	0.00	0.04	3.77
2013	4.80	0.00	0.04	4.84

Further, Mr. Shishir Shrivastava and Mr. Pradumna Kanodia, have been appointed by the Shareholders in their meeting held on September 20, 2011 for a term of 5 years effective from July 30, 2011 and April 28, 2011, respectively, without payment of any remuneration from our Company.

Independent Directors

The independent Directors remuneration committee of the Board determines and recommends to the Board, the quantum of commission payable to the independent Directors. Our Company also pays sitting fees to the independent Directors within the limits prescribed under the Companies Act.

The table below sets forth the details of the sitting fees and commission paid during the current financial year and the last three financial years to the independent Directors on the Board:

(₹ in million)

Name of the Independent Director	Commission				Sitting fees				Total compensation			
	For the period from April 1, 2015 to May 31, 2015[1]	For Financial Year 2015	For Financial Year 2014	For Financial Year 2013	For the period from April 1, 2015 to May 31, 2015	For Financial Year 2015	For Financial Year 2014	For Financial Year 2013	For the period from April 1, 2015 to May 31, 2015	For Financial Year 2015	For Financial Year 2014	For Financial Year 2013
Mr. Amit Kumar Dabriwala	-	0.25	0.25	0.25	0.03	0.14	0.13	0.16	0.03	0.39	0.38	0.41
Mr. Amit Dalal	-	0.25	0.25	0.25	0.00	0.07	0.16	0.19	0.00	0.32	0.41	0.44
Mr. Sivaramkrishnan Iyer	-	0.25	0.25	0.25	0.00	0.11	0.05	0.09	0.00	0.36	0.30	0.34
Mr. Suhail Nathani	-	0.25	0.25	0.25	0.04	0.10	0.10	0.14	0.04	0.35	0.35	0.39
Mr. Shribhanu Patki[2]	-	-	-	-	-	-	-	0.02	-	-	-	0.02
Mr. Gautam Nayak[3]	-	0.00	0.25	0.05	-	0.00	0.12	0.02	-	0.00	0.37	0.07
Ms. Shweta Vyas[4]	-	-	-	-	0.05	0.06	-	-	0.05	0.06	-	-

[1] *Commission is paid annually only after the approval of the audited annual financial statements of our Company, by the Shareholders.*
[2] *Mr. Shribhanu Patki resigned as a Director with effect from June 28, 2012.*
[3] *Mr. Gautam Nayak resigned as a Director with effect from May 28, 2014.*
[4] *Ms. Shweta Vyas was appointed as a Director with effect from October 14, 2014.*

Interests of our Directors

All our Directors, including the independent Directors, may be deemed to be interested to the extent of commission, fees, if any, payable to them for attending meetings of the Board or a committee thereof, remuneration and reimbursement of expenses payable to them. All our executive Directors may be deemed to be interested to the extent of remuneration, if any, paid to them for services rendered as an officer of our Company.

All our Directors, may also be deemed to be interested to the extent of the Equity Shares and employee stock options, if any, held by them or their relatives and / or associates or held by any bodies corporate, firms, trusts, partnerships or entities in which they are interested as a director, member, partner, trustee or officer and / or have beneficial economic interest and to extent of benefits arising out of such shareholding.

Additionally, Mr. Suhail Nathani, being a partner of Economic Laws Practice, a law firm, which advises our Company, Promoters, Subsidiaries and Associates on legal matters in the regular course of business, may be deemed to be interested to the extent of any fees paid to Economic Laws Practice.

Except as otherwise stated in this Placement Document in this regard, we have not entered into any contracts, agreements, arrangements during the preceding two years from the date of this Placement Document in which any of the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements, arrangements which are proposed to be made with them.

As on the date of this Placement Document, none of the Directors have availed of any loan from our Company. None of the Directors are related to any other Director, except for Mr. Ashokkumar Ruia who is the father of Mr. Atul Ruia.

Shareholding of the Directors

The table below sets forth the number of Equity Shares held by the Directors, as of July 3, 2015:

Name	Position	Number of Equity Shares	Percentage of pre-Issue paid up Equity Share capital

Mr. Ashokkumar Ruia	Chairman & Managing Director	3,659,594	2.52
Mr. Atul Ruia	Joint Managing Director	2,341,882	1.62
Mr. Shishir Shrivastava	Joint Managing Director	47,200[1]	0.03
Mr. Pradumna Kanodia	Director - Finance	-[2]	-

[1]*Additionally, Mr. Shishir Shrivastava also holds 30,000 options granted and valid under the ESOP 2007.*
[2]*Additionally, Mr. Pradumna Kanodia also holds 105,556 options granted and valid under the ESOP 2007.*

Corporate Governance

Our Company is in compliance with the requirements of the applicable corporate governance norms, including the Equity Listing Agreement, the Companies Act and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law. Our Company's management provides the Board with detailed reports on a periodic basis.

Committees

Our Board has amongst others, four committees, which have been constituted and functions in accordance with the relevant provisions of the Companies Act and the Equity Listing Agreement, namely: (i) audit committee; (ii) nomination and remuneration committee; (iii) stakeholders' relationship committee, and (iv) corporate social responsibility committee.

The following table sets forth the details of the members of the aforesaid committees as of the date of this Placement Document:

Name of the Committee	Members
Audit committee	Mr. Amit Kumar Dabriwala (Chairman), Mr. Atul Ruia and Ms. Shweta Vyas.
Nomination and Remuneration committee	Mr. Suhail Nathani (Chairman), Mr. Amit Kumar Dabriwala, Mr. Sivaramakrishnan Iyer and Ms. Shweta Vyas.
Stakeholders' Relationship committee	Mr. Amit Kumar Dabriwala (Chairman), Mr. Ashokkumar Ruia and Mr. Atul Ruia.
Corporate Social Responsibility committee	Mr. Ashokkumar Ruia (Chairman), Mr. Atul Ruia and Ms. Shweta Vyas.

Borrowing powers of the Board

Pursuant to a special resolution passed by the Shareholders on August 26, 2014 and in accordance with provisions of the Companies Act, 2013, the Board has been authorised to borrow monies in excess of the aggregate paid-up capital and free reserves of our Company, i.e. reserves not set apart for any specific purpose, and provided that the total amount borrowed or to be borrowed by the Board shall not, at any time, exceed the limit of ₹ 12,500 million.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9 (1) of the Insider Trading Regulations applies to us and our employees and requires us to implement a code of internal procedures and conduct for the prevention of insider trading. Our Company is in compliance with the same and has implemented an insider policy for employees. Mr. Pradumna Kanodia, acts as the compliance officer of our Company. In terms of the Companies Act, 2013, the directors and the key managerial personnel are prohibited from (a) acquiring an option over, or entering into forward dealings in, securities of our Company, its Subsidiaries or its Associates; and (b) engaging in insider trading.

Key managerial personnel

In accordance with the provisions of the Companies Act, 2013, following are the key managerial personal of our Company:

Mr. Atul Ruia - Joint Managing Director

Mr. Atul Ruia is a joint managing director of our Company. He holds a bachelor's degree of science in economics from the University of Pennsylvania. He was involved in launching High Street Phoenix at Lower Parel, Mumbai. He has been involved in establishing the Phoenix MarketCity projects across India. He was a member of the board of directors of Galaxy Entertainment Corporation Limited. He has been a member of our Board since November 19, 1996.

Mr. Pradumna Kanodia - Director - Finance

Mr. Pradumna Kanodia is the Director - Finance of our Company. He is a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. In our Company, he heads the finance and accounts teams and plays a role in fund raising and liaising with banks for debt funding. He has been a member of our Board since April 28, 2011.

Ms. Puja Tandon - Company Secretary

Ms. Puja Tandon is the company secretary of our Company since July 28, 2014. She holds a bachelor's degree in commerce (honours) from the University of Calcutta and a bachelor's degree in law. She is a member of the Institute of Company Secretaries of India. Prior to joining our Company, she was working with Bharti Airtel Limited for a period of over six years.

Interest of Key managerial personnel

Except to the extent of the remuneration or benefits to which our Company's Key Managerial Personnel are entitled as per the terms of their employment, or reimbursement of expenses incurred by them in the ordinary course of business, or to the extent of their shareholding and employee stock options, if any, held by them, our key managerial personnel do not have any other interest in our Company.

Shareholding of Key Managerial Personnel

The following table sets forth details regarding the shareholding of our key managerial personnel in our Company as of July 3, 2015:

Name	Designation	Number of Equity Shares	Percentage of pre-Issue paid up Equity Share capital
Mr. Atul Ruia	Joint Managing Director	2,341,882	1.62
Mr. Pradumna Kanodia	Director - Finance	-[1]	-
Ms. Puja Tandon	Company Secretary	-	-

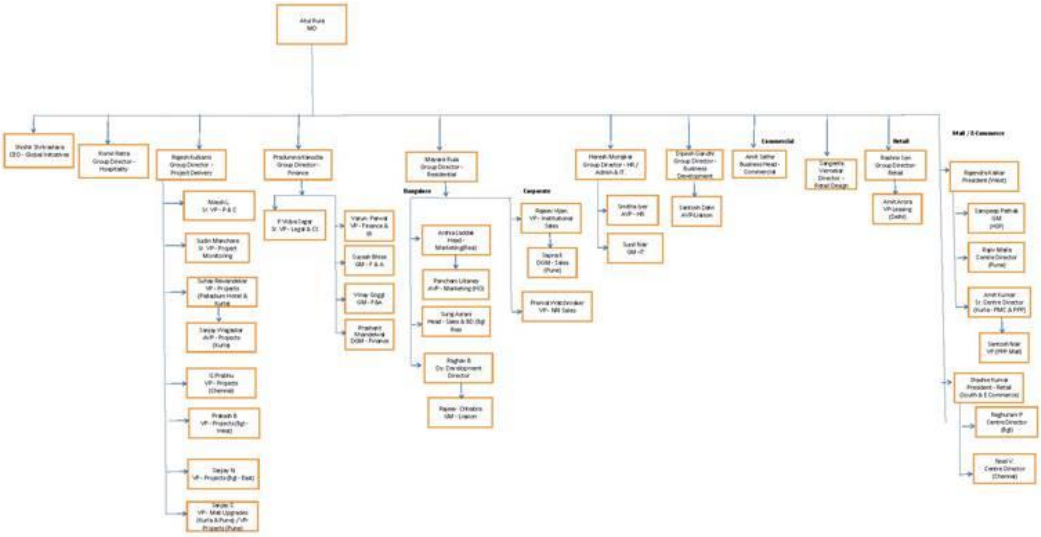
[1] *Additionally, Mr. Pradumna Kanodia also holds 105,556 options granted and valid under the ESOP 2007.*

Other confirmations

None of the Directors, Promoters or key managerial personnel of our Company has any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Management organizational structure

The organizational structure of our Company is as represented in the chart below:



PRINCIPAL SHAREHOLDERS

Shareholding Pattern

The shareholding pattern of our Company as of March 31, 2015 is as follows:

Category Code (I)	Category of Shareholder (II)	No of Shareholders (III)	Total No of Shares (IV)	Number of shares held in dematerialized Form (V)	Total Shareholding as percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No of Shares (VIII)	As a percentage (IX=VIII/IV*100)
(A)	**Shareholding of Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/Hindu Undivided Family	8	99,31,781	99,31,781	6.85	6.85	0	0.00
(b)	Central Government/State Governments	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	6	8,56,38,182	8,56,38,182	59.08	59.08	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0.00	0	0.00
	Sub -Total (A)(1)	**14**	**9,55,69,963**	**9,55,69,963**	**65.93**	**65.93**	**0**	**0.00**
(2)	**Foreign**							
(a)	Individuals(Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0.00	0	0.00
	Sub -Total (A)(2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	Total of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**14**	**9,55,69,963**	**9,55,69,963**	**65.93**	**65.93**	**0**	**0.00**
(B)	**Public Shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds /UTI	23	47,10,208	47,10,208	3.25	3.25	0	0.00

Category Code (I)	Category of Shareholder (II)	No of Shareholders (III)	Total No of Shares (IV)	Number of shares held in dematerialized Form (V)	Total Shareholding as percentage of total number of shares		Shares Pledged or otherwise encumbered	
(b)	Financial Institutions/Banks	3	8,503	8,503	0.01	0.01	0	0.00
(c)	Central Government/State Governments	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	60	3,31,31,283	3,31,31,283	22.86	22.86	0	0.00
(g)	Foreign Venture Capital Investors	1	14,01,416	14,01,416	0.97	0.97	0	0.00
(h)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(i)	Foreign Portfolio Investors (Corporate)	7	19,99,026	19,99,026	1.38	1.38	0	0.00
(j)	Any Other (Specify)	0	0	0	0.00	0.00	0	0.00
	Sub -Total (B)(1)	**94**	**4,12,50,436**	**4,12,50,436**	**28.46**	**28.46**	**0**	**0.00**
(2)	**Non-Institutions**							
(a)	Bodies Corporate	191	40,28,211	40,23,461	2.78	2.78	0	0.00
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	5,933	30,99,349	25,63,938	2.14	2.14	0	0.00
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	6	5,53,853	5,00,103	0.38	0.38	0	0.00
(c)	Qualified Foreign Investors	0	0	0	0.00	0.00	0	0.00
(d)	Any Other (Specify)							
i	Non Resident Indians (Repat)	58	2,89,680	2,89,680	0.20	0.20	0	0.00
ii	Non Resident Indians (Non Repat)	31	1,05,570	1,05,570	0.07	0.07	0	0.00
iii	Foreign Companies	0	0	0	0.00	0.00	0	0.00
iv	Clearing Member	35	35,733	35,733	0.02	0.02	0	0.00
v	Directors/Relativ	7	23,650	23,650	0.02	0.02	0	0.00

Category Code (I)	Category of Shareholder (II)	No of Shareholders (III)	Total No of Shares (IV)	Number of shares held in dematerialized Form (V)	Total Shareholding as percentage of total number of shares		Shares Pledged or otherwise encumbered	
	es							
vi	Trusts	1	250	250	0.00	0.00	0	0.00
	Sub -Total (B)(2)	**6,262**	**81,36,296**	**75,42,385**	**5.61**	**5.61**	**0**	**0.00**
	Total Public Shareholding B=(B)(1)+(B)(2)	**6,356**	**4,93,86,732**	**4,87,92,821**	**34.07**	**34.07**	**0**	**0.00**
	TOTAL (A) +(B)	**6,370**	**14,49,56,695**	**14,43,62,784**	**100.00**	**100.00**	**NA**	**NA**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**							
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
2	Public	0	0	0	0.00	0.00	0	0.00
	Sub - Total (C)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0.00**
	GRAND TOTAL (A)+(B)+(C)	**6,370**	**14,49,56,695**	**14,43,62,784**	**100.00**	**100.00**	**0**	**0.00**

Shareholding of securities of persons belonging to the category "Promoter and Promoter Group".

The following table sets out the details of Equity Shares held by the Promoters and Promoter Group of our Company as of March 31, 2015:

Sl. No.	Name of the Shareholder	Details of Shares held		Encumbered Shares			Details of Warrants		Details of Convertible Securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of shares held	As a % of total no. of equity shares outstanding as of March 31, 2015	No. of shares held	As a %	As a % of total no. of equity shares outstanding as of March 31, 2015	No. of warrants held	As a % total number of warrants of the same class	No. of convertible securities	As a % total number of convertible securities of the same class	
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI) = (V) / (III) x 100**	**(VII)**	**(VIII)**	**(IX)**	**(X)**	**(XI)**	**(XII)**
1.	Ruia International Holding Company Pvt Ltd	4,92,07,037	33.95	0	0.00	0.00	0	0.00	0	0.00	0.00
2.	Senior Holdings Pvt Ltd	1,51,42,550	10.45	0	0.00	0.00	0	0.00	0	0.00	0.00

Sl. No.	Name of the Shareholder	Details of Shares held		Encumbered Shares			Details of Warrants		Details of Convertible Securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of shares held	As a % of total no. of equity shares outstanding as of March 31, 2015	No. of shares held	As a %	As a % of total no. of equity shares outstanding as of March 31, 2015	No. of warrants held	As a % total number of warrants of the same class	No. of convertible securities	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI) = (V) / (III) x 100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
3.	Radhakrishna Ramnarain Pvt Ltd	1,16,17,930	8.01	0	0.00	0.00	0	0.00	0	0.00	0.00
4.	Ashok Apparels Pvt Ltd	96,70,665	6.67	0	0.00	0.00	0	0.00	0	0.00	0.00
5.	Ashokkumar Radhakrishna Ruia	36,59,594	2.52	0	0.00	0.00	0	0.00	0	0.00	0.00
6.	Atul Ashok Ruia	23,35,362	1.61	0	0.00	0.00	0	0.00	0	0.00	0.00
7.	Amla Ashokkumar Ruia	21,25,000	1.47	0	0.00	0.00	0	0.00	0	0.00	0.00
8.	Gayatri Atul Ruia	15,34,890	1.06	0	0.00	0.00	0	0.00	0	0.00	0.00
9.	Sharanya A Ruia Beneficiary Trust	2,76,935	0.19	0	0.00	0.00	0	0.00	0	0.00	0.00
Total		**9,55,69,963**	**65.93**	**0**	**0.00**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0.00**

Shareholding of securities belonging to the category "Public" and holding more than 1% of the total number of Equity Shares as of March 31, 2015.

Sr. No.	Name of the Shareholder	No. of shares held	As a % of total no. of equity shares outstanding as of March 31, 2015	Details of Warrants	Details of Convertible Securities	Total shares (including underlying shares assuming full conversion of warrants and

				No. of warrants held	As a % total number of warrants of the same class	No. of convertible securities	As a % total number of convertible securities of the same class	convertible securities) as a % of diluted share capital
1.	Fidelity Investment Trust Fidelity Series Emerging Markets Fund	70,11,182	4.84	0	0.00	0	0.00	0.00
2.	Nordea I Sicav Emerging Stars Equity Fund	61,38,865	4.23	0	0.00	0	0.00	0.00
3.	Merrill Lynch Capital Markerts ESPANA S A S V	27,68,250	1.91	0	0.00	0	0.00	0.00
4.	Reliance Capital Trustee Co Ltd A/c Reliance Regular Savings Fund - Equity Option	20,00,000	1.38	0	0.00	0	0.00	0.00
5.	The Phoenix Mills Limited – Unclaimed Suspense Account	17,60,750	1.21	0	0.00	0	0.00	0.00
Total		**1,96,79,047**	**13.58**	**0**	**0.00**	**0**	**0.00**	0.00

REGULATIONS AND POLICIES

The following description is a summary of the important laws, regulations and policies that are applicable to our business. The information detailed below has been obtained from the various legislations, including rules and regulations promulgated by regulatory bodies, and the bye-laws of the respective local authorities that are available in the public domain. The regulations set out below are not exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

In addition to the regulations and policies already specified in this Placement Document, taxation statutes such as the IT Act, labour laws, environmental laws and other miscellaneous laws apply to us as they do to any other Indian company.

Laws promulgated by the Government of India

Transfer of Property Act, 1882 ("Transfer of Property Act")

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by the operation of law, is governed by the Transfer of Property Act. This act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

The Indian Stamp Act, 1899 ("Indian Stamp Act")

Stamp duty is required to be paid on all documents specified under the Indian Stamp Act at the rates specified in the Schedules to the Indian Stamp Act. The rate of stamp duty varies from state to state. The applicable rates for stamp duty on the instruments chargeable with duty, including those relating to conveyance, are prescribed by the state legislation. Instruments chargeable to duty under the Indian Stamp Act which are not duly stamped are incapable of being admitted in the court as evidence of the transaction contained therein. The Indian Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all.

Registration Act, 1908 ("Registration Act")

The Registration Act has been enacted with the object of providing public notice of the execution of documents affecting transfer of interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, and publication of documents and prevention of fraud. It details the formalities for registering an instrument.

The Environment (Protection) Act, 1986 ("Environment (Protection) Act")

The law relating to the environment is governed by the Environment (Protection) Act. The Environment (Protection) Act provides for the protection and improvement of environment and for regulation of discharge of environmental pollutants and handling of hazardous substance and such other matters connected there with. The Environment (Protection) Act further provides for creation of an authority or authorities with adequate powers for environmental protection and for coordination of the activities of the various regulatory agencies already in existence. The Environment (Protection) Act embodies a scheme for speedy response in the event of accidents threatening environment and punishment to those who endanger human environment, safety and health.

The Easements Act, 1882 ("Easements Act")

The law relating to easements is governed by the Easements Act. The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do and continue to do something or to prevent and continue to prevent something being done, in or upon, in respect of certain other land not his own.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("2013 Land Acquisition Act")

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Bill, 2015 (the "**Bill**") was introduced in the Lok Sabha by the Minister for Rural Development, on February 24, 2015 and was subsequently passed on March 10, 2015 and is currently pending before the Rajya Sabha. The Bill amends the 2013 Land Acquisition Act which regulates land acquisition and lays down the procedure and rules for granting just and fair compensation, rehabilitation and resettlement to the affected families in India and aims at establishing a participative, informed and transparent process for land acquisition for industrialization, development of essential infrastructural facilities and urbanization. The Bill also replaces the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Ordinance, 2014 ("**Ordinance**") under which, land acquired for certain projects is exempted from the applicability of certain sections of the 2013 Land Acquisition Act relating to determination of social impact and public purpose and safeguarding of food security. The Bill, like the Ordinance, exempts the five categories of land use from this provision of the 2013 Land Acquisition Act - (i) defence, (ii) rural infrastructure, (iii) affordable housing, (iv) industrial corridors, and (v) infrastructure projects including public private partnership projects where the central government owns the land. It also provides for return land acquired, when the same remained unutilised for five years, to the original owners or the land bank. The Bill changes the application of the Act from private companies to 'private entities' and provides for a definition thereof. Various other changes, inter alia, of penal provisions have been suggested by the Bill. On April 3, 2015, the President promulgated Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Ordinance, 2015 incorporating the amendments made by the Lok Sabha in the Bill and latterly, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Second Bill, 2015 was introduced before the Lok Sabha on May 11, 2015 and during its pendency for being passed therein, the President promulgated the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Second Ordinance, 2015 on May 30, 2015 which provides for further amendments to the 2013 Land Acquisition Act.

Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 ("SEBI REIT Regulations")

On September 26, 2014, SEBI notified the SEBI REIT Regulations, which lays down a framework for registration and regulations for real estate investment trusts ("**REIT**"). REITs act as a vehicle for owning and operating income generating real estate assets. It provides an avenue to retail and institutional investors to participate in real estate ownership, management and development without actually owning any commercial real estate assets. REITs enable easier access to funds for cash-strapped developers and also create a new investment avenue for institutions and high net-worth individuals.

Under the SEBI REIT Regulations, REITs will have to be set up as a trust and will have parties such as a SEBI registered trustee, a sponsor, a manager and a principal valuer. The minimum asset size under REITs should not be less than ₹ 1,000 million. Further, the minimum public participation under the REITs should be at least 25% and that an initial offer size shall not be of less than ₹ 2,500 million. REITs shall invest in real estate properties, other than vacant/agricultural land/mortgages or through special purpose vehicles, wherein such special purpose vehicle shall own not less than 90% of the assets.

The Real Estate Regulation and Development Bill, 2013 ("Real Estate Bill")

The Real Estate Bill was approved by the Union Cabinet and tabled before the Rajya Sabha on August 14, 2013. Thereafter, the Union Cabinet on April 7, 2015 gave its approval to certain amendments proposed in the Real Estate Bill (the "**Real Estate Amendment Bill**" together with the Real Estate Bill, the "**Bill**"). The Bill will require the approval of both houses of the Indian Parliament as well as the assent of the President of India, and publication in the Gazette of India prior to becoming law. The Bill proposes to establish (i) one or more real estate regulatory authority in each state or union territory for the regulation and promotion of the real estate sector and to ensure the sale of land, apartments and buildings in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and (ii) an appellate tribunal to adjudicate disputes and hear appeals from the decisions or orders of the real estate regulatory authority and for matter connected therewith. Further, the Bill also proposes mandatory registration of certain real estate projects and that the real estate agents register themselves with real estate regulatory authority.

Applicable foreign investment regime in the real estate sector

FEMA Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, GoI which is regulated by the FIPB. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. As laid down by the FEMA Regulations, no prior consent and approval is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

Foreign direct investment

FDI in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Foreign Direct Investment Policy ("**FDI Policy**") by the DIPP. The master circular on foreign investment in India (master circular No.15/2015-16) issued by the RBI on July 1, 2015 lays down the entire regulatory framework including all underlying circulars/notifications and instructions issued by the RBI in this aspect.

FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities. Pursuant to the Consolidated FDI Policy Circular of 2015, FDI investment in construction-development projects (which would include development of townships, construction of residential/commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships) is permitted under the automatic route up to 100% of equity, subject to certain specified conditions. These conditions include:

(a) minimum area to be developed in case of construction-development projects is 20,000 sq. mt.;

(b) investee company will be required to bring minimum FDI of US$ 5 million within six months of commencement of the project. The commencement of the project will be the date of approval of the building plan/lay out plan by the relevant statutory authority. Subsequent tranches of FDI can be brought till the period of ten years from the commencement of the project or before the completion of project, whichever expires earlier;

(c) the project shall conform to the norms and standards, including land use requirements and provision of community amenities and common facilities, as laid down in the applicable building control regulations, bye-laws, rules, and other regulations of the state government/municipal/local body concerned;

(d) the Indian investee company will be permitted to sell only developed plots;

(e) the Indian investee company shall be responsible for obtaining all necessary approvals as prescribed under applicable rules/bye-laws/regulations of the state government/municipal/local body concerned;

(f) project using at least 40% of the FAR/FSI for dwelling unit of floor area of not more than 140 sq. mt. will be considered as affordable housing project for the purpose of FDI policy in construction development sector. Out of the total FAR/FSI reserved for affordable housing, at least one-fourth should be for houses of floor area of not more than 60 sq. mt.; and

(g) it is clarified that 100% FDI under automatic route is permitted in completed projects for operation and management of townships, malls/ shopping complexes and business centres.

Laws and policies promulgated by the state governments / local municipalities

Development Control Regulations ("DCR")

The DCR applies to the development of immovable properties situated within the territorial jurisdiction of a municipal corporation of the respective city. These regulations are applicable to all development, re-development, construction, change of user and the mode of construction and design of the buildings. No development can be carried out without first obtaining the prescribed development permission was under these regulations. In certain circumstances, the development potential of a plot of land may be separated from the land itself and may be made available to the owner of the land in the form of TDR. These rights may be made available and be subject to the provisions of the DCR.

In Mumbai, to carry out the development, the builder/owner has to first comply with the relevant acts including the Mumbai Municipal Corporation Act, 1888 and the Maharashtra Regional Town Planning Act, 1966. Further, a draft notification on TDR was issued by the State Government of Maharashtra on May 7, 2015, for public comments (the "**Draft Notification**"). The Draft Notification links the generation of TDR to providing fair compensation under the 2013 Land Acquisition Act. Pursuant to the Draft Notification, fair compensation for lands reserved for public amenities, social facilities and utilities in the development plans has been allowed by granting TDR and by allowing owner for development subject to certain conditions under the accommodation principle. The said government is yet to release the final notification on TDR, based on the comments received from the public on the Draft Notification. There is no certainty on whether, the Draft Notification will be approved in its current form or amended or notified at all.

In Pune, the DCR is mainly governed by the Development Control Rules for Pune Municipal Corporation, Pune, 1982, which applies to building activity and development work in areas under the jurisdiction of Pune Municipal Corporation Pune. The Mumbai Municipal Corporation Act, 1888 and the Maharashtra Regional Town Planning Act, 1966 are not applicable for Pune.

The Second Master Plan for Chennai Metropolitan Area, 2026, contains the DCR, and application of these regulations extends to the whole of Chennai Metropolitan Area.

In Bangalore, the Revised Master Plan-2015 prepared by the Bangalore Development Authority contains the DCR which provides for project classifications and their respective permissible land uses.

Development Plan

A development plan ("**DP**") basically means a plan for the development or re-development of an area within the jurisdiction of a planning authority.

In Mumbai, according to the Maharashtra Regional and Town Planning Act, 1966, the DP has to be revised every 20 years. The last time, the DP was prepared for Mumbai was in 1981. The public authority responsible for the revision of the DP is the Municipal Corporation of Greater Mumbai ("**MCGM**"). The MCGM which formulated the draft DP 2014-2034 ("**DP 2034**") had come up with maximum permissible FSI for each plot in Mumbai. For example, under the earlier DP, parking was only permitted under open spaces, however, under the DP 2034, areas such as electric substations, storage of harvested rain water, grey water harvesting plants, sewerage treatment plants amongst others, have also been added to the area permitted under open spaces. However, in April 2015, the DP 2034 was cancelled by the Government of Maharashtra with a directive to the MCGM to submit a revised DP plan.

In Pune, the draft DP (2007-2027) is applicable for the old Pune Municipal Corporation limits and with the inclusion of 23 new villages into the Pune Municipal Corporation jurisdiction, new draft regulations have been prepared for covering such additional areas in 2005 and the same has been submitted to the state government of Maharashtra. Seven parts of the draft DP plan have been sanctioned by the state government of Maharashtra in installments until April 4, 2012.

The Bangalore Development Authority is the planning authority for the Bangalore Metropolitan Area ("**BMA**"). A Comprehensive Development Plan ("**CDP**") for the BMA will be revised once in 10 years as per section 25 of Karnataka Town and Country Planning Act, 1961. The first CDP for the BMA was prepared and approved in 1984. Subsequently, a revised CDP was approved in 1995 which is still in force. The revised master plan for Bangalore contains a draft for a new CDP which will be applicable up to 2035.

The DP for the Chennai Metropolitan Area ("**CMA**") is appraised based on the guidelines for Jawaharlal Nehru National Urban Renewal Mission. The CMA comprises of the city of Chennai, 16 municipalities, 20 town panchayats

and 214 village panchayats in 10 panchayat unions. The Chennai Metropolitan Development Authority releases the city development plans on a regular basis. The latest plan was released in the year 2006.

Parking policy

The State Government of Maharashtra has sanctioned a modification to the DCR on October 20, 2008 by incorporating a new regulation 33(24) for the development of multi-storied public parking lots on private plots. The policy consists of provisions on minimum cars to be accommodated, minimum built up area and minimum plot size and further lays down a scheme for incentive FSI.

Maharashtra Ownership of Flats (Regulation of the Promotion, Construction, Sale, Management and Transfer) Act, 1963 ("MOFA")

The MOFA was enacted to regulate the promotion, construction, sale, management and transfer of flats sold on ownership basis in the State of Maharashtra. The MOFA has been repealed by the enactment of the Maharashtra Housing (Regulation and Development) Act, 2012 ("**MHADA**"). MHADA is for execution of the proposals, plans, or projects of the state and the acquisition therefore of the lands and buildings and transferring the lands, buildings or tenements therein to the needy persons and the cooperative societies of occupiers of such lands or buildings.

Mumbai Municipal Corporation Act, 1888

The Mumbai Municipal Corporation Act, 1888 was enacted to consolidate and amend the law relating to the Municipal Government of Brihanmumbai. As per the provisions of this act, the builder/developer is required to obtain a commencement certificate, from the commissioner before commencing construction or re-construction activity.

The Maharashtra Regional Town Planning Act, 1966 ("MRTP Act")

The MRTP Act was enacted to authorize a development plan by the planning authorities to ensure that the town planning schemes are made in a regulated manner. The MRTP Act has been enacted with the object of establishing local development authorities in Maharashtra to ensure efficient town planning and development of lands within their jurisdiction. The MRTP Act provides for the creation of new towns and compulsory acquisition of land required for public purposes. The MRTP Act provides a mechanism for the better preparation of planning proposal and their effective execution.

Maharashtra Stamp Act, 1958 ("Bombay Stamp Act")

Bombay Stamp Act was enacted to consolidate and amend the law relating to stamps and rates of stamp duties in Maharashtra. The Bombay Stamp Act levies stamp duty on documents/instruments by which any right or liability is or purports to be created, transferred, limited, extended, extinguished or recorded. All instruments chargeable with duty and executed by any person are required to be stamped before or at the time of execution or immediately thereafter on the next working day following the day of execution. The Bombay Stamp Act authorises the State government on receiving information from any source, to call for examination of any instrument to satisfy itself that the market value of the property referred therein has been truly set forth and the duty paid on it is adequate. Instruments not duly stamped are incapable of being admitted in court as evidence of the transaction in question. The state government has the authority to impound insufficiently stamped documents.

Maharashtra Rent Control Act, 1999

Maharashtra Rent Control Act, 1999 was made to unify, consolidate and amend the law relating to the control of rent and repairs of certain premises and of eviction and for encouraging the construction of new houses by assuring a fair return on the investment by landlords and to provide for the matters connected with the purposes aforesaid.

Maharashtra Apartment Ownership Act, 1970 ("MAO Act")

The MAO Act was enacted to provide for the ownership of an individual apartment in a building and to make such apartment heritable and transferable property and for matters connected therewith for the property in the state of Maharashtra. The MAO Act applies only to property, the sole owner or all of the owners of which submit the same to the provisions of this by duly executing and registering a declaration as provided in it. It consists of provisions inter alia

relating to ownership of apartments, common areas and facilities, and certain prohibited works.

Karnataka Rent Control Act, 2001 ("KRCA")

The KRCA was expedient to provide regulation of rent and eviction of tenant in a way that balances the interest of both the tenants and the landlord. The KRCA applies to Residential and non residential constructions. It provides for registration of every tenancy agreement under the Registration Act, 1908. The KRCA, being primarily meant for protection of the interests of the tenants, also provides rules for the eviction of the tenant, rights and duties of the tenant and rules for inheritance of the tenancy upon the demise of such tenant.

Karnataka Apartment Ownership Act, 1972 ("KAO Act")

The KAO Act, which exclusively deals with residential apartments, was enacted to provide for the ownership of an individual apartment in a building and to make such apartment heritable and transferable property and with separate Khata and specific undivided interest in land. The KAO Act requires the builder/promoter/owner of the apartment to execute a document known as the deed of declaration, which is a document that describes the property. Once the apartments are sold and registered, the builder is to approach the registrar of cooperative societies to register the association. The KAO Act also contains additional provisions regarding duties of office bearers, process of voting, regarding charges and encumbrances against individual apartments, and even on steps to be taken in the event of destruction of the property.

The Tamil Nadu Apartment Ownership Act, 1994 ("TNAO Act")

The TNAO Act was enacted to provide for the ownership of an individual apartment in a building and to make such apartment heritable and transferable immovable property with a view to securing that the ownership and control of the material resources of the community are so distributed as to subserve the common good, to provide for the ownership of an individual apartment in a building and of an undivided interest in the common areas and facilities appurtenant to such apartment, and to make such apartment and interest heritable and transferable immovable property and to provide for matters connected therewith or incidental thereto.

Tamil Nadu Buildings (Lease and Rent Control) Act, 1960 ("TNB (L&R) Act")

The TNB (L&R) Act has been enacted t to consolidate the laws relating to the regulation of the letting of the residential and the non-residential buildings and the control of rents of such buildings and eviction of the tenants in the state of Tamil Nadu. Further, the TNB (L&R) Act embodies rules relating to fixation of fair rent by the authority, which is the maximum amount a landlord can claim from his tenant in the form of rent.

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the Joint Global Coordinators and Book Running Lead Managers. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See "Selling Restrictions" and "Transfer Restrictions".

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations, through the mechanism of a QIP. Under Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013, a company may issue equity shares to QIBs subject to certain conditions including:

- the issuer has completed all allotments with respect to any offer or invitation previously made by it or has withdrawn or abandoned any invitation or offer previously made by it;

- the issuer is in compliance with the minimum public shareholding requirements set out in the Securities Contract (Regulation) Rules, 1957;

- equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a stock exchange in India that has nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the below-mentioned special resolution;

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must specify (a) that the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the QIB to whom the offer is made and is sent within 30 days of recording the names of such QIBs;

- the offer must not be to more than 200 persons in a financial year. However, an offer to QIBs will not be subject to this limit of 200 persons. Prior to circulating the private placement offer letter, the issuer must prepare and record a list of QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by the issuer prior to the invitation to subscribe;

- issuer must offer to each allottee at least such number of the securities in the issue which would aggregate to ₹ 20,000 calculated at the face value of the securities;

- the aggregate of the proposed issue and all previous QIPs made by the issuer in the same financial year does not exceed five times the net worth (as defined in the SEBI Regulations) of the issuer as per the audited balance sheet of the previous financial year; and

- the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the issue is prohibited.

At least 10% of the Equity Shares issued to QIBs must be Allotted to Mutual Funds, provided that, if this portion or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be Allotted to other QIBs.

Prospective purchasers will be required to make certain certifications in order to participate in the Issue including that they are either (A) outside the U.S. and purchasing the Equity Shares in accordance with Regulation S or (B) a U.S. QIB. See "Selling Restrictions".

Bidders are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the related Equity Shares quoted on the stock exchange during the two weeks preceding the relevant date. However, a discount of up to 5% of the Floor Price is permitted in accordance with the provisions of the SEBI Regulations.

The "relevant date" referred to above, for the Allotment, will be the date of the meeting in which the Board or the committee of Directors duly authorized by the Board decides to open the Issue and "stock exchange" means any of the stock exchanges in India on which the Equity Shares of our Company of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the relevant date.

Our Company has applied for and received the in-principle approval of the Stock Exchanges under Clause 24 (a) of its Equity Listing Agreement for the listing of the Equity Shares on the Stock Exchanges. Our Company has also delivered a copy of the Preliminary Placement Document and this Placement Document to the Stock Exchanges.

Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Issue was authorised and approved by the Board on May 11, 2015 and approved by the Shareholders through a special resolution passed by way of a postal ballot pursuant to a postal ballot notice dated May 11, 2015, the results of which were announced on June 15, 2015.

The Equity Shares will be Allotted within 12 months from the date of the Shareholders' resolution approving the Issue and within 60 days from the date of receipt of subscription money from the relevant QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule XVIII of the SEBI Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select QIBs through serially numbered copies and are required to be placed on the website of the Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

The minimum number of Allottees for the Issue shall not be less than:

- two, where the Issue Size is less than or equal to ₹ 2,500 million; and
- five, where the Issue Size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee. See "Issue Procedure - Application Process - Application Form".

Securities allotted to a QIB pursuant to the Issue shall not be sold for a period of one year from the date of allotment except on the floor of a recognised Stock Exchange in India. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED, LISTED OR OTHERWISE QUALIFIED IN ANY OTHER JURISDICTION OUTSIDE INDIA AND MAY NOT BE OFFERED OR SOLD, AND BIDS MAY NOT BE MADE BY PERSONS IN ANY SUCH JURISDICTION, EXCEPT IN COMPLIANCE WITH THE APPLICABLE LAWS OF SUCH JURISDICTION.

Issue Procedure

1. Our Company and the Joint Global Coordinators and Book Running Lead Managers shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to the QIBs and the Application Form will be specifically addressed to such QIBs. In

terms of Section 42 (7) of the Companies Act, 2013, our Company shall maintain complete records of the QIBs to whom the Preliminary Placement Document, this Placement Document and the serially numbered Application Form have been dispatched. Our Company shall make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

2. **UNLESS A SERIALLY NUMBERED PRELIMINARY PLACEMENT DOCUMENT ALONG WITH THE SERIALLY NUMBERED APPLICATION FORM IS ADDRESSED TO A PARTICULAR QIB, NO INVITATION TO SUBSCRIBE SHALL BE DEEMED TO HAVE BEEN MADE TO SUCH QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Bidders shall submit Bids for, and our Company shall issue and Allot to each Allottee at least such number of Equity Shares which would aggregate to ₹ 20,000 calculated at the face value of the Equity Shares.

4. QIBs may submit an Application Form, during the Bid/Issue Period to the Joint Global Coordinators and Book Running Lead Managers.

5. QIBs will be required to indicate the following in the Application Form:

- name of the QIB to whom Equity Shares are to be Allotted;

- number of Equity Shares Bid for;

- price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit a Bid at the Cut-Off Price which shall be any price as may be determined by our Company in consultation with the Joint Global Coordinators and Book Running Lead Manager at or above the Floor Price or the Floor Price net of such discount as approved in accordance with SEBI Regulations.

- details of the Depository Participant account to which the Equity Shares should be credited; and

- a representation that it is either (i) outside the United States, or (ii) a U.S. QIB, and (iii) it has agreed to certain other representations set forth in the Application Form.

NOTE**:** *Each sub-account of an FII other than a sub-account which is a foreign corporate or a foreign individual will be considered an individual QIB and separate Application Forms would be required from each such sub-account for submitting Bids.*

6. Once a duly completed Application Form is submitted by a Bidder, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the Bidders shall be deemed to have been given notice of such date after receipt of the Application Form.

   The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with the SEBI.

7. Upon receipt of the Application Form, after the Bid/Issue Closing Date, our Company shall determine the final terms, including the Issue Price in consultation with the Joint Global Coordinators and Book Running Lead Managers. Upon determination of the final terms of the Equity Shares, the Joint Global Coordinators and Book Running Lead Managers will send the serially numbered CAN along with this Placement Document to the Bidders who have been Allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares Allocated to such Bidder. The CAN shall contain details such as the number of Equity Shares Allocated to the Bidder and payment instructions including the details of the amounts payable by the Bidder for Allotment of the Equity Shares in its name and the Pay-in Date as applicable to the respective Bidder. **PLEASE NOTE THAT THE ALLOCATION WILL BE AT THE ABSOLUTE DISCRETION OF OUR COMPANY AND WILL BE BASED ON THE**

RECOMMENDATION OF THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS.

8. Pursuant to receiving a CAN, each Bidder shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our Company's designated bank account by the Pay-In Date as specified in the CAN sent to the respective Bidders. No payment shall be made by Bidders in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant Bidders applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilized only for the purposes permitted under the Companies Act, 2013, i.e., the Escrow Account. See "Issue Procedure - Bank Account for Payment of Application Money".

9. Upon receipt of the application monies from the Bidders, our Company shall Allot Equity Shares as per the details in the CAN sent to the Bidders.

10. After passing the Board resolution for Allotment and prior to crediting the Equity Shares into the beneficiary accounts maintained with the Depository Participants by the Allottees, our Company shall apply to the Stock Exchanges for listing approvals. Our Company will intimate the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to the crediting of the Equity Shares into the beneficiary account maintained with the Depositary Participant by the Bidder.

11. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to the Issue into the Depository Participant's accounts of the respective Allottees.

12. Our Company will then apply for the final trading approvals from the Stock Exchanges.

13. The Equity Shares that would have been credited to the beneficiary accounts with the Depository Participants of the Allottees shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

14. Upon receipt of intimation of final trading and listing approvals from the Stock Exchanges, our Company shall inform the Allottees of the receipt of such approvals. Our Company and the Joint Global Coordinators and Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non- receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations are eligible to invest. Only the following categories of QIBs are eligible to invest in the Issue:

- Eligible FPIs including FIIs and eligible sub-accounts;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Government; and
- insurance funds set up and managed by the Department of Posts, India.
- Mutual Funds, VCFs and AIFs;
- pension funds with minimum corpus of ₹ 250 million;

- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions as defined in Section 4A of the Companies Act, 1956 (Section 2(72) of the Companies Act, 2013);
- scheduled commercial banks;
- state industrial development corporations; and
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India.

Note: FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE NON-RESIDENT QIBS CAN PARTICIPATE IN THE ISSUE UNDER SCHEDULE 1 OF FEMA REGULATIONS. FIIS, SUB-ACCOUNTS (OTHER THAN A SUB-ACCOUNT WHICH IS A FOREIGN CORPORATE OR A FOREIGN INDIVIDUAL) AND OTHER ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER THE RESPECTIVE SCHEDULES OF FEMA REGULATIONS, IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD.

In terms of the FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Regulations, the total holding of each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all Eligible FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Shareholders.

An FII or sub-account (other than a sub-account which is a foreign corporate or foreign individual) who holds a valid certificate of registration from the SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees has been paid as per the SEBI FII Regulations. An FII or a sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII or sub-account after registering as an FPI under the FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Under Regulation 86(1)(b) of the SEBI Regulations, no Allotment shall be made, either directly or indirectly, to any QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the "promoters" as defined in the SEBI Regulations:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or persons related to the Promoters;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the "promoters".

OUR COMPANY AND THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS ARE NOT LIABLE FOR ANY AMENDMENT OR MODIFICATION OR CHANGE TO APPLICABLE LAWS OR REGULATIONS, WHICH MAY OCCUR AFTER THE DATE OF THIS PLACEMENT DOCUMENT. QIBS ARE ADVISED TO MAKE THEIR INDEPENDENT INVESTIGATIONS AND SATISFY THEMSELVES THAT THEY ARE ELIGIBLE TO APPLY. QIBS ARE ADVISED TO ENSURE THAT ANY SINGLE APPLICATION FROM THEM DOES NOT EXCEED THE INVESTMENT LIMITS OR MAXIMUM NUMBER OF EQUITY SHARES THAT CAN BE HELD BY THEM UNDER APPLICABLE LAW OR REGULATION OR AS SPECIFIED IN THIS PLACEMENT DOCUMENT. FURTHER, QIBS ARE REQUIRED TO SATISFY THEMSELVES THAT THEIR BIDS WOULD NOT EVENTUALLY RESULT IN TRIGGERING A TENDER OFFER UNDER THE TAKEOVER CODE.

Note: *Affiliates or associates of the Joint Global Coordinators and Book Running Lead Managers who are QIBs may participate in the Issue in compliance with applicable laws.*

Application Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Joint Global Coordinators and Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Bidder will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under "Notice to Investors", "Representations by Investors", "Selling Restrictions" and "Transfer Restrictions":

- The Bidder confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI Regulations and is not excluded under Regulation 86 of the SEBI Regulations, has a valid and existing registration under the applicable laws in India and is eligible to participate in the Issue;

- The Bidder is (A) outside the U.S. and purchasing the Equity Shares in accordance with Regulation S or (B) a U.S. QIB.

- The Bidder confirms that it is not a "promoter" and is not a person related to the "promoters", either directly or indirectly, and its Application Form does not directly or indirectly represent the "promoters" or "promoter group" or persons related to the "promoters" as defined in the SEBI Regulations;

- The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the "promoters" or persons related to the "promoters", no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the "promoters" as defined in the SEBI Regulations;

- The Bidder acknowledges that it has no right to withdraw its Bid after the Bid/Issue Closing Date;

- The Bidder confirms that if Equity Shares are Allotted, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

- The Bidder confirms that it is eligible to Bid and hold Equity Shares so Allotted. The Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

- The Bidder confirms that its Bids would not eventually result in triggering a tender offer under the Takeover Code;

- The Bidder confirms that together with other Bidders that belong to the same group or are under the same control, the Allotment to the Bidder shall not exceed 50% of the Issue Size. For the purposes of this statement:

  a. the expression "belongs to the same group" shall derive meaning from the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

  b. "Control" shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Code;

- The Bidders shall not undertake any trade in the Equity Shares credited to their beneficiary accounts maintained with the Depository Participants until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

EACH BIDDER MUST PROVIDE ITS DEPOSITORY PARTICIPANT ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, E-MAIL ID AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. EACH BIDDER MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY PARTICIPANT ACCOUNT IS HELD. FOR THIS PURPOSE, ELIGIBLE SUB ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT BIDDER.

IF SO REQUIRED BY THE GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS, A QIB MAY ALSO BE REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) ALONG WITH THE APPLICATION FORM TO THE LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREIN.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for the Bidder to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the Bidder upon the issuance of the CAN by our Company in favor of the Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for. All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the Joint Global Coordinators and Book Running Lead Managers as per the details provided in the respective CAN. The Application Form shall be submitted to the Joint Global Coordinators and Book Running Lead Managers either through electronic form or through physical delivery at the following address:

Name	Address	Contact person	Email	Phone (telephone and fax)
CLSA India Private Limited	8/F Dalamal House, Nariman Point, Mumbai 400021, Maharashtra, India	Sarfaraz Agboatwala	sarfaraz.agboatwala@citicclsa.com	Telephone: + 91 22 6650 5050 Fax: + 91 22 2284 0271
J.P. Morgan India Private Limited	J. P. Morgan Tower, Off CST Road, Kalina, Santacruz (E), Mumbai - 400098, Maharashtra, India	Prateeksha Runwal	prateeksha.runwal@jpmorgan.com	Telephone: +91 22 6157 3000 Fax: +91 22 6157 3911

The Joint Global Coordinators and Book Running Lead Managers shall not be required to provide any written acknowledgement of the same.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the general index register number instead of the PAN as the Application Forms are liable to be rejected on this ground.

Pricing and Allocation

Build up of the Book

Bidders shall submit their Bids within the Bid/Issue Period to the Joint Global Coordinators and Book Running Lead Managers. Such Bids cannot be withdrawn after the Bid/Issue Closing Date. The book shall be maintained by the Joint Global Coordinators and Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Joint Global Coordinators and Book Running Lead Managers, shall determine the Issue Price, which cannot be lower than the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price, in accordance with Chapter VIII of the SEBI Regulations.

After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Joint Global Coordinators and Book Running Lead Managers on a discretionary basis and in compliance with Chapter VIII of the SEBI Regulations.

Bids received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS AND BIDDERS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS IS OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on the Application Forms received, our Company, in consultation with the Joint Global Coordinators and Book Running Lead Managers, in their sole and absolute discretion, shall decide the Bidders to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment in their respective names shall be notified to such Bidders. Additionally, a CAN will include details of the Escrow Account into which such payments would need to be made, address where the application money needs to be sent, Pay-in Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective Bidder‘s account.

The successful Bidders would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to the successful Bidders shall be deemed a valid, binding and irrevocable contract for the successful Bidders to furnish all details that may be

required by the Joint Global Coordinators and Book Running Lead Managers and to pay the entire Issue Price for all the Equity Shares Allocated to such successful Bidders.

QIBS ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOTTED TO THEM.

Bank Account for Payment of Application Money

Our Company has opened the "The Phoenix Mills Limited - QIP Escrow Account" with HDFC Bank Limited in terms of the arrangement among our Company, the Joint Global Coordinators and Book Running Lead Managers and HDFC Bank Limited as the Escrow Collection Bank. The successful Bidders will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-in Date as mentioned in, and in accordance with, the respective CAN.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques are liable to be rejected.

If the payment is not made favoring the "The Phoenix Mills Limited - QIP Escrow Account" within the time stipulated in the CAN, the Application Form and the CAN of the successful Bidder are liable to be cancelled.

Our Company undertakes to utilize the amount deposited in "The Phoenix Mills Limited - QIP Escrow Account" only for the purposes of (i) adjustment against Allotment; or (ii) repayment of application money if our Company is not able to Allot.

In case of cancellations or default by the Bidders, our Company and the Joint Global Coordinators and Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion.

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless the successful Bidders pay the Issue Price to the "The Phoenix Mills Limited - QIP Escrow Account" as stated above.

The Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIBs' Depository Participant accounts, our Company will apply for final trading and listing approvals from the Stock Exchanges.

In the case of a Bidder who has been Allotted more than five per cent of the Equity Shares in the Issue, our Company shall disclose the QIBs' name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. If you are Allotted any Equity Shares, our Company is required to disclose details such as your name, address and the number of Equity Shares Allotted to the RoC and the SEBI.

The Escrow Collection Bank shall release the monies lying to the credit of the Escrow Account to our Company after receipt of final listing and trading approvals for the Equity Shares from the Stock Exchanges.

In the event that our Company is unable to issue and Allot the Equity Shares or there is a cancellation of the Issue within 60 days from the date of receipt of application money from a Bidder, our Company shall repay the application money within 15 days from expiry of the 60 day period, failing which our Company shall repay that money to such Bidders with interest at the rate of 12% per annum from expiry of the sixtieth day. The application money to be

refunded by our Company shall be refunded to the same bank account from which application money was remitted by the Bidders.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Joint Global Coordinators and Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the Joint Global Coordinators and Book Running Lead Managers in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialized form

The Allotment shall be only in dematerialized form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

A Bidder pursuant to the Issue must have at least one beneficiary account with a Depository Participant prior to making the Bid. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the successful Bidder.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with the Depositary Participants. All the stock exchanges where our Equity Shares are proposed to be listed have electronic connectivity with the National Securities Depositary Limited and the Central Depositary Services (India) Limited.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialized form only for all Bidders in the demat segments of the respective Stock Exchanges.

Our Company and the Joint Global Coordinators and Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Bidders.

PLACEMENT

Placement Agreement

The Joint Global Coordinators and Book Running Lead Managers have entered into a placement agreement dated July 9, 2015 with our Company (the "**Placement Agreement**"), pursuant to which the Joint Global Coordinators and Book Running Lead Managers have agreed to manage the Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis, to QIBs, pursuant to Section 42 of Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Joint Global Coordinators and Book Running Lead Managers, and it is subject to termination in accordance with the terms contained therein.

The Preliminary Placement Document and this Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than QIBs. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Relationship with the Joint Global Coordinators and Book Running Lead Managers

In connection with the Issue, the Joint Global Coordinators and Book Running Lead Managers or its affiliates may, for their own accounts, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Joint Global Coordinators and Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Joint Global Coordinators and Book Running Lead Managers may purchase the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See "Representations by Investors - Offshore Derivative Instruments".

From time to time, the Joint Global Coordinators and Book Running Lead Managers, and the affiliates and associates of such entity have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its Associates, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Joint Global Coordinators and Book Running Lead Managers and its affiliates and associates.

Lock-up

Our Company shall not, without the consent of the Joint Global Coordinators and Book Running Lead Managers, during the period commencing from the date of the Placement Agreement and ending 90 calendar days after the date of Allotment: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether

any such transaction described in (a) or (b) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise. The foregoing restriction shall not apply to any (x) issuance, sale, transfer or disposition of Equity Shares by the Company pursuant to the Issue; or (y) issuance, sale, transfer or disposition of Equity Shares by the Company pursuant to ESOP 2007.

Our Company's Promoters and the members of the Promoter Group shall not, without the consent of the Joint Global Coordinators and Book Running Lead Managers, during the period commencing from the date of the Placement Agreement and ending 90 calendar days after the date of Allotment (the "**Lock-up Period**"): (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise.

The restrictions in the foregoing paragraph shall not apply to (a) any inter-se transfer of Equity Shares between the Promoters and the Promoter Group, provided that the restrictions set forth in the previous paragraph shall continue to apply for the remaining period to the transferee and that such transferee shall be bound by the restrictions in the preceding paragraph until the Lock-up Period set forth herein has expired; (b) any sale, transfer or disposal of such Equity Shares to the extent such sale, transfer or disposal is mandatorily required for compliance with applicable Indian law.

SELLING RESTRICTIONS

The distribution of this Placement Document or any offering material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

General

No action has been taken or will be taken by the Company or the Joint Global Coordinators and Book Running Lead Managers that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors", "Representations by Investors" and "Transfer Restrictions".

Australia. This Placement Document is not a disclosure document under Chapter 6D of the Corporations Act 2001 (the "**Australian Corporations Act**"), has not been lodged with the Australian Securities & Investments Commission and does not purport to include the information required of a disclosure document under the Australian Corporations Act. (i) The offer of Equity Shares under this Placement Document is only made to persons to whom it is lawful to offer Equity Shares without disclosure to investors under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in Section 708 of the Australian Corporations Act; (ii) this Placement Document is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Share sold to the offeree within 12 months after their transfer to the offeree under this Placement Document.

Bahrain. All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. Our Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, this Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

Cayman Islands. No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

Dubai. This Placement Document relates to an Exempt Offer in accordance with the Markets Rules of the Dubai Financial Services Authority ("**DFSA**"). This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorised financial advisor.

European Economic Area. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") our Equity Shares will not be offered to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant

Implementation Date, an offer of Equity Shares may be made to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined in this Prospectus Directive;

- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the manager for any such offer; or

- in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe the Equity Shares , as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Hong Kong. No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32) of Hong Kong. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to the Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan. The offering of the Equity Shares has not been and will not be registered under the Financial Instruments and Exchange Law of Japan, as amended (the "**Financial Instruments and Exchange Law**"). No Equity Shares have been offered or sold, and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for reoffering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and otherwise in compliance with the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial ordinances of Japan.

Kingdom of Saudi Arabia. The offer and sale of the Equity Shares will only take place within the Kingdom of Saudi Arabia in accordance with the capital market law, including the Offer of Securities Regulations issued thereunder. The Equity Shares will be offered to investors in the Kingdom of Saudi Arabia pursuant to an "exempt offer" as defined in the Offer of Securities Regulations. Prior to any offer of Equity Shares in the Kingdom of Saudi Arabia, the Capital Market Authority will be notified of this offering in accordance with the offer of Securities Regulations. The Equity Shares have not been and will not be approved or disapproved by the Capital Market Authority nor will the Capital Market Authority comment upon the accuracy or adequacy of this Placement Document. Furthermore, the capital market authority takes no responsibility for the accuracy or adequacy of the information contained in this Placement Document.

Kuwait. The Equity Shares have not been authorized or licensed for offering, marketing or sale in the State of Kuwait. The distribution of this Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Mauritius. The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document nor any offering material or information contained herein relating to the offer of Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Oman. This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in this Placement Document will not take place inside Oman. This Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar. The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than the recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

Singapore. Each Joint Global Coordinator and Book Running Lead Manager has acknowledged that this Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Global Coordinator and Book Running Lead Manager has represented and agreed that it has not offered or sold any Equity Shares issued pursuant to the Issue or caused such Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell such Equity Shares issued pursuant to the Issue or cause such Equity Shares to be made the subject of an invitation for subscription or purchase, and have not circulated or distributed, nor will they circulate or distribute, this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Equity Shares issued pursuant to the Issue, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Equity Shares in the Issue are subscribed or purchased under Section 275 by a relevant person which is:

(a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law; or

(iv) as specified in Section 276(7) of the SFA.

Switzerland. This Placement Document does not constitute an issue prospectus pursuant to Art. 652a of the Swiss Code of Obligations. The Equity Shares will not be listed on the SWX Swiss Exchange and, therefore, this Placement Document does not comply with the disclosure standards of the listing rules of the SWX Swiss Exchange. Accordingly, the Equity Shares may not be offered to the public in or from Switzerland, but only to a selected and limited group of investors, which do not subscribe to the Equity Shares with a view to distribution to the public. The investors will be individually approached by the Joint Global Coordinators and Book Running Lead Managers from time to time. This Placement Document is personal to each offeree and does not constitute an offer to any other person. This Placement Document may only be used by those persons to whom they have been handed out in connection with the offer described herein and may neither directly nor indirectly be distributed or made available to other persons without the express consent of our Company. This Placement Document may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

United Arab Emirates. This Placement Document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates (the "**UAE**"). The Equity Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE exchange. The Issue, the Equity Shares and interests therein do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. This Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Equity Shares may not be offered or sold directly or indirectly to the public in the UAE.

By receiving this Placement Document, the person or entity to whom this Placement Document has been issued understands, acknowledges and agrees that the Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre, governing the issue, offering or sale of securities. The Dubai Financial Services Authority has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it.

United Kingdom. Each Joint Global Coordinator and Book Running Lead Manager represents and agrees that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act of 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21(1) of FSMA does not apply to the Company; and

- has complied with, and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

United States. The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Rule 144A and referred to in this Placement Document as "U.S. **QIBs**"), and (b) outside the United States in offshore transactions as defined in and in reliance on Regulation S. Prospective purchasers in the United States are hereby notified that we are relying on the exemption under Section 4(a)(2) of the Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under "Transfer Restrictions".

Until 40 days after the commencement of the Issue, an offer or sale of the Equity Shares within the United States by a dealer (whether or not participating in the Issue) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act.

TRANSFER RESTRICTIONS

Allottees are not permitted to sell the Equity Shares for a period of one year from the date of Allotment except through the Stock Exchanges. In addition to the above, allotments made to QIBs, including VCFs and AIFs in the Issue, may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. Accordingly, purchasers are advised to consult their own legal counsel prior to making any offer, re-sale, pledge or transfer of the Equity Shares.

Subscribers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the Stock Exchanges. Additional transfer restrictions applicable to the Equity Shares are listed below.

United States Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Each purchaser of the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

2. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

3. the purchaser is not an affiliate (as defined in Rule 405 of the Securities Act) of our Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from our Company or an affiliate (as defined in Rule 405 of the Securities Act) thereof in the initial distribution of the Equity Shares;

4. the purchaser is aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Placement Document;

5. the Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S under the Securities Act; and

6. the purchaser acknowledges that our Company, the Joint Global Coordinators and Book Running Lead Managers and their respective affiliates (as defined in Rule 405 of the Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each purchaser of the Equity Shares within the United States purchasing pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act will be deemed to have represented and agreed that it has received a copy of this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;

3. the purchaser is a U.S. QIB and is aware that the sale to it is being made in a transaction not subject to the registration requirements of the Securities Act and is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer;

4. the purchaser is aware that the Equity Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

5. if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only to a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, in accordance with Regulation S under the Securities Act or in accordance with Rule 144 under the Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

8. our Company shall not recognize any offer, sale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions; and

the purchaser acknowledges that our Company, the Joint Global Coordinators and Book Running Lead Managers and their respective affiliates (as defined in Rule 405 of the Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the SEBI, the Stock Exchanges, and has not been prepared or independently verified by us, the Joint Global Coordinators and Book Running Lead Managers, or any of their respective affiliates or advisers.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. The Stock Exchanges together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalization and trading activity.

Stock Exchange Regulations

Indian stock exchanges are regulated primarily by the SEBI, as well as by the Central Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**"), the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**"), the Depositories Act, the Companies Act, and various other rules and regulations framed thereunder. On June 20, 2012, the SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (the "**SCR (SECC) Rules**"), which regulate, *inter alia*, the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalization requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner in which contracts are entered into and enforced between members.

The SEBI Act, under which the SEBI was established by the Central Government, granted powers to the SEBI to promote, develop and regulate the Indian securities markets, including stock exchanges and other financial intermediaries in the capital markets, to protect the interests of investors, to promote and monitor self-regulatory organizations, to prohibit fraudulent and unfair trade practices and insider trading and to regulate substantial acquisitions of shares and takeovers of companies. The SEBI has also issued regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisition of shares and takeovers of companies, buyback of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, Mutual Funds, FIIs, credit rating agencies and other capital market participants.

Listing

The listing of securities on stock exchanges in India is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI and the Equity Listing Agreements. Under the SCRA and the SCRR, the governing body of each stock exchange is empowered to suspend or withdraw admission to trading of or dealing in a listed security for breach by a listed company of any of the conditions of admission to dealings or for any other reason, subject to such company receiving prior notice of such intent of the stock exchange and upon granting of a hearing in the matter. In the event that a suspension of a company's securities continues for a period in excess of 90 days, the company may appeal to the Securities Appellate Tribunal against the suspension. The SEBI has the power to vary or veto the decision of the stock exchange in this regard. The SEBI also has the power to amend the Equity Listing Agreement and the bye-laws of the stock exchanges to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Disclosures under the Companies Act, 2013 and Equity Listing Agreements

Public listed companies are required under the Companies Act, 2013 and the Equity Listing Agreement to prepare, file with the registrar of companies and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance under the Companies Act, 2013, related party transactions and management's discussion and analysis as required under the Equity Listing Agreement. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of its Equity Listing Agreement with the relevant stock exchange.

SEBI released an approach paper on May 5, 2014 for inviting comments from the public on or before May 30, 2014 on a draft form of an all encompassing umbrella listing regulations providing listing conditions and disclosure requirements for various categories of listed securities under the name of Securities and Exchange Board of India (Listing and Obligations and Disclosure Requirements) Regulations, 2014. Subsequently, SEBI, in its board meeting held on November 19, 2014, approved the Securities and Exchange Board of India (Listing and Obligations and Disclosure Requirements) Regulations, 2014, which would be applicable for:

i) specified securities (includes equity and convertibles) - listed on main board and the SME platform;
ii) non-convertible debt securities;
iii) non-convertible redeemable preference shares;
iv) Indian depository receipts;
v) securitised debt instruments; and
vi) units issued by mutual fund schemes.

However, as on date of this Placement Document, no notifications/circulars/notices have been issued by SEBI or any stock exchange in this regard.

Minimum Level of Public Shareholding

Pursuant to an amendment of the SCRR, all listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. We are in compliance with the minimum public shareholding requirement. Where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of twelve months from the date of such fall in the manner specified by the SEBI.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices.

BSE

Established in 1875, the BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to serve as a national exchange and to provide nationwide, on-line, satellite-linked, screen-based trading facilities with electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as

one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994.

Internet-Based Securities Trading and Services

The SEBI approved internet trading in January 2000. Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and to comply with certain minimum conditions stipulated by the SEBI and other applicable laws. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the 'equities' as well as the 'derivatives' segments of the NSE.

Trading Hours

Trading on both the Stock Exchanges normally occurs Monday through Friday, between 9:15 a.m. and 3:30 p.m. Indian Standard Time. The Stock Exchanges are closed on public holidays. Recently, the stock exchanges have been permitted to set their own trading hours (in cash and derivative segments) subject to the condition that (i) the trading hours are between 9 a.m. and 5 p.m.; and (ii) the stock exchange has in place risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothing settlement cycles and improving efficiency in back-office work. NSE also provides on-line trading facilities through a fully automated screen based trading system called 'National Exchange for Automated Trading', which operates on strict time/price priority besides enabling efficient trade. The National Exchange for Automated Trading system has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Code

Disclosure and mandatory open offer obligations for listed Indian companies under Indian law are governed by the Takeover Code which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Code will apply to acquisitions of the company's shares/voting rights/control. The Takeover Code prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Code mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company.

If an acquirer (together with any persons acting in concert with him): (a) acquires 25% of the voting rights in a listed company; or (b) already holds 25% of the voting rights in a listed company, and acquires more than 5% of the voting rights in the listed company between April 1 and March 31 in any year; or (c) acquires control over a listed company, such acquirer will have to make an open offer to the public shareholders for at least 26% of the total shares of the listed company.

The Takeover Code also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. Since our Company is an Indian listed company, the provisions of the Takeover Code apply to our Company.

When an open offer is made for acquiring the shares of a target Indian listed company, the directors of the target company are required to constitute a committee of independent directors to provide written reasoned recommendations on the open offer to the shareholders of such target company.

The price paid or agreed to be paid for the shares or voting rights in, or control over, a target Indian listed company whether as consideration, non-compete fee or control premium or otherwise, is required to be included in the offer price.

There are also initial and continuing shareholding disclosure obligations under the Takeover Code.

Insider Trading Regulations

To further strengthen the then existing legal framework for prohibition of insider trading in securities, on January 15, 2015, SEBI notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (the "**Insider Trading Regulations**") thereby repealing the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Insider Trading Regulations came into into force on May 15, 2015, i.e. the one hundred and twentieth day from the date of the publication of the Insider Trading Regulations in the Gazette of India.

Under the Insider Trading Regulations, an insider is, *inter alia*, prohibited from trading in securities of a listed or proposed to be listed company when in possession of Unpublished Price Sensitive Information and to provide access to any person including other insiders to the Unpublished Price Sensitive Information except where such communication is for legitimate purposes, performance of duties or discharge of legal obligations. The definition of "insider" includes any person who has received or has access to Unpublished Price Sensitive Information or is a "connected person", which has been defined to include, *inter alia*, any person who is or has directly or indirectly, been associated with the company in any capacity whether contractual, fiduciary or employment or has any professional or business relationship with the company whether permanent or temporary, during the six months prior to the concerned act which would allow or reasonably expect to allow access, directly or indirectly, to Unpublished Price Sensitive Information.

The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than 5% of equity shares or voting rights, and the changes therein. Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of ₹ 1 million over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed company shall formulate and publish on the company's website a code of procedure for fair disclosure of Unpublished Price Sensitive Information along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, the SEBI framed regulations in relation to, *inter alia*, the formation and registration of such Depositories, the registration of Depository Participants as well as the rights and obligations of the Depository Participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivative contracts were included within the term 'securities', as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is a brief summary of some of the existing provisions of the Memorandum and Articles, the Companies Act and certain other related legislation relating to the rights attached to the Equity Shares. Prospective investors are urged to read the Memorandum and Articles carefully, and consult with their advisers, as the Memorandum and Articles and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

As on the date of this Placement Document, our Company's authorised share capital is ₹ 450,000,000 divided into 225,000,000 Equity Shares of ₹ 2 each. As on the date of this Placement Document, our Company's issued, subscribed and paid-up capital is ₹ 289,993,890 divided into 144,996,945 Equity Shares of ₹ 2 each. The Equity Shares are listed on the Stock Exchanges.

The security identification codes for the Equity Shares are as follows:

ISIN	INE211B01039
BSE Code	503100
NSE Symbol	PHOENIXLTD

Articles

Our Company is governed by the Articles. The last amendment to the Articles was carried out on June 8, 2012.

Dividends

The Articles provide that dividend may be paid upon a recommendation of the Board and approval by a majority of the Shareholders, who shall not increase the amount of the dividend recommended by the Board. However, the Board is not under an obligation to recommend a dividend. According to the Articles, the dividend shall be paid in proportion to the amount paid up or credited as paid up on each share where a larger amount is paid up or credited as paid up on some shares than on others, but where capital is paid up in advance of calls carrying interest, such capital whilst carrying interest shall not confer a right to participate in profits or dividend. No dividend shall be payable except out of the profits of our Company of any year or other period and no dividend shall carry any interest against our Company. The profit transferred from capital reserve to general reserve and available for distribution to shareholders shall be taken into account for declaration and payment of dividend. The Directors may declare interim dividend as justified by the position of our Company. A transfer shall not pass the right to any dividend declared thereon before the registration of such transfer. No Shareholder shall be entitled to receive payment of any interest or dividend while any money may be due or owing from him to our Company in respect of any shares held by him and the Directors may deduct all the money so due from him from the dividends or interest payable to him. Unless otherwise directed, any dividend may be paid by cheque or by warrant or by a payslip or receipt having force of cheque or warrant sent through post to the registered address of the Shareholder and in the case of joint holders to any one of them first named in the register of Shareholders; and our Company shall not be liable for cheque or warrant or dividend lost in transmission or lost due to forged endorsement or fraudulent recovery.

Capitalization of Profits

The Articles provide that any general meeting, upon recommendation of the Directors, may resolve that any moneys, investments or other assets forming a part of our Company's undivided profit for the time being, standing to the credit of the reserve fund, or to the credit of profit and loss account or any capital redemption reserve account, or in the hands of our Company and available for distribution as dividend or any amount standing to the credit of the share premium account be capitalised. The capitalization may be done among Shareholders in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such Shareholders in paying up in full either at par or at premium, any unissued shares or debentures of our Company which shall be distributed or directed towards payment of the uncalled liability on any issued shares or debentures, and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest.

Pre-Emptive Rights and Alteration of Share Capital

The Articles provide that where it is proposed to increase the subscribed capital of our Company by allotment of further shares, such shares shall be offered to the persons who, at the date of the offer, hold shares of our Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made by a notice specifying the number of shares offered and limited to a time period, not being less than 15 days from the date of the offer which shall be deemed to include the right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. If the offer is not accepted it is deemed to have been declined. The Board is authorised to distribute any new shares not subscribed for by the pre-emptive rights holders in the manner that it deems most beneficial to our Company.

The Articles provide that our Company may from time to time by a special resolution, subject to confirmation by court, reduce its capital in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called up again or otherwise. Except as so far otherwise provided by the conditions of the issue or by the Articles any capital raised by the creation of new shares shall be considered as a part of the existing capital. Our Company has the power to modify rights and privileges attached to a class of shares with the consent of the holders of three-fourths of that class in writing or with the sanction of a special resolution passed at a separate meeting of the shareholders of that class and supported by the votes of holders of at least three-fourths of such shares.

The Articles provide that our Company may from time to time, in a general meeting:

- sub-divide or consolidate all of our shares or any of them and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such sub- division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others; and

- cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.

General Meetings of Shareholders

Our Company is required to hold an annual general meeting ("**AGM**") every fifteen months in addition to any other general meetings, unless the Registrar of Companies shall have for any special reasons extended the time for holding any AGM for a period not exceeding 6 months. The AGM shall be held by the Company within nine months from the expiry of each financial year. Not less than 21 days' notice in writing of a general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the members entitled to vote and in case of any other meetings, with the consent of members holding not less than 95 per cent of such part of the paid-up share capital of our Company which gives a right to vote at the meeting. No meeting shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it was convened. Every Shareholder is entitled to attend a meeting and vote either in person or by proxy. All businesses to be transacted at an AGM shall be deemed special except the consideration of accounts, balance sheet and reports of the Board and Auditors, declaration of dividend, appointment of Directors in place of those retiring, the appointment of and fixation of remuneration of the Auditors. In case of an extraordinary general meeting ("**EGM**") all business is deemed special. A statement setting out all material facts, including the nature of concern or interest, financial or otherwise in respect of every Director, in respect of special business to be transacted at the meeting, shall be annexed to the notice. The Board may also call an EGM whenever it thinks fit and it shall do so upon a requisition in writing by any Shareholder(s) holding in aggregate not less than one- tenth of the issued and paid-up capital upon which all calls or other sums then due have been paid.

The Articles provide that any accidental omission to give notice or any non-receipt of notice shall not invalidate the proceedings at a meeting. Where any resolution requires special notice, notice of the intention to move the resolution should be given to our Company by such number of members not less than one percent of total voting power that has been paid-up and our Company shall immediately on receipt of the notice of intention give its members notice of the resolution in the same manner as it gives notice of the meeting. The quorum requirements for a general meeting are as prescribed under Section 103 of the Companies Act, 2013. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at

such other time and place as the Board may determine and if at such adjourned meeting, a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

The Articles further provide that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. The meetings should be convened in the presence of a chairman. A resolution put to vote shall be decided on a show of hands, unless a poll is ordered to be taken by the chairman. At every AGM of our Company there shall be laid before the meeting, the Directors' report and audited statement of accounts, Auditor's report, proxies and the register of Directors' shareholding and a register of contracts or arrangements in which the Directors and key managerial personnel is interested as required under Section 170 of the Companies Act, 2013. Minutes of the AGM are to be maintained and shall be evidence of the proceedings recorded therein.

Voting Rights

Every Shareholder present in person shall have one vote on a show of hands, and on poll, the Shareholder present in person or by proxy shall have voting rights in proportion to his share of the paid-up capital of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of shares. If any Shareholder be of unsound mind, he may vote, in respect of his shares whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or other legal guardian may, on a poll, vote by proxy.

The instrument appointing a proxy and the power of attorney (or other authority, if any) under which it is signed is required to be lodged at the registered office at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death of the principal or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer of the share shall have been received by our Company at the registered office before the meeting. Further, no Shareholder shall be entitled to exercise any voting right personally or by proxy at any meeting of our Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid. No objection to the validity of a vote shall be made except during the meeting or poll and every vote not disallowed shall be deemed valid for all purposes of such meeting or poll. The Chairman of the meeting shall be the judge of the validity of the vote.

Register of Shareholders

Our Company is required to maintain a register of members wherein the particulars of the Shareholders are entered. For the purpose of determining the Shareholders, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board may deem expedient.

Annual Report and Financial Results

The annual report must be presented at the AGM. The report includes financial information, a corporate governance section and management's discussion and analysis and is sent to the company's shareholders.

Under the Companies Act, we must file our balance sheet and profit and loss account with the Registrar of Companies within thirty days from the date of the AGM. As required under the listing agreements with the Stock Exchanges, copies are required to be simultaneously sent to the stock exchanges on which the shares are listed. We must also publish our financial results within 48 hours of the conclusion of the Board or committee meeting in which the financial results were approved in at least one English language daily newspaper circulating in the whole or substantially the whole of India and also in a daily newspaper published in the language of the region of the Registered Office (*i.e.*, Marathi).

Directors

The Articles provide that the number of Directors shall not be less than three and not be more than fifteen. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act and the Articles. Two-thirds of the total number of Directors is subject to retirement by rotation. Of such Directors, one-third, or if their number is not three or multiples of three, then the number nearest to one-third, must retire every year. The Directors to retire are those who have been the longest in office.

As provided under Section 161 of the Companies Act, 2013, the Director may be appointed by the Board or by the general meeting of the Shareholders. The Directors have the power to appoint any other persons as an additional Director but any Director so appointed shall hold office only up to the date of the next following AGM of our Company but the total number of Directors shall not at any time exceed the maximum strength. The Board shall also have the power to appoint any person to act as an alternate Director for a Director during the latter's absence for a period of not less than three months from the State of Bombay. The alternate Director shall vacate the office if and when the original Director returns to the State of Bombay and in case the office of the original Director is determined before he returns, the provisions of the Companies Act, 2013, and the Articles for automatic reappointment shall apply to the original Director and not the alternate Director.

The quorum for meetings of the Board is one-third of the total number of Directors (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher. However, where the number of interested Directors is equal to or exceeds two-thirds of total strength, the remaining number of Directors (i.e. Directors who are not interested) present at the meeting, shall be the quorum during such time.

Transfer of Equity Shares

The Equity Shares held through Depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the Depositories and the Depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of the Equity Shares held through a Depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the National Securities Depository Limited and the Central Depository Services India Limited. The SEBI requires that the Equity Shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the Stock Exchange.

Pursuant to the Equity Listing Agreement, in the event our Company has not affected the transfer of Equity Shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the loss of opportunity caused during the period of the delay. The Equity Shares are freely transferable.

Acquisition by our Company of its own Equity Shares

According to the Articles, the Company may purchase its own shares within the terms and framework of the Companies Act, after following such rules and guidelines as may be prescribed from time to time for this purpose.

Liquidation Rights

Subject to the rights of creditors, of employees and of the holders of any other shares entitled by their terms of issue to preferential repayment over the shares, in the event of a winding-up of our Company, the holders of the Equity Shares are entitled to be repaid the amounts of capital paid up or credited as paid up on such shares or in case of a shortfall, proportionately. All surplus assets after payments due to employees, the holders of any preference shares and other creditors belong to the holders of the ordinary shares in proportion to the amount paid up or credited as paid up on such shares, respectively, at the commencement of the winding-up.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR SHAREHOLDERS UNDER THE INCOME-TAX ACT, 1961, ("IT ACT") PRESENTLY IN FORCE IN INDIA

The information provided below sets out the possible tax benefits available to the shareholders of an Indian company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives a shareholder faces, may or may not choose to fulfill.

The following overview is only intended to provide general information to the investors and is not exhaustive or comprehensive and is neither designed nor intended to be a substitute for professional advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The law stated below is as per the Income-tax Act, 1961 as amended by the Finance - Act, 2015 and on the assumption that the Equity Shares would not be held by the shareholders as stock-in-trade.

A. BENEFITS / CONSEQUENCES UNDER THE IT ACT

I. Resident Shareholders

1. Dividends (whether interim or final) referred to in Section 115-O of the IT Act, declared, distributed or paid by our Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

   In the context of dividend payable by our Company to its shareholders, by virtue of section 115-O, erstwhile our Company was liable to pay Dividend Distribution Tax ("DDT") at the rate of 15% (plus applicable surcharge and cess) on the total income declared, distributed, or paid as dividend.
   Tax on dividends to be distributed by domestic companies is to be computed on the grossed up amount of dividend by the rate of tax on such dividend, instead of the net amount paid. Thus, where the amount of dividend distributed or paid by a company is Rs 85, then DDT under the amended provision would be calculated as follows:

   Dividend amount distributed = Rs 85
   Increase by Rs 15 [i.e. (85*0.15)/(1-0.15)]
   Increased amount = Rs 100
   DDT @ 15% of Rs 100 = Rs 15
   Tax payable u/s 115-O is Rs 15
   Dividend distributed to shareholders = Rs 85

   So DDT payable will be Rs 15 before surcharge and education cess and higher education cess.

   In calculating the amount of dividend on which DDT is payable, dividend shall be reduced by dividend received from its subsidiary, subject to fulfillment of certain conditions.

   As per section 94(7) of the Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed as exempt.

2. Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of Long Term Capital Gains, ("**LTCG**")[1] from transfer of shares of an Indian company, the second proviso to Section 48 of the IT Act, permits substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index, as prescribed from time to time.

3. Under Section 10(38) of the IT Act, LTCG arising to a shareholder on transfer of equity shares would be exempt from tax where the sale transaction has been entered into on a recognised stock exchange of India and is chargeable to Securities Transaction Tax ("**STT**").

4. Under Section 112 of the IT Act and other relevant provisions of the IT Act, LTCG, [other than those exempt under Section 10(38) of the IT Act] arising on transfer of our shares would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) after indexation. The amount of such tax shall, however, be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder in case the shares are listed.

5. As per Section 111A of the IT Act, Short Term Capital Gains ("**STCG**")[2] arising on transfer of our equity share would be taxable at a rate of 15% (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognised stock exchange in India and is liable to STT. STCG arising from transfer of our shares, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

6. As per Section 74 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against Short Term as well as Long Term Gains computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' Short Term as well as Long Term Gains. However, the long term capital loss [other than the above long term capital assets whose gains are exempt under Section 10(38) of the IT Act)] computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' LTCG.

7. As per fifth proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as capital gains.

8. No withholding tax is applicable on income arising by way of capital gains to a resident shareholder on transfer of shares of an Indian company.

II. Non-resident shareholders other than Foreign Institutional Investor ("FII"s) and Foreign Venture Capital Investors ("FVCI")

1. Dividends (whether interim or final) referred to in Section 115-O of the IT Act, declared, distributed or paid by our Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

   In the context of the dividend payable by our Company to its shareholders, by virtue of section 115-O, erstwhile our Company was liable to pay DDT at the rate of 15% (plus applicable surcharge and cess) on the total income declared, distributed, or paid as dividend.
   Tax on dividends to be distributed by domestic companies is to be computed on the grossed up amount of dividend by the rate of tax on such dividend, instead of the net amount paid. Thus, where the amount of dividend distributed or paid by a company is Rs 85, then DDT under the amended provision would be calculated as follows:

[1] Long term capital gains are gains from shares held (a) for a period exceeding twelve months in the case of listed shares; and (b) for a period exceeding thirty six months in the case of unlisted shares.
[2] Short term capital gains are gains from shares held (a) for a period not exceeding twelve months in the case of listed shares; and (b) for a period not exceeding thirty six months in the case of unlisted shares.

Dividend amount distributed = Rs 85
Increase by Rs 15 [i.e. (85*0.15)/(1-0.15)]
Increased amount = Rs 100
DDT @ 15% of Rs 100 = Rs 15
Tax payable u/s 115-O is Rs 15
Dividend distributed to shareholders = Rs 85

So DDT payable will be Rs 15 before surcharge and education cess and higher education cess.

In calculating the amount of dividend on which DDT is payable, dividend shall be reduced by dividend received from its subsidiary, subject to fulfillment of certain conditions.

As per section 94(7) of the Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed as exempt.

2. Under the First Proviso to Section 48 of the IT Act, in case of a non resident shareholder, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations) (in cases not covered by Section 115E of the IT Act, discussed hereunder), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilised in the purchase of the shares.

3. Under Section 10(38) of the IT Act, LTCG arising to a shareholder, being a non-resident, on sale of equity shares would be exempt from tax where the sale transaction has been entered into on a recognised stock exchange of India and is chargeable to STT.

4. Having regard to the provisions of Section 112 of the IT Act, other relevant provisions of the IT Act and recent judicial precedents, LTCG, [other than those exempt under Section 10(38) of the IT Act] arising on off-market transfer of our listed shares, at the option of the shareholder, should be subject to tax at a rate of 10% (plus applicable surcharge and education cess), without indexation.

5. Under Section 111A of the IT Act and other relevant provisions of the IT Act, STCG arising on transfer of equity share would be taxable at a rate of 15% (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT. STCG arising from transfer of our shares, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

6. As per Section 74 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against Short Term as well as Long Term Gains computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' Short Term as well as Long Term Gains. However, the Long Term capital Loss [other than the above long term capital assets whose gains are exempt under Section 10(38) of the IT Act)] computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' LTCG.

7. Where our shares have been subscribed in convertible foreign exchange, Non Resident Indians, i.e. an individual being a citizen of India or person of Indian origin who is not a resident, ("**NRI**") have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:

   (i) Under section 115E of the IT Act, where the total income of a NRI includes any income from investments[3] or income from capital gain of an asset other than a specified asset, such income shall be

[3]Investment income for section 115E means any income derived (other than dividends referred to in section 115-O) from specified asset (which *inter-alia* includes shares in an Indian company), as acquired or purchased with, or

taxable at 20% (plus applicable surcharge and education cess). Also, where share of the company are subscribed to in convertible foreign exchange by a NRI, the LTCG arising to the NRI shall be taxable at the rate of 10% (plus applicable surcharge and education cess). However, the benefit of indexation of cost and deduction under Chapter VI-A, would not be available in respect of such income.

(ii) Under Section 115F of the IT Act, LTCG [in cases not covered under Section 10(38) of the IT Act] arising to an NRI from the transfer of our shares subscribed to in convertible foreign exchange shall be exempt from Income tax, if the net consideration is reinvested in specified assets or in any savings certificates referred to in Section 10(4B), within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

(iii) Under Section 115G of the IT Act, it shall not be necessary for an NRI to furnish his return of income under Section 139(1) of the IT Act, if his income chargeable under the Act consists of only investment income or LTCG or both, arising out of specified assets (inter-alia including shares in an Indian Company) acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

(iv) In accordance with the provisions of Section 115H of the IT Act, where an NRI become assessable as a resident in India, he may furnish a declaration in writing to the assessing officer along with his return of income for that year under Section 139 of the IT Act to the effect that the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such investment income derived from the specified assets (which do not include shares in an Indian company) for that year and subsequent assessment years until such assets are converted into money.

(v) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A, and compute his total income as per other provisions of the IT Act.

8. As per fifth proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as capital gains.

9. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA between India and the country of residence of the non-resident/NRI. As per Section 90(2) of the IT Act, provisions of the applicable DTAA would prevail over the provisions of the IT Act to the extent they are more beneficial to the non-resident/NRI. However, the non-resident investor will have to qualify as a tax resident under the applicable DTAA and would need to furnish a Tax Residency Certificate ("TRC") of his being a resident in a country outside India, to get the benefit of the applicable DTAA and such other document as may be prescribed as per the provisions of Section 90(4) of the IT Act.

10. As per the provisions of Section 195 of the IT Act, any income by way of capital gains payable to non residents [other than LTCG exempt u/s 10(38)] may be subject to withholding of tax at the rate under the domestic tax laws or under the tax laws or under the DTAA, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities.

III. Foreign Institutional Investors (FIIs)

1. Dividends (whether interim or final) referred to in Section 115-O of the IT Act, declared, distributed or paid by our Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act.

In the context of dividend payable by our Company to its shareholders, by virtue of section 115-O, erstwhile our Company was liable to pay Dividend Distribution Tax ("DDT") at the rate of 15% (plus applicable surcharge and cess) on the total income declared, distributed, or paid as dividend.
Tax on dividends to be distributed by domestic companies is to be computed on the grossed up amount of dividend by the rate of tax on such dividend, instead of the net amount paid. Thus, where the amount of dividend

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subscribed to in, convertible foreign exchange.

distributed or paid by a company is Rs 85, then DDT under the amended provision would be calculated as follows:

Dividend amount distributed = Rs 85
Increase by Rs 15 [i.e. (85*0.15)/(1-0.15)]
Increased amount = Rs 100
DDT @ 15% of Rs 100 = Rs 15
Tax payable u/s 115-O is Rs 15
Dividend distributed to shareholders = Rs 85

So DDT payable will be Rs 15 before surcharge and education cess and higher education cess.

In calculating the amount of dividend on which DDT is payable, dividend shall be reduced by dividend received from its subsidiary, subject to fulfillment of certain conditions.

As per section 94(7) of the Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed as exempt.

2. As per section 2(14) of the IT Act, any securities held by a FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

3. Under Section 10(38) of the IT Act, LTCG arising to a shareholder on transfer of equity shares would be exempt from tax where the sale transaction has been entered into on a recognised stock exchange of India and is liable to STT.

4. Under Section 115AD(1)(ii) of the IT Act, STCG arising to an FII on transfer of shares shall be chargeable at a rate of 15%, if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT. Other STCG are chargeable to tax at the rate of 30%. The above rates are to be increased by applicable surcharge and education cess.

5. Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from the transfer of shares [in cases not covered under Section 10(38) of the IT Act] held in the company will be taxable at the rate of 10% (plus applicable surcharge and education cess). The benefits of indexation of cost and of foreign currency fluctuations are not available to FIIs.

6. As per fifth proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as capital gains.

7. As per Section 90(2) of the IT Act, the provisions of the applicable DTAA (entered between India and the country of fiscal domicile of the non-resident), if any, would prevail over the provisions of the IT Act to the extent they are more beneficial to the non-resident. However, the non-resident investor will have to furnish a TRC of his being a resident in a country outside India, to get the benefit of the applicable DTAA and such other document as may be prescribed as per the provisions of Section 90(4) of the IT Act.

8. As per Section 196D of IT Act, no tax is to be deducted from any income, by way of Capital Gains arising to the FII from the transfer of securities referred to in section 115AD of the IT Act. Tax, if any, would be required to be discharged by the concerned FII prior to making the remittance of the proceeds out of India.

9. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that FPI registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

10. The Finance Act, 2015 provided the relief from MAT to foreign companies on capital gains arises on transfer of securities. The income on the securities is excluded from chargeability of MAT if tax payable on such income is less than 18.5%. Further, expenditures, if any, debited to the profit loss account, corresponding to such income shall also be added back to the book profit for the purpose of computation of MAT.

IV. Venture Capital Fund (VCF) / Venture Capital Company ('VCC')

1. Under Section 10(23FB) of the IT Act, any income of VCF/ VCC registered with the Securities and Exchange Board of India ("SEBI") on or before 21 May 2012 or VCF/ VCC registered with the SEBI as a sub-category of Category-I Alternative Investment Fund, would be exempt from income-tax, subject to fulfillment of conditions specified therein. The exemption has now also been extended to VCF / VCC registered with SEBI as a sub-category of Category-II Alternative Investment Fund

2. As per the provisions of section 115U of the IT Act, any income accruing or arising to or received by a person out of investments made in a VCF / VCC [referred in section 10(23FB)] shall be chargeable to income-tax in the same manner as if it were the income accruing or arising to or received by such person had he made investments directly in the Venture Capital Undertaking.

V. Mutual Funds

Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or mutual funds set up by public sector banks or public financial institutions or authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

VI. Provident Fund and Pension Fund

Under section 10(25) of the IT Act, any income received by trustees on behalf of a recognised provident fund and a recognised superannuation fund is exempt from tax.

VII. Exemption under Sections 54EC of the IT Act

Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, LTCG [other than those exempt under Section 10(38) of the IT Act)] arising on the transfer of our shares would be exempt from tax if such capital gain is invested within six months after the date of such transfer, in the bonds (long term specified assets) issued by:

(a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

(b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment in the long term specified assets is eligible for such deduction to the extent of Rs. 5 million, whether invested during the financial year in which the asset is transferred or subsequent year.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion. For this purpose, if any loans or advance is taken as against such specified securities, than such person shall be deemed to have converted such specified securities into money. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C and section 88 of the IT Act for any assessment year beginning on or after 1 April 2006.

VIII. Requirement to furnish Permanent Account Number ('PAN') under the IT Act

1. *Section 139A(5A) of the IT Act*

Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.

2. *Section 206AA of the IT Act*

(a) Section 206AA of the IT Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:

(i) at the rate specified in the relevant provision of the IT Act; or
(ii) at the rate or rates in force; or
(iii) at the rate of twenty per cent.

(b) Where a wrong PAN is provided, it will be regarded as non furnishing of PAN and Para (a) above will apply.

IX. Where the shareholder is a person located in a Notified Jurisdictional Area ('NJA') under section 94A of the IT Act

Where the shareholder is a person located in a NJA [at present, Cyprus has been notified[4] as NJA], as per the provisions of section 94A of the IT Act:

- All parties to such transactions shall be treated as associated enterprises under section 92A of the IT Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.

- No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the IT Act unless the assessee furnishes an authorisation in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution [Section 94A(3)(a) read with Rule 21AC and Form 10FC].

- No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the IT Act unless the assessee maintains such documents and furnishes such information as may be prescribed [Section 94A(3)(b) read with Rule 21AC].

- If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee [Section 94A(4)].

- Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:

  (i) at the rate or rates in force;
  (ii) at the rate specified in the relevant provision of the IT Act; or
  (iii) at the rate of thirty per cent.

X. General Anti-Avoidance Rules ('GAAR)

1. In terms of Chapter XA of the IT Act, General Anti-Avoidance Rules may be invoked notwithstanding anything contained in the IT Act. Due to this any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement, as defined in that Chapter and the consequence would be *inter alia* denial of tax benefit. This would also include denial of the benefit of the DTAA to an investor if the Revenue Authorities declares any arrangement to be an impermissible avoidance arrangement. As per Finance Act 2015, the implementation of GAAR has been deferred by two years and GAAR provisions be made applicable to the income of the financial year 2017-18 (Assessment Year 2018-19) and subsequent years by amendment of the Act. Further, investments made up to 31.03.2017 are protected from the applicability of GAAR by amendment in the relevant rules in this regard.

[4] Notification No. 86/2013, dated 1 November, 2013 published in Official Gazette through SO 4625 GI/13

2. However, the GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

B. THE WEALTH TAX ACT, 1957

The Wealth Tax Act, 1957 has been abolished from the Financial Year 2015-16 by the Finance Ministry.

Notes:

1. The above benefits are as per the current tax law as amended by the Finance Act, 2015 (the "**FA**").

2. As per the FA, surcharge is to be levied as under:

   (a) In the case of individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person, where his income or exceeds rupees one crore, surcharge at 12% of tax is payable.

   (b) In case of domestic company, where its income exceeds rupees one crore but does not exceed rupees ten crores, a surcharge at the rate of 7% of tax liability is payable and when such income exceeds rupees ten crores, surcharge at 12% of tax is payable.

   (c) In case of foreign companies, where the income exceeds rupees one crore but does not exceed rupees ten crores, a surcharge of 2% of such tax liability is payable and when such income exceeds rupees ten crores, surcharge at 5% of tax is payable.

Further, 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is also applicable.

3. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.

4. The stated benefits will be available only to the sole/first named holder in case the shares are held by the joint holders.

5. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

6. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.

7. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Shares.

8. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

9. The above statement of possible direct-tax benefits sets out the possible tax benefits available to it's the shareholders of the Company under the current tax laws presently in force in India. Several of these benefits available are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain material U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares acquired pursuant to this Issue. This summary does not address any aspect of U.S. federal non-income tax laws, such as U.S. federal estate and gift tax laws, or state, local or non-U.S. tax laws, and does not purport to be a comprehensive description of all of the U.S. tax considerations that may be relevant to a particular person's decision to acquire Equity Shares.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The discussion applies to you only if you acquire the Equity Shares in this Issue and you hold the Equity Shares as capital assets for U.S. federal income tax purposes (generally, for investment). This section does not apply to you if you are a member of a special class of holders subject to special tax rules, including:

- a broker;
- a dealer in securities, commodities or foreign currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- a tax-exempt organization;
- an insurance company;
- a regulated investment company;
- an investor who is a U.S. expatriate, former U.S. citizen or former long term resident of the United States;
- a mutual fund;
- an individual retirement or other tax-deferred account;
- a holder liable for alternative minimum tax;
- a holder that actually or constructively owns 10% or more, by voting power, of the Company's voting stock;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a holder that holds Equity Shares as part of a straddle, hedging, constructive sale, conversion or other integrated transaction for U.S. federal income tax purposes; or
- a U.S. holder (as defined below) whose functional currency is not the U.S. Dollar.

This section is based on the Code, existing and proposed income tax regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing are subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company ("**PFIC**") rules, referred to below, require the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion. This discussion is not binding on the U.S. Internal Revenue Service ("**IRS**") or the courts. No ruling has been or will be sought from the IRS with respect to the positions and issues discussed herein, and there can be no assurance that the IRS or a court will not take a different position concerning the U.S. federal income tax consequences of an investment in the Equity Shares or that any such position would not be sustained.

You are a "U.S. holder" if you are a beneficial owner of Equity Shares that acquired the shares pursuant to this Issue and you are:

- a citizen or resident of the United States;
- a U.S. domestic corporation, or other entity treated as a domestic corporation for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorised to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

In addition, this discussion is limited to U.S. holders who are not resident in India for purposes of the Income Tax Treaty between the United States and India.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Equity Shares, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the Equity Shares that is a partnership and partners in such a partnership should consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares.

A "non-U.S. holder" is a beneficial owner of Equity Shares that acquired the shares pursuant to this Issue and that is neither a U.S. holder nor a partnership for U.S. federal income tax purposes.

Although not free from doubt, the Company does not believe that it should be treated as, and does not expect to become, a PFIC for U.S. federal income tax purposes. However, no assurance can be given that the Company will not be considered a PFIC in the current or future years. The determination whether or not the Company is a PFIC is a factual determination that is made annually based on the types of income it earns and the value of its assets. If the Company was currently or were to become a PFIC, U.S. holders of Equity Shares would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

Taxation of Dividends

U.S. Holders. Subject to the PFIC rules below, if you are a U.S. holder you must include in your gross income the gross amount of any distributions of cash or property (other than certain pro rata distributions of Equity Shares) with respect to Equity Shares, to the extent the distribution is paid by the Company out of its current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend income at the time of actual or constructive receipt. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Equity Shares and thereafter as capital gain from the sale or exchange of such Equity Shares. Notwithstanding the foregoing, the Company does not intend to maintain calculations of its earnings and profits as determined for U.S. federal income tax purposes. Consequently, distributions generally will be reported as dividend income for U.S. information reporting purposes.

You should not include the amount of any Indian tax paid by the Company with respect to the dividend payment, as that tax is, under Indian law, a liability of the Company and not the shareholders, unless you are a U.S. corporation that owns 10% or more of the voting stock of the Company and also claims a foreign tax credit against your U.S. tax liability for your share of income taxes paid by the Company. The dividend is ordinary income that you must include in income when you receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

Subject to the PFIC rules described below, dividends paid by a non-U.S. corporation generally will be taxed at the preferential tax rates applicable to long-term capital gain of non-corporate taxpayers if (a) such non-U.S. corporation is eligible for the benefits of certain U.S. treaties or the dividend is paid by such non-U.S. corporation with respect to stock that is readily tradable on an established securities market in the United States, (b) the U.S. holder receiving such dividend is an individual, estate, or trust, and (c) such dividend is paid on shares that have been held by such U.S. holder for at least 61 days during the 121-day period beginning 60 days before the "ex-dividend date." If the requirements of the immediately preceding paragraph are not satisfied, a dividend paid by a non-U.S. corporation to a U.S. holder, including a U.S. holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). The dividend rules are complex, and each U.S. holder should consult its own tax advisor regarding the dividend rules.

Dividends received generally will be income from non-U.S. sources, which may be relevant in calculating your U.S. foreign tax credit limitation. Such non-U.S. source income generally will be "passive category income", or in certain cases "general category income", which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. You should consult your own tax advisor to determine the foreign tax credit implications of owning the Equity Shares.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. Dollar value of the Indian Rupee payments made, determined at the spot Indian Rupee/U.S. Dollar exchange rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. Dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you

include the dividend payment in income to the date you convert the payment into U.S. Dollars will be treated as ordinary income or loss. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Non-U.S. Holders. Dividends paid to non-U.S. holders generally will not be subject to U.S. income tax unless the dividends are "effectively connected" with your conduct of a trade or business within the United States, and the dividends are attributable to a permanent establishment (or in the case of an individual, a fixed place of business) that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis. In such cases you generally will be taxed in the same manner as a U.S. holder (other than with respect to the Medicare Tax described below). If you are a corporate non-U.S. holder, "effectively connected" dividends may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Taxation of Capital Gains

U.S. Holders. Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell, exchange or otherwise dispose of your Equity Shares, you will generally recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount realized and your tax basis, determined in U.S. Dollars, in your Equity Shares. Gain or loss recognized on such a sale, exchange or other disposition of Equity Shares generally will be long-term capital gain if the U.S. holder has held the Equity Shares for more than one year. Long-term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) are generally taxed at a maximum rate of 20%. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met. Your ability to deduct capital losses is subject to limitations.

Non-U.S. Holders. If you are a non-U.S. holder, you will not be subject to U.S. federal income tax on gain recognized on the sale, exchange or other disposition of your Equity Shares unless:

- the gain is "effectively connected" with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment (or in the case of an individual, a fixed place of business) that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis; or
- you are an individual, you are present in the United States for 183 or more days in the taxable year of such sale, exchange or other disposition and certain other conditions are met.

In the first case, the non-U.S. holder will be taxed in the same manner as a U.S. holder (other than with respect to the Medicare Tax described below). In the second case, the non-U.S. holder will be subject to U.S. federal income tax at a rate of 30% on the amount by which such non-U.S. holder's U.S.-source capital gains exceed such non-U.S.-source capital losses.

If you are a corporate non-U.S. holder, "effectively connected" gains that you recognize may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Medicare Tax

Certain U.S. holders who are individuals, estates or trusts are required to pay a 3.8% Medicare surtax on all or part of that holder's "net investment income", which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the Equity Shares, subject to certain limitations and exceptions. Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the Equity Shares.

PFIC Considerations

The Code provides special rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of, shares of stock in a PFIC. A foreign corporation will be treated as a PFIC for any taxable year in which either: (i) at least 75 percent of its gross income is "passive income" or (ii) at least 50 percent of its gross assets during the taxable year (based on the average of the fair market values of the assets determined at the end of each quarterly period) are "passive assets," which generally means that they produce passive

income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. In determining whether a foreign corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Although not free from doubt, the Company does not believe that it should be treated as, and does not expect to become, a PFIC for U.S. federal income tax purposes, but the Company's possible status as a PFIC must be determined for each year and cannot be determined until the end of each taxable year. Because this determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond the Company's control, including the amount and nature of the Company's income, as well as on the market valuation of the Company's assets and the Company's spending schedule for its cash balances and the proceeds of the Issue, and because certain aspects of the PFIC rules are not entirely certain, there can be no assurance that the Company is not a PFIC and will not become a PFIC or that the IRS will agree with our conclusion regarding our PFIC status.

A U.S. holder that holds stock in a foreign corporation during any taxable year in which the corporation qualifies as a PFIC is subject to special tax rules with respect to (a) any gain realized on the sale, exchange or other disposition of the stock and (b) any "excess distribution" by the corporation to the holder, unless the holder elects to treat the PFIC as a "qualified electing fund" ("**QEF**") or makes a "mark-to-market" election, each as discussed below. An "excess distribution" is that portion of a distribution with respect to PFIC stock that exceeds 125% of the average of such distributions over the preceding three-year period or, if shorter, the U.S. holder's holding period for its shares. Excess distributions and gains on the sale, exchange or other disposition of stock of a corporation which was a PFIC at any time during the U.S. holder's holding period are allocated ratably to each day of the U.S. holder's holding period. Amounts allocated to the taxable year in which the disposition occurs and amounts allocated to any period in the shareholder's holding period before the first day of the first taxable year that the corporation was a PFIC will be taxed as ordinary income (rather than capital gain) earned in the taxable year of the disposition. Amounts allocated to each of the other taxable years in the U.S. holder's holding period are not included in gross income for the year of the disposition, but are subject to a special tax (equal to the highest ordinary income tax rates in effect for those years, and increased by an interest charge at the rate applicable to income tax deficiencies) that is added to the regular tax for the taxable year in which the disposition occurs. The preferential U.S. federal income tax rates for dividends and long-term capital gain of individual U.S. holders (as well as certain trusts and estates) would not apply, and special rates would apply for calculating the amount of the foreign tax credit with respect to excess distributions. In addition, a U.S. holder who acquires shares in a PFIC from a decedent generally will not receive a "stepped-up" fair market value tax basis in such shares but, instead, will receive a tax basis equal to the decedent's basis, if lower.

If a corporation is a PFIC for any taxable year during which a U.S. holder holds shares in the corporation, then the corporation generally will continue to be treated as a PFIC with respect to the holder's shares, even if the corporation no longer satisfies either the passive income or passive asset tests described above, unless the U.S. holder terminates this deemed PFIC status by electing to recognize gain, which will be taxed under the excess distribution rules as if such shares had been sold on the last day of the last taxable year for which the corporation was a PFIC.

The excess distribution rules may be avoided if a U.S. holder makes a QEF election effective beginning with the first taxable year in the holder's holding period in which the corporation is a PFIC. A U.S. holder that makes a QEF election is required to include in income its pro rata share of the PFIC's ordinary earnings and net capital gain as ordinary income and long-term capital gain, respectively, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. A U.S. holder whose QEF election is effective after the first taxable year during the holder's holding period in which the corporation is a PFIC will continue to be subject to the excess distribution rules for years beginning with such first taxable year for which the QEF election is effective.

In general, a U.S. holder makes a QEF election by attaching a completed IRS Form 8621 to a timely filed (taking into account any extensions) U.S. federal income tax return for the year beginning with which the QEF election is to be effective. In certain circumstances, a U.S. holder may be able to make a retroactive QEF election. A QEF election can be revoked only with the consent of the IRS. In order for a U.S. holder to make a valid QEF election, the corporation must annually provide or make available to the holder certain information. The Company does not intend to provide to U.S. holders the information required to make a valid QEF election and the Company currently makes no undertaking to provide such information.

As an alternative to making a QEF election, a U.S. holder may make a "mark-to-market" election with respect to its PFIC shares if the shares meet certain minimum trading requirements. If a U.S. holder makes a valid mark-to-market

election for the first tax year in which such holder holds (or is deemed to hold) stock in a corporation and for which such corporation is determined to be a PFIC, such holder generally will not be subject to the PFIC rules described above in respect of its stock. Instead, a U.S. holder that makes a mark-to-market election will be required to include in income each year an amount equal to the excess of the fair market value of the shares that the holder owns as of the close of the taxable year over the holder's adjusted tax basis in the shares. The U.S. holder will be entitled to a deduction for the excess, if any, of the holder's adjusted tax basis in the shares over the fair market value of the shares as of the close of the taxable year; provided, however, that the deduction will be limited to the extent of any net mark-to-market gains with respect to the shares included by the U.S. holder under the election for prior taxable years. The U.S. holder's basis in the shares will be adjusted to reflect the amounts included or deducted pursuant to the election. Amounts included in income pursuant to a mark-to-market election, as well as gain on the sale, exchange or other disposition of the shares, will be treated as ordinary income. The deductible portion of any mark-to-market loss, as well as loss on a sale, exchange or other disposition of shares to the extent that the amount of such loss does not exceed net mark-to-market gains previously included in income, will be treated as ordinary loss.

The mark-to-market election applies to the taxable year for which the election is made and all subsequent taxable years, unless the shares cease to meet applicable trading requirements (described below) or the IRS consents to its revocation. The excess distribution rules generally do not apply to a U.S. holder for tax years for which a mark-to-market election is in effect. However, if a U.S. holder makes a mark-to-market election for PFIC stock after the beginning of the holder's holding period for the stock, a coordination rule applies to ensure that the holder does not avoid the tax and interest charge with respect to amounts attributable to periods before the election.

A mark-to-mark election is available only if the shares are considered "marketable" for these purposes. Shares will be marketable if they are regularly traded on a national securities exchange that is registered with the Securities and Exchange Commission or on a non-U.S. exchange or market that the IRS determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. For these purposes, shares will be considered regularly traded during any calendar year during which they are traded, other than in negligible quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. Each U.S. holder should ask its own tax advisor whether a mark-to-market election is available or desirable.

A U.S. holder of PFIC stock must generally file an IRS Form 8621 annually. A U.S. holder must also provide such other information as may be required by the U.S. Treasury Department if the U.S. holder (i) receives certain direct or indirect distributions from a PFIC, (ii) recognizes gain on a direct or indirect disposition of PFIC stock, or (iii) makes certain elections (including a QEF election or a mark-to-market election) reportable on IRS Form 8621.

It is also possible that one or more of our subsidiaries is or will become a PFIC. Such determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond our control, including the amount and nature of a subsidiary's income, as well as the market valuation and nature of a subsidiary's assets. In such case, assuming a U.S. holder does not receive from such subsidiary the information that the U.S. holder needs to make a QEF election with respect such a subsidiary, a U.S. holder generally will be deemed to own a portion of the shares of such lower-tier PFIC and may incur liability for a deferred tax and interest charge if we receive a distribution from, or dispose of all or part of our interest in, or the U.S. holder otherwise is deemed to have disposed of an interest in, the lower-tier PFIC. There is no assurance that we will have timely knowledge of the status of any such lower-tier PFIC, or that we will cause the lower-tier PFIC to provide the required information for a U.S. holder to make or maintain a QEF election with respect to the lower-tier PFIC. In addition, a mark-to-market election generally would not be available with respect to such a lower-tier PFIC. U.S. holders are advised to consult with their tax advisors regarding the tax issues raised by lower-tier PFICs.

U.S. holders are urged to consult their tax advisors as to the Company's status as a PFIC, and, if the Company is treated as a PFIC, as to the effect on them of, and the reporting requirements with respect to, the PFIC rules and the desirability of making, and the availability of, either a QEF election or a mark-to-market election with respect to our ordinary shares. The Company provides no advice on taxation matters.

Information with Respect to Foreign Financial Assets

In addition, a U.S. holder that is an individual (and, to the extent provided in future regulations, an entity), may be subject to certain reporting obligations with respect to Equity Shares if the aggregate value of these and certain other "specified foreign financial assets" exceeds $50,000. If required, this disclosure is made by filing Form 8938 with the U.S. Internal Revenue Service. Significant penalties can apply if U.S. holders are required to make this disclosure and

fail to do so. In addition, a U.S. holder should consider the possible obligation to file a Form TD F 90-22.1—Foreign Bank and Financial Accounts Report as a result of holding Equity Shares. U.S. holders are thus encouraged to consult their U.S. tax advisors with respect to these and other reporting requirements that may apply to their acquisition of Equity Shares.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to distributions made on our Equity Shares within the U.S. to a non-corporate U.S. holder and to the proceeds from the sale, exchange, redemption or other disposition of Equity Shares by a non-corporate U.S. holder to or through a U.S. office of a broker. Payments made (and sales or other dispositions effected at an office) outside the U.S. will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. federal income tax may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (or otherwise establishes, in the manner provided by law, an exemption from backup withholding) or to report dividends required to be shown on the U.S. holder's U.S. federal income tax returns.

Backup withholding is not an additional income tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as credit against the U.S. holder's U.S. federal income tax liability provided that the appropriate returns are filed.

A non-U.S. holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status to the payor, under penalties of perjury, on IRS Form W-8BEN or W-8BEN-E, as applicable. You should consult your own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to the Placement, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, foreign tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations.

INDEPENDENT AUDITORS

Our Company's current Auditors are M/s. A.M. Ghelani & Company, Chartered Accountants, and M/s. Chaturvedi & Shah, Chartered Accountants, who have audited, the consolidated financial statements of our Company for the financial years 2015, 2014 and 2013, included in this Placement Document, and are the joint independent auditors with respect to our Company in accordance with the guidelines issued by the ICAI. See "Financial Statements".

LEGAL PROCEEDINGS

Our Company and our Subsidiaries are, from time to time, involved in various legal proceedings in the ordinary course of business, which involve matters pertaining to, amongst others, tax, regulatory and other disputes. As on date of this Placement Document, except as disclosed hereunder, our Company and/or our Subsidiaries is not involved in any material governmental, legal or arbitration proceedings or litigation and our Company and/or our Subsidiaries is not aware of any pending or threatened material governmental, legal or arbitration proceedings or litigation relating to them which, in either case, to the extent quantifiable exceeds the amount of ₹50 million or may have a significant effect on the financial condition, the results of operations or cash flows of our Company and/or our Subsidiaries.

Capitalised terms used herein shall have the meaning ascribed to such term in this section, unless otherwise specified.

Litigations involving our Company

Litigations initiated against our Company

Arbitration proceedings

1. Shapoorji Pallonji & Company Limited ("**Claimant**") has raised on August 20, 2014, an arbitration claim before the an arbitrator against our Company, claiming specific performance of an agreement dated December 12, 2007 entered into between the Claimant and our Company for construction of our then proposed shopping mall at Lower Parel (the "**Agreement**"). The Claimant vide the aforesaid claim, has claimed for an aggregate amount of ₹ 93.03 million, consisting of ₹ 19.54 million towards the allegedly unpaid amount under the Agreement and ₹ 73.49 million towards inter alia alleged costs and interest due to delays and disruptions in the works (the "**Claim**"). Our Company has on November 27, 2014, filed its statement of defense along with the counter claim (the "**Counter Claim**") denying the Claim on the grounds of limitation and challenging the bases of the entire Claim as false and misleading. Further, our Company vide the Counter Claim, has prayed that the Claimant be directed to pay our Company, a sum of ₹ 26.57 million along with interest thereon at 12% p.a. for alleged excess billing along with ₹ 11.65 million towards liquidated damages and grant of other equitable reliefs. Both the parties have completed their respective pleadings. The arbitration is currently pending.

Show Cause Notices

1. Our Company has received certain show cause notices either from the offices of the Commissioner of Service Tax, Mumbai, or the Assistant Commissioner of Service Tax, Mumbai, in connection with certain tax related matters. Our Company has either replied to the aforesaid show cause notices or is in the process of replying to the same.

Litigations initiated by our Company

Civil proceedings

1. Our Company and Offbeat Developers Private Limited ("**Petitioners**") have filed a writ petition (no. 1197 of 2015), before the Bombay High Court against the State of Maharashtra, Municipal Corporation of Greater Bombay and others ("**Respondents**") ("**Writ Petition**"). The Petitioners have challenged constitutionality and maintainability of certain amendments made to the Mumbai Municipal Corporation Act, 1888 (the "**Act**") by the Mumbai Municipal Corporation (3rd Amendment Act, 2009) inter alia on the grounds, i.e.:

   i. the provisions of the Factors and Categories of Users of Buildings or Lands (Assignment of Weightages by Multiplication) Fixation of Capital Value Rules, 2010, are irrational discriminatory and unconstitutional;
   ii. the new system, including categorization of user thereunder, and the procedure of collection of taxes by the Mumbai Municipal Corporation is flawed, irrational and unjust;
   iii. there exists no difference between a 'shopping centre' and a 'mall'. The Petitioners having been billed as a "mall", and such an illogical distinction resulted in charging of irrationally higher rates of taxes by 246% on the land bearing CTS No.s 124/A, 124/C, 124/D to 124/E and 124/F along with the commercial building (i.e. Phoenix MarketCity, Mumbai) comprising of lower level basement, upper level basement, lower ground floor and ground floor standing thereon situated at L.B.S. Marg, Kurla (West), Mumbai – 400070;
   iv. the tax levied which should be compensatory as levied here is confiscatory in nature;
   v. the Respondents have failed to publish and consider objections of the public before determination of the tax factor; and

vi. the Respondents have assigned inappropriate weightage for shops in the basement while arriving at their respective capital value.

Further, the Petitioners vide the Writ Petition, prayed inter alia that the Bombay High Court be pleased to: (i) declare sections 140(A) and 154 and the amendment to sections 1(A)(c) and 2(A) of the said Act and the rules framed by the standing committee in this regard, as void and be struck down; (ii) issue a Writ of Certiorari or any other writ, order, or direction calling for all impugned bills and notices and to quash and set aside the same; and (iii) direct the Respondents to refund the excess amount of ₹ 31.18 million paid by Offbeat Developers Private Limited, one of the Petitioners.

Subsequently, the Bombay High Court has passed an order dated April 1, 2015, granting an ad-interim relief to the Petitioners for maintenance of status-quo before the final hearing and disposition of the Petition, subject to condition of deposit of 50% of the tax demanded, by the Offbeat Developers Private Limited, one of the Petitioners with the Mumbai Municipal Corporation. Offbeat Developers Private Limited, one of the Petitioners has paid an amount of ₹ 133.31 million with the Mumbai Municipal Corporation, in compliance with the aforesaid order of the Bombay High Court dated April 1, 2015. The matter is currently pending.

Tax proceedings

1. Our Company has filed an appeal dated April 16, 2014 before the Commissioner of Income Tax (Appeals) - 38, Mumbai against an order dated March 21, 2014 passed by the Assistant Commissioner of Income Tax, Central Circle - 47, Mumbai, demanding a tax of ₹ 109.72 million with respect to the assessment year 2011-2012 (the "**Appeal**"). Our Company vide the Appeal has contended that, inter alia: (i) disallowance of ₹ 47.36 million out of staff cost and director remuneration to income from house property may be deleted; (ii) disallowance of ₹ 34.36 million out of repairs and maintenance expenditure to income from house property may be deleted; (iii) disallowance of ₹ 38.82 million out of advertisement and sales promotion expenditure to income from house property may be deleted; and (iv) disallowance of ₹ 32.85 million out of miscellaneous expenditures to income from house property may be deleted. Pending the decision of the Appeal and to avoid any interim action against our Company, an amount of ₹ 25.00 million has been paid by our Company to the income tax department for the assessment year 2011-2012. The matter is currently pending.

2. Our Company has filed an appeal April 16, 2015 before the Commissioner of Income Tax (Appeals) - 50, Mumbai against an order dated March 30, 2015 passed by the Assistant Commissioner of Income Tax, Central Circle - 8 (4), Mumbai, demanding a tax of ₹ 113.86 million with respect to the assessment year 2012-2013 (the "**Appeal**") (the "**Appeal**"). Our Company vide the Appeal has contended that, inter alia: (i) the disallowance of ₹ 23.31 million under section 14A of the IT Act read with rule 8D of the Income Tax Rules, 1962 be deleted; (ii) disallowance of ₹ 50.65 million out of legal and professional charges may be deleted; (iii) disallowance of ₹ 53.76 million out of staff cost and director remuneration to income from house property may be deleted; (iv) disallowance of ₹ 28.61 million out of repairs and maintenance expenditure to income from house property may be deleted; and (v) disallowance of ₹ 54.92 million out of advertisement and sales promotion expenditure to income from house property may be deleted. The matter is currently pending.

Litigations involving our Subsidiaries

Litigations initiated against our Subsidiaries

Civil proceedings

Graceworks Realty & Leisure Private Limited

1. Dynamix Realty ("**Plaintiff**") has filed a summary suit (no. 945 of 2014) before the Bombay High Court ("**Suit**") against Graceworks Realty & Leisure Private Limited ("**Defendant**"), praying that the Defendant be directed to pay a sum of ₹ 184.10 million along with interest at the rate of 15% thereon from the date of the Suit, being the amount of interest allegedly accrued on payment withheld by the Defendant for a period of three years and two months, pursuant to the order of the Directorate of Enforcement dated August 30, 2007 directing the Defendant to withhold the said payment. The Defendant is in the process of filing its response to the Suit. The matter is currently pending.

2. Mr. Subhash Dagadu Jadhav ("**Petitioner**"), has, on November 6, 2004, filed a public interest litigation (no. 4 of 2007) before the Bombay High Court ("**PIL**"), against, amongst others, the then Revenue Minister of Maharashtra ("**Respondent No. 2**") and Mukund Iron and Steel Works Limited ("**Respondent No. 4**") praying that an order

dated September 14, 2005 ("**Order**") passed by Respondent No. 2 in relation to a proposal to redevelop the land be set aside. The Order ruled that the land was sold in 1944 by way of a public auction and was of the absolute ownership of Respondent No. 4, as a result of which the State Government could not restrict the disposal of the land or the manner thereof by Respondent No. 4. Offbeat Developers Private Limited and Graceworks Realty & Leisure Private Limited impleaded themselves in the PIL with respect to their respective projects, although they were not named as Respondents by the Petitioner, since they acquired a portion of the land in dispute from Respondent No. 4. The PIL has not yet been admitted by the Bombay High Court.

Offbeat Developers Private Limited

1. Mohanty Enterprises ("**Petitioner**") has filed a company petition (no. 326 of 2013) before the Bombay High Court ("**Petition**") against Offbeat Developers Private Limited ("**Respondent**") seeking the winding up of the Respondent. The Petitioner has alleged that the Respondent has failed to clear dues of ₹ 9.31 million (including taxes) with respect to six out of twelve work orders entered into between the Petitioner and the Respondent for carrying out masonry work at the construction of a mall, at Phoenix MarketCity, Kurla, Mumbai. The Respondent has on November 21, 2013, filed its reply to the Petition praying that the same be dismissed with costs on the grounds of deficiency in the services provided by the Petitioner, discrepancy in billing, amongst others. The matter is currently pending.

2. Amresh Dixit, proprietor of Trimurti Estate ("**Petitioner**") has filed a company petition (no. 271 of 2015) ("**Petition**") before the Bombay High Court against Offbeat Developers Private Limited ("**Respondent**") seeking the winding up of the Respondent. The Petitioner has alleged that the Respondent has failed to clear dues of ₹ 2.59 million along with interest at the rate of 18% p.a. with respect to an agreement entered into between the Petitioner and the Respondent, for securing a buyer for the sale of a commercial unit belonging to the Respondent. The Respondent is in the process of filing its response to the Petition. The matter is currently pending.

3. Mr. Subhash Dagadu Jadhav ("**Petitioner**"), has, on November 6, 2004, filed a public interest litigation (no. 4 of 2007) before the Bombay High Court ("**PIL**"), against, amongst others, the then Revenue Minister of Maharashtra ("**Respondent No. 2**") and Mukund Iron and Steel Works Limited ("**Respondent No. 4**") praying that an order dated September 14, 2005 ("**Order**") passed by Respondent No. 2 in relation to a proposal to redevelop the land be set aside. The Order ruled that the land was sold in 1944 by way of a public auction and was of the absolute ownership of Respondent No. 4, as a result of which the State Government could not restrict the disposal of the land or the manner thereof by Respondent No. 4. Offbeat Developers Private Limited and Graceworks Realty & Leisure Private Limited impleaded themselves in the PIL with respect to their respective projects, although they were not named as Respondents by the Petitioner, since they acquired a portion of the land in dispute from Respondent No. 4. The PIL has not yet been admitted by the Bombay High Court.

Palladium Constructions Private Limited

1. Thoti Inamdar Shankarappa and others ("**Petitioners**") filed an original petition (no. 17 of 2010-2011) against Palladium Constructions Private Limited, the City Improvement Trust Board, Bangalore (the erstwhile Bangalore Development Authority) ("**CITB**") and others before the Court of Assistant Commissioner, Bangalore North Sub Division ("**Assistant Commissioner**") challenging the acquisition of a land parcel admeasuring 400 acres along with another land parcel bearing site nos. 134, 135 and 136 (old site nos. being 54, 55 and 56) in Yeshwanthapura Village, Nagapura, Kethamaranahalli (collectively, the "**Land Parcel**") by CITB on the grounds that the Land Parcel was granted in the form of a gift in favour of the Thoti Service Bawardars for discharging the Thoti Service duties by their ancestor ("**Petition**"). The Land Parcel includes the One Bangalore West project. Thereafter, the Assistant Commissioner passed an order on July 2, 2012 ("**Order**"), rejecting and dismissing the Petition. Subsequently, the Petitioners filed an appeal (no. A54 of 2012-2013) before the Court of Deputy Commissioner, Urban District, Bangalore, for setting aside the Order. Palladium Constructions Private Limited has filed its statement of objections to the appeal. The matter is currently pending.

Arbitration proceedings

Pallazzio Hotels and Leisure Limited

1. In May and August 2007, our wholly owned subsidiary, Pallazzio Hotels & Leisure Limited entered into several agreements (the "**Shangri-La Agreements**") with Shangri-La International Hotel Management Pte. Limited ("**Shangri-La**") in connection with the development and operation of Pallazzio's hotel under the Shangri-La brand.

The hotel commenced operations under the Shangri-La brand on December 19, 2012 and disputes arose between the parties thereafter. Shangri-La International Hotel Management Pte. Limited served a notice to terminate the Shangri-La Agreements vide its letter dated August 5, 2013 alleging breach of the hotel management agreement dated May 3, 2007. Pallazzio Hotels & Leisure Limited, vide its reply dated August 23, 2013 also terminated the Shangri-La Agreements effective September 5, 2013 on the grounds of wrongful termination and for other breaches by Shangri-La International Hotel Management Pte. Limited of the Shangri-La Agreements.

Thereafter, Shangri-La International Hotel Management Pte. Limited filed its statement of claim before an arbitral tribunal in India seeking the payment of US$ 105.85 million in damages and interest thereon at a rate of 18% per annum, under various heads, including loss of profits, loss of goodwill and unjust enrichment of Pallazzio Hotels & Leisure Limited.

Pallazzio Hotels & Leisure Limited filed its statement of defence with the arbitral tribunal, denying the entire claim of Shangri-La International Hotel Management Pte. Limited and in the alternative stated as advised, that the maximum amount payable under the Shangri-La Agreements is the termination fee of US$ 2.50 million, as against which Pallazzio Hotels & Leisure Limited filed a counterclaim against Shangri-La International Hotel Management Pte. Limited for ₹ 42,342.60 million, on the grounds of breach by Shangri-La International Hotel Management Pte. Limited of its representations and other obligations under the Shangri-La Agreements including losses incurred by Pallazzio Hotels & Leisure Limited due to completion delays, loss of profits, erosion of equity, loss in valuation, etc. caused by the wrongful termination of the Shangri-La Agreements by Shangri-La International Hotel Management Pte. Limited.

Prior to the commencement of arbitration proceedings, both parties raised certain jurisdictional challenges before the arbitral tribunal, which, after hearing both parties ruled that it has the jurisdiction to conduct the arbitration proceedings. The matter is currently pending.

Tax Proceedings/Show Cause Notices

1. The Office of the Commissioner Central Excise & Service Tax Pune – III Commissionerrate passed an order dated April 10, 2013, against Vamona Developers Private Limited ("**VDPL**") demanding an amount of ₹ 83.47 million towards cenvat credit of service tax along with applicable interest on the cenvat credit availed with respect to the assessment year 2007-2008 to 2010-2011. Thereafter, VDPL filed an appeal on July 15, 2013, before the Customs, Excise & Service Tax Appellate Tribunal, West Regional, Bench, Mumbai, for setting aside the aforesaid the demand of cenvant credit of service tax along with interest, as applicable (the "**Appeal**"). Subsequently, the Customs, Excise & Service Tax Appellate Tribunal, West Regional, Bench, Mumbai vide its interim order dated October 15, 2013, stayed the recovery of the cenvant credit of service tax along with interest, as applicable, during the pending of the Appeal and allowed the Appeal for further hearing. The matter is currently pending.

2. Offbeat Developers Private Limited and Classic Mall Development Company Private Limited, (the "**Entities**"), have received certain show cause notices either from the offices of the Commissioner of Service Tax, Mumbai, or the Assistant Commissioner of Service Tax, Mumbai, in connection with certain tax related matters. The Entities have either replied to the aforesaid show cause notices or are in the process of replying to the same.

Litigations initiated by our Subsidiaries

Offbeat Developers Private Limited

Civil proceedings

1. Our Company and Offbeat Developers Private Limited ("**Petitioners**") have filed a writ petition (no. 1197 of 2015), before the Bombay High Court against the State of Maharashtra, Municipal Corporation of Greater Bombay and others ("**Respondents**") ("**Writ Petition**"). The Petitioners have challenged constitutionality and maintainability of certain amendments made to the Mumbai Municipal Corporation Act, 1888 (the "**Act**") by the Mumbai Municipal Corporation (3rd Amendment Act, 2009) inter alia on the grounds, i.e.:

   i. the provisions of the Factors and Categories of Users of Buildings or Lands (Assignment of Weightages by Multiplication) Fixation of Capital Value Rules, 2010, are irrational discriminatory and unconstitutional;
   ii. the new system, including categorization of user thereunder, and the procedure of collection of taxes by the Mumbai Municipal Corporation is flawed, irrational and unjust;

iii. there exists no difference between a 'shopping centre' and a 'mall'. The Petitioners having been billed as a "mall", and such an illogical distinction resulted in charging of irrationally higher rates of taxes by 246% on the land bearing CTS No.s 124/A, 124/C, 124/D to 124/E and 124/F alongwith the commercial building (i.e. Phoenix MarketCity, Mumbai) comprising of lower level basement, upper level basement, lower ground floor and ground floor standing thereon situated at L.B.S. Marg, Kurla (West), Mumbai – 400070;

iv. the tax levied which should be compensatory as levied here is confiscatory in nature;

v. the Respondents have failed to publish and consider objections of the public before determination of the tax factor; and

vi. the Respondents have assigned inappropriate weightage for shops in the basement while arriving at their respective capital value.

Further, the Petitioners vide the Writ Petition, prayed inter alia that the Bombay High Court be pleased to: (i) declare sections 140(A) and 154 and the amendment to sections 1(A)(c) and 2(A) of the said Act and the rules framed by the standing committee in this regard, as void and be struck down; (ii) issue a Writ of Certiorari or any other writ, order, or direction calling for all impugned bills and notices and to quash and set aside the same; and (iii) direct the Respondents to refund the excess amount of ₹ 31.18 million paid by Offbeat Developers Private Limited, one of the Petitioners.

Subsequently, the Bombay High Court has passed an order dated April 1, 2015, granting an ad-interim relief to the Petitioners for maintenance of status-quo before the final hearing and disposition of the Petition, subject to condition of deposit of 50% of the tax demanded, by the Offbeat Developers Private Limited, one of the Petitioners with the Mumbai Municipal Corporation. Offbeat Developers Private Limited, one of the Petitioners has paid an amount of ₹ 133.31 million with the Mumbai Municipal Corporation, in compliance with the aforesaid order of the Bombay High Court dated April 1, 2015. The matter is currently pending.

General Corporate and Miscellaneous Matters

Inquiries, inspections or investigations under Companies Act, 2013 or any previous company law

There are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of circulation of this Placement Document with respect to our Company and our Subsidiaries. Further, there are no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of circulation of this Placement Document with respect to our Company and our Subsidiaries.

Material frauds

There are no material frauds committed against our Company during the last three years.

Defaults in respect of dues payable

Our Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures (including interest thereon) or dues in respect of deposits (including interest thereon) or any defaults in repayment of loans from any bank or financial institution (including interest thereon).

Litigation or legal action against the Promoters taken by any Ministry, Department of Government or any statutory authority

There are no litigation or legal action pending or taken by any ministry or department of the Government or statutory authority against any of the Promoters during the last three years immediately preceding the year of the circulation of this Placement Document and any direction issued by such ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action, except as stated below:

Ashokkumar Ruia

1. Mr. Ashokkumar Ruia, Mr. Atul Ruia, Mrs. Amla Ruia and Mrs. Gayatri Ruia ("**Applicants**") partners of a partnership firm, R. R. Hosiery ("**Firm**"), in its return of income for assessment year 2005-2006 claimed an exemption from tax of ₹ 7.72 million as long term capital gains ("**LTCG**"). The Joint Commissioner of Income Tax, Range 18(2), Mumbai, vide its order dated December 26, 2007, disallowed the aforesaid claim exemption to

the extent of ₹ 7.52 million, which was subsequently appealed against on January 31, 2008, by the Firm before the Commissioner of Income Tax (Appeals), Mumbai ("**CIT(A)**"). The CIT(A) in its order dated August 7, 2008, revised the LTCG amount to ₹ 6.66 million and confirmed the other disallowance mentioned in the aforesaid order dated December 26, 2007. Subsequently, while the Firm filed an appeal before the Income Tax Appellate Tribunal, Mumbai, ("**ITAT**") challenging the aforesaid order dated August 7, 2008, the Assistant Commissioner of Income Tax, 18(2), Mumbai, ("**ACIT**") vide its order dated January 7, 2010, levied a penalty of ₹ 2.53 million under Section 271(1)(c) of the IT Act on account of, inter alia, LTCG and unexplained cash credit.

Being aggrieved by the aforesaid order dated January 7, 2010, the Firm filed an appeal before the Commissioner of Income Tax (Appeals) - 29, Mumbai ("**CIT(A)-29**"), stating that the claim of LTCG was made inadvertently and unintentionally, as the claim was intended only for an exemption of such capital gains which were exempt and on which securities transaction tax has been paid. In response, the ITAT vide its order dated September 15, 2010, deleted the addition made on unexplained cash credit. On January 18, 2011, the CIT(A)-29 rejecting the aforesaid appeal, confirmed the order dated January 7, 2010 and deleted the penalty for unexplained cash credit. Further, the Firm filed another appeal before the ITAT against the aforesaid order dated January 18, 2011 on the ground that the claim for exemption for LTCG was made inadvertently, which however, was rejected by the ITAT on December 14, 2012, confirming the penalty levied on account of LTCG.

Meanwhile, the Commissioner of Income Tax, 18, Mumbai ("**CIT**") issued a letter dated March 20, 2013 to the Firm ("**Letter**"), highlighting that the case of the Firm is a fit case to give sanction under Section 279(1) of the IT Act to the ACIT to launch prosecution against the Firm and the Applicants. Later on, the Firm filed another appeal on July 12, 2013 before the Bombay High Court against the order passed by the ITAT on December 14, 2012. Subsequently, the Firm in its response to the Letter reiterated that the claim for exemption of LTCG was inadvertent and not a willful attempt.

Based on a sanction for prosecution dated March 14, 2014, issued by the CIT under Section 279(1) of the IT Act, on March 25, 2014, the ACIT filed a complaint against the Firm and the Applicants before the Additional Chief Metropolitan Magistrate, Mumbai ("**ACMM**") for offences under Section 276C read with Section 277 of the IT Act ("**Complaint**"). Thereafter, the ACMM issued summons on June 23, 2014, to each of the Applicants to appear in person before the ACMM on July 16, 2014.

On August 7, 2014, all the Applicants except for Mr. Ashokkumar Ruia, jointly filed a criminal application, before the Bombay High Court praying for, inter alia, quashing the Complaint and to stay the proceedings before the ACMM with respect to the Complaint pending the final hearing of this criminal application ("**Criminal Application**"). The Bombay High Court vide its ad-interim order dated August 26, 2014, in the Criminal Application, inter alia, granted an ad-interim relief to the aforesaid applicants to stay the proceedings before the ACMM. The Criminal Application is currently pending. Subsequently, on October 10, 2014, Mr. Ashokkumar Ruia filed a criminal application, before the Bombay High Court praying for, inter alia, quashing the Complaint and to stay the proceedings before the ACMM with respect to the Complaint pending the final hearing of this criminal application ("**Criminal Application II**"). The Bombay High Court vide its ad-interim order dated November 5, 2014, in the Criminal Application, inter alia, granted an ad-interim relief to the aforesaid applicant to stay the proceedings before the ACMM. The Criminal Application II is currently pending.

2. The Commissioner, Mumbai Municipal Corporation, G-1 South Ward Parel, Mumbai ("**Commissioner**") filed nine criminal complaints each dated July 19, 2013 and one criminal complaint dated July 26, 2013, pursuant to findings of a license inspector in his inspection round on June 6, 20013 against Mr. Ashokkumar Ruia, Mr. Atul Ruia and Mr. Bharat Kumar Ruia ("**Accused**") in the Metropolitan Magistrate, Shinde Wadi, Dadar, Mumbai ("**Magistrate**") accusing them of having erected, exhibited and displayed advertisements of illuminated boards upon the building / structure at Phoenix Mills compound, S.B. Road, Lower Parel, Mumbai 400 013 (the said "**Property**"), displaying signages of certain brands, without seeking prior permission of the Mumbai Municipal Corporation. Thereafter, the Magistrate addressing each of the criminal complaints, vide its respective nine orders each dated July 20, 2013 and one dated July 26, 2013, ordered initiation of proceedings against the Accused under sections 328 and 471 of the Mumbai Municipal Corporation Act, 1888 ("**Issue Process Orders**"). Being aggrieved by the Issue Process Orders, Mr. Ashokkumar Ruia and Mr. Atul Ruia ("**Applicants**") filed ten criminal revision applications ("**CRAs**") and ten miscellaneous applications, each dated September 13, 2013, before the Sessions Court for Greater Bombay in respect of each of the Issue Process Orders. The Additional Sessions Judge for Greater Bombay vide its respective interim orders each dated February 18, 2015, dismissed the CRAs, and disposed of the aforesaid miscellaneous applications. Thereafter, the Additional Sessions Judge for Greater Bombay vide its further orders dated February 20, 2015 granted a stay until March 13, 2015. Subsequently, the Applicants filed ten criminal writ petitions, each

dated March 12, 2015 before the Bombay High Court against the Commissioner and the Assistant Law Officer of Mumbai Municipal Corporation and the State of Maharashtra, there in submitting that the allegations made against them are erroneous and also that the said Property belonged to our Company, of which the Applicants are directors and therefore the latter cannot be prosecuted without making our Company a party to the same. The Applicants vide the aforesaid criminal writ petitions prayed amongst others, that the court be pleased to quash and set aside: a) the orders dated February 18, 2015 and b) the Issue Process Orders. The Bombay High Court vide its ad-interim order dated March 13, 2015 granted ad-interim reliefs in terms of stay of the Issue Process Orders, which was confirmed by the Bombay High Court on June 23, 2015 as admitted. The matter is currently pending.

3. The Additional Commissioner of Income Tax, Central Circle - 47 Mumbai ("**ACIT**"), has issued a notice of demand dated February 14, 2014 against Mr. Ashokkumar Ruia ("**Assessee**") demanding a sum of ₹ 179,460 for the assessment year 2011-2012 ("**Demand**"). The Assessee preferred an appeal before the Commissioner of Income Tax Appeals – 38, Mumbai ("**CIT-A**"), on March 7, 2014, ("**Appeal**") against the Demand on the grounds that while filing the return of income under section 139(1) of the IT Act, the Assessee had inadvertently not claimed set off of losses amounting to ₹ 68,35,770 under section 71 of the IT Act and therefore had sent a revised computation of income vide letter dated November 8, 2013 to the assessing officer which was subsequently disallowed. Subsequently, the Assessee through its advisor has also filed a request on March 13, 2014 before the ACIT for rectification of the aforesaid Demand to ₹ 95,927, as the Assessee was issued a refund of ₹ 73,586 by the ACIT and a corresponding amount of ₹ 9,934 towards interest was charged to the Assessee and consequently, requesting for a stay on the Demand after such rectification, till the disposal of the Appeal. The matter is currently pending.

Atul Ruia

1. Mr. Ashokkumar Ruia, Mr. Atul Ruia, Mrs. Amla Ruia and Mrs. Gayatri Ruia ("**Applicants**") partners of a partnership firm, R. R. Hosiery ("**Firm**"), in its return of income for assessment year 2005-2006 claimed an exemption from tax of ₹ 7.72 million as long term capital gains ("**LTCG**"). The Joint Commissioner of Income Tax, Range 18(2), Mumbai, vide its order dated December 26, 2007, disallowed the aforesaid claim exemption to the extent of ₹ 7.52 million, which was subsequently appealed against on January 31, 2008, by the Firm before the Commissioner of Income Tax (Appeals), Mumbai ("**CIT(A)**"). The CIT(A) in its order dated August 7, 2008, revised the LTCG amount to ₹ 6.66 million and confirmed the other disallowance mentioned in the aforesaid order dated December 26, 2007. Subsequently, while the Firm filed an appeal before the Income Tax Appellate Tribunal, Mumbai, ("**ITAT**") challenging the aforesaid order dated August 7, 2008, the Assistant Commissioner of Income Tax, 18(2), Mumbai, ("**ACIT**") vide its order dated January 7, 2010, levied a penalty of ₹ 2.53 million under Section 271(1)(c) of the IT Act on account of, inter alia, LTCG and unexplained cash credit.

   Being aggrieved by the aforesaid order dated January 7, 2010, the Firm filed an appeal before the Commissioner of Income Tax (Appeals) - 29, Mumbai ("**CIT(A)-29**"), stating that the claim of LTCG was made inadvertently and unintentionally, as the claim was intended only for an exemption of such capital gains which were exempt and on which securities transaction tax has been paid. In response, the ITAT vide its order dated September 15, 2010, deleted the addition made on unexplained cash credit. On January 18, 2011, the CIT(A)-29 rejecting the aforesaid appeal, confirmed the order dated January 7, 2010 and deleted the penalty for unexplained cash credit. Further, the Firm filed another appeal before the ITAT against the aforesaid order dated January 18, 2011 on the ground that the claim for exemption for LTCG was made inadvertently, which however, was rejected by the ITAT on December 14, 2012, confirming the penalty levied on account of LTCG.

   Meanwhile, the Commissioner of Income Tax, 18, Mumbai ("**CIT**") issued a letter dated March 20, 2013 to the Firm ("**Letter**"), highlighting that the case of the Firm is a fit case to give sanction under Section 279(1) of the IT Act to the ACIT to launch prosecution against the Firm and the Applicants. Later on, the Firm filed another appeal on July 12, 2013 before the Bombay High Court against the order passed by the ITAT on December 14, 2012. Subsequently, the Firm in its response to the Letter reiterated that the claim for exemption of LTCG was inadvertent and not a willful attempt.

   Based on a sanction for prosecution dated March 14, 2014, issued by the CIT under Section 279(1) of the IT Act, on March 25, 2014, the ACIT filed a complaint against the Firm and the Applicants before the Additional Chief Metropolitan Magistrate, Mumbai ("**ACMM**") for offences under Section 276C read with Section 277 of the IT Act ("**Complaint**"). Thereafter, the ACMM issued summons on June 23, 2014, to each of the Applicants to appear in person before the ACMM on July 16, 2014.

On August 7, 2014, all the Applicants except for Mr. Ashokkumar Ruia, jointly filed a criminal application, before the Bombay High Court praying for, inter alia, quashing the Complaint and to stay the proceedings before the ACMM with respect to the Complaint pending the final hearing of this criminal application ("**Criminal Application**"). The Bombay High Court vide its ad-interim order dated August 26, 2014, in the Criminal Application, inter alia, granted an ad-interim relief to the aforesaid applicants to stay the proceedings before the ACMM. The Criminal Application is currently pending. Subsequently, on October 10, 2014, Mr. Ashokkumar Ruia filed a criminal application, before the Bombay High Court praying for, inter alia, quashing the Complaint and to stay the proceedings before the ACMM with respect to the Complaint pending the final hearing of this criminal application ("**Criminal Application II**"). The Bombay High Court vide its ad-interim order dated November 5, 2014, in the Criminal Application, inter alia, granted an ad-interim relief to the aforesaid applicant to stay the proceedings before the ACMM. The Criminal Application II is currently pending.

2. The Commissioner, Mumbai Municipal Corporation, G-1 South Ward Parel, Mumbai ("**Commissioner**") filed nine criminal complaints each dated July 19, 2013 and one criminal complaint dated July 26, 2013, pursuant to findings of a license inspector in his inspection round on June 6, 20013 against Mr. Ashokkumar Ruia, Mr. Atul Ruia and Mr. Bharat Kumar Ruia ("**Accused**") in the Metropolitan Magistrate, Shinde Wadi, Dadar, Mumbai ("**Magistrate**") accusing them of having erected, exhibited and displayed advertisements of illuminated boards upon the building / structure at phoenix mills compound, S.B. Road, Lower Parel, Mumbai 400 013 (the said "**Property**"), displaying signages of certain brands, without seeking prior permission of the Mumbai Municipal Corporation. Thereafter, the Magistrate addressing each of the criminal complaints, vide its respective nine orders each dated July 20, 2013 and one dated July 26, 2013, ordered initiation of proceedings against the Accused under sections 328 and 471 of the Mumbai Municipal Corporation Act, 1888 ("**Issue Process Orders**"). Being aggrieved by the Issue Process Orders, Mr. Ashokkumar Ruia and Mr. Atul Ruia ("**Applicants**") filed ten criminal revision applications ("**CRAs**") and ten miscellaneous applications, each dated September 13, 2013, before the Sessions Court for Greater Bombay in respect of each of the Issue Process Orders. The Additional Sessions Judge for Greater Bombay vide its respective interim orders each dated February 18, 2015, dismissed the CRAs, and disposed of the aforesaid miscellaneous applications. Thereafter, the Additional Sessions Judge for Greater Bombay vide its further orders dated February 20, 2015 granted a stay until March 13, 2015. Subsequently, the Applicants filed ten criminal writ petitions, each dated March 12, 2015 before the Bombay High Court against the Commissioner and the Assistant Law Officer of Mumbai Municipal Corporation and the State of Maharashtra, there in submitting that the allegations made against them are erroneous and also that the said Property belonged to our Company, of which the Applicants are directors and therefore the latter cannot be prosecuted without making our Company a party to the same. The Applicants vide the aforesaid criminal writ petitions prayed amongst others, that the court be pleased to quash and set aside: a) the orders dated February 18, 2015 and b) the Issue Process Orders. The Bombay High Court vide its ad-interim order dated March 13, 2015 granted ad-interim reliefs in terms of stay of the Issue Process Orders, which was confirmed by the Bombay High Court on June 23, 2015 as admitted. The matter is currently pending.

3. The Additional Commissioner of Income Tax, Central Circle - 8 (4) Mumbai, has issued a notice of demand and assessment order dated February 11, 2015 against Mr. Atul Ruia ("**Assessee**") demanding a sum of ₹ 44,580 for the assessment year 2012-2013, as certain administrative expenditures, as against the claims of the Assessee, need to be disallowed. The matter is currently pending.

GENERAL INFORMATION

1. Our Company was incorporated under the Indian Companies Act, 1882, by the Registrar of Joint Stock Companies, Bombay on January 27, 1905, as The Phoenix Mills Limited, a company with limited liability. The CIN of our Company is L17100MH1905PLC000200. The registered office of our Company is located at 462, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

2. Our Company's authorized share capital is ₹ 450,000,000 divided into 225,000,000 Equity Shares of ₹ 2 each. As on date of this Placement Document, our Company's issued, subscribed and paid-up share capital is ₹ 289,993,890 divided into 144,996,945 Equity Shares of ₹ 2 each.

3. The Issue was authorised and approved by the Board of Directors on May 11, 2015, and approved by the Shareholders through a special resolution passed by way of a postal ballot pursuant to a postal ballot notice dated May 11, 2015, the results of which were announced on June 15, 2015, for an issue size of up to ₹ 10,000 million.

4. For the main objects of our Company, please refer to the Memorandum.

5. Our Company has applied for in-principle approvals to list the Equity Shares on the Stock Exchanges and have obtained in-principle approvals in terms of Clause 24(a) of the Equity Listing Agreement on July 2, 2015, for the listing of the Equity Shares on the Stock Exchanges.

6. Copies of the Memorandum and Articles will be available for inspection during usual business hours on any weekday between 10:00 a.m. to 5:00 p.m. (except Saturdays and public holidays), at the Registered Office.

7. Except as disclosed in this Placement Document, there are no significant changes in the financial or trading position of our Company since March 31, 2015, the date of the last audited consolidated financial statements, prepared in accordance with Indian GAAP and the Companies Act, included herein.

8. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings against or affecting our Company or our Company's assets or revenues, nor is our Company aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of the Issue.

9. Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

10. Our Company's current Auditors are M/s. A.M. Ghelani & Company, Chartered Accountants, and M/s. Chaturvedi & Shah, Chartered Accountants, who have audited, the consolidated financial statements of our Company for the financial years 2015, 2014 and 2013, included in this Placement Document, and are the joint independent auditors with respect to our Company in accordance with the guidelines issued by the ICAI.

11. Our Company confirms that it is in compliance with the minimum public shareholding requirements as specified under the SCRR and required under the terms of the Equity Listing Agreement.

12. The Floor Price for the Issue is ₹ 372.20 per Equity Share with July 9, 2015 as the Relevant Date. The Floor Price has been calculated as per Regulation 85 of the SEBI Regulations. The Capital Raising Committee of our Board, on July 14, 2015, approved the Issue Price of ₹ 353.60 by offering a discount of 5.00% to the Floor Price of ₹ 372.20, in accordance with the approval of the Shareholders through a special resolution passed by way of a postal ballot pursuant to a postal ballot notice dated May 11, 2015, the results of which were announced on June 15, 2015 and Regulation 85(1) of the SEBI Regulations.

A. M. Ghelani & Company
Chartered Accountants
224, Champaklal Industrial Estate,
Sion Koliwada Road,
Sion (East), Mumbai-400 022

Chaturvedi & Shah
Chartered Accountants
712-713, Tulsiani Chambers,
Free Press Journal Road,
Nariman Point, Mumbai – 400 021

To
The Board of Directors

The Phoenix Mills Limited

We have audited the accompanying consolidated financial statements of The Phoenix Mills Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2015, 31st March, 2014 and 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on those dates, and a summary of the significant accounting policies and other explanatory information (all together hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 / Companies Act, 1956, as applicable (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 / Companies (Accounting Standards) Rules, 1956. 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (2) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2015, March 31, 2014 and March 31, 2013, and their consolidated profit and their consolidated cash flows for the year ended on March 31, 2015, March 31, 2014 and March 31, 2013.

Emphasis of Matter

1. For Financial Year 2013-14:

    a) We draw attention to Note no. 40 of the accompanying consolidated financial statements relating to the company's investment in equity shares of Entertainment World Developers Limited (EWDL) and the pending realization from EWDL against the put option exercised on Fully Convertible Debentures (FCDs) of Treasure World Developers Private Limited (TWDPL). The networth of EWDL has been eroded as per the unaudited accounts as at 31st March, 2014. The Company is of the opinion, for the reasons stated in the aforesaid note, that no provision is considered necessary toward the diminution in the value of the equity investments in EWDL as well as the dues towards the put option on the TWDPL FCDs from EWDL.

    b) We draw attention to Note no. 48 of the accompanying consolidated financial statements relating to termination of Hotel Management Agreement (HMA) between the Pallazzio Hotels & Leisure Limited and ShangriLa International Hotel Management Pte Ltd for the operation of the Company's hotel in Lower Parel, Mumbai. The Parties have referred their mutual disputes to arbitration. The Company is of the opinion that, the arbitration award would be in its favor and hence does not expect any material outflow on the conclusion of the arbitration proceedings.

2. For Financial Year 2014-15:

a) We refer to note no. 40 of the accompanying consolidated financial statements relating to the company's investment in equity shares of Entertainment World Developers Limited (EWDL) and the pending realization from EWDL against the put option exercised on Fully Convertible Debentures (FCDs) of Treasure World Developers Private Limited (TWDPL). For the reason stated in aforesaid note, the provision of Rs. 912.50 millions for diminution of the above investments is considered adequate at this stage.

b) We refer to note no. 41 of the accompanying consolidated financial statements towards the provision made for doubtful debts of Rs. 368.82 millions by the management in one subsidiary based on the ongoing negotiations with the licensees.

c) We refer to note no. 42 of the accompanying consolidated financial statements relating to trade receivables aggregating to Rs. 22.52 millions in two subsidiaries, which, in the opinion of the management of the respective subsidiaries, are considered as fully recoverable.

d) We refer to note no. 48 of the accompanying consolidated financial statements related to the arbitration proceedings between the company and the erstwhile hotel operator. The accounting treatment for the settlement thereof including termination fees payable (if any) as per the Hotel Management Agreement (HMA) would be determined based on the final award of the arbitration tribunal. The management, based on its own assessment, is of the view that the arbitration award would be in its favour and hence does not expect any material outflow on the conclusion of the arbitration proceedings.

Our opinion is not qualified in respect of these matters.

Other Matters

1. Financial statements of certain subsidiaries, which reflects total assets of Rs. 47,115.04 millions, Rs. 40,865.32 millions and Rs. 26,859.03 millions as at 31st March, 2015, 31st March, 2014 and 31st March 2013 respectively; total revenue of Rs. 11,423.46 millions, Rs. 7,980.16 millions and Rs. 2,777.78 millions and net cash flows of Rs. 26.33 millions, Rs. 4.95 millions and Rs. 433.35 millions for year ended on those dates respectively and financial statements of certain associates in which the shares of profit of the Group is Rs. 34.96 millions, Rs. 32.61 millions and Rs. 61.81 millions for the year ended those dates respectively have been audited by one of us.

2. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 16,721.97 millions, Rs. 16,652.36 millions and Rs. 15,723.57 millions as at 31st March, 2015, 31st March, 2014 and 31st March, 2013 respectively; total revenues of Rs. 2,372.91 millions, Rs. 1,477.34 millions and Rs. 606.50 millions and net cash flows amounting to Rs. 48.54 millions, Rs. 86.04 millions and Rs.0.51 millions for the year ended on those dates respectively, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/(loss) of Rs. 1,891/- and Rs. (8.98) millions for the year ended 31st March, 2015 and 31st March 2014 respectively, as considered in the consolidated financial statements, in respect of certain associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to

the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors.

3. We have relied on the unaudited financial statements one subsidiaries, whose financial statements reflect total assets of Rs.5,106.92 millions as at 31st March, 2014, total revenues of Rs.3,573.51 millions and net cash flows amounting to Rs.31.82 millions for the year ended on that date, as considered in the consolidated financial statements. We have relied upon unaudited financial statements of certain Associates wherein the Group's share of profit/(loss) of Rs. 8.27 millions, Rs.(52.47) millions and Rs.(50.58) millions for the year ended 31st March, 2015, 31st March, 2014 and 31st March, 2013 respectively. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on such unaudited financial statements.

4. We have not audited any consolidated financial statements of the Group as of any date or for any period subsequent to 31st March, 2015. Accordingly, we express no opinion on the consolidated financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to 31st March, 2015.

5. The columnar consolidated financial statements covered by this Report have been prepared from the audited consolidated financial statements of the company for the year ended 31st March, 2015, 31st March, 2014 and 31st March, 2013 on which we had issued our separate report dated 28th May, 2015, 28th May, 2014 and 30th May, 2013. This report should not be in any way construed as a re-issuance or redrafting of any of the previous audit reports issued by us and is not updated for any events subsequent to the date of the previous audit reports.

Our opinion is not qualified in respect of the other matters.

Restriction on Distribution and Use

This report is for inclusion in the Offer Document being issued by the Company in connection with the proposed placement of Equity shares under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **A. M. Ghelani & Company**
Chartered Accountants
Registration No : 103173W

For **Chaturvedi & Shah**
Chartered Accountants
Registration No : 101720W

Chintan A. Ghelani
Partner
Membership No. 104391

Jignesh Mehta
Partner
Membership No. : 102749

Place: Mumbai
Date: 29th June, 2015

Place: Mumbai
Date: 29th June, 2015

The Phoenix Mills Limited

Consolidated Statement of Assets & Liabilities

(Rs. In Millions)

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	2	289.91	289.69	289.69
Reserves & Surplus	3	16,447.00	16,947.72	17,396.84
Sub Total		**16,736.91**	**17,237.41**	**17,686.53**
Minority Interest		**6,212.16**	**7,215.91**	**4,252.44**
NON-CURRENT LIABILITIES				
Long Term Borrowings	4	28,190.32	28,328.49	16,741.07
Other Long Term Liabilities	5	3,003.66	2,760.67	1,506.60
Long-Term Provisions	6	221.44	131.19	54.44
Sub Total		**31,415.42**	**31,220.35**	**18,302.11**
CURRENT LIABILITIES				
Short Term Borrowings	7	2,271.23	2,511.13	1,589.60
Trade Payables	8	1,050.18	1,535.88	812.57
Other Current Liabilities	9	8,186.77	7,488.54	6,863.08
Short Term Provisions	6	540.19	392.15	601.41
Sub Total		**12,048.37**	**11,927.70**	**9,866.66**
		-	-	-
Total		**66,412.86**	**67,601.37**	**50,107.74**
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets	10			
Tangible Assets		41,277.79	41,671.07	27,811.24
Intangible Assets		25.35	25.57	25.99
Capital Work-in-Progress		2,137.77	2,350.49	1,669.58
Non-Current Investments	11	1,807.16	2,275.58	3,480.75
Deferred Tax Assets (Net)	12	1,047.33	858.06	477.12
Long-Term Loans and Advances	13	2,356.23	3,194.64	3,666.57
Other Non-Current Assets	14	528.04	64.85	55.13
Sub Total		**49,179.67**	**50,440.26**	**37,186.38**
		-		
CURRENT ASSETS		-		
Current Investments	15	190.00	1,268.59	2,072.89
Inventories	16	11,783.09	11,416.52	7,769.60
Trade Receivables	17	2,192.06	1,968.19	846.18
Cash and Cash equivalents	18	920.09	851.06	683.48
Short Term Loans and Advances	13	1,967.05	1,395.01	1,394.23
Other Current Assets	19	180.90	261.74	154.98
Sub Total		**17,233.19**	**17,161.11**	**12,921.36**
Total		**66,412.86**	**67,601.37**	**50,107.74**

The Phoenix Mills Limited

Consolidated Statement of Profit & Loss

(Rs. In Millions)

Particulars	Note No	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME				
Revenue from Operations	20	16,533.24	14,485.15	4,699.08
Other Income	21	312.34	390.61	520.67
Total		**16,845.58**	**14,875.76**	**5,219.75**
EXPENDITURE				
Cost of Materials/Construction	22	3,116.23	4,787.62	5,253.70
Change in Inventory	23	(302.96)	(1,287.80)	(5,292.24)
Employee Benefits Expenses	24	914.55	730.53	383.47
Depreciation	25	1,680.65	1,054.77	474.26
Finance Costs	26	3,956.09	3,450.94	1,430.04
Other Expenses	27	5,185.82	3,470.55	1,723.39
Total		**14,550.38**	**12,206.61**	**3,972.61**
PROFIT / (LOSS) BEFORE TAX EXCEPTIONAL ITEMS AND TAX		**2,295.20**	**2,669.15**	**1,247.14**
Add: Exceptional Item (Refer to Note No 37)		(938.03)	84.41	(6.52)
PROFIT / (LOSS) BEFORE TAX		**1,357.17**	**2,753.55**	**1,240.62**
Less : Provision for Taxation				
Current Income Tax		974.55	871.11	476.49
Deferred Tax	12	(180.95)	37.34	(49.25)
Minimum Alternate Tax (including Rs. 129.29MN earlier years)		(268.54)	-	-
Tax Adjustments of earlier years		(31.87)	0.72	0.15
PROFIT AFTER TAX		**863.98**	**1,844.39**	**813.23**
Add : Share of Profit/(Loss) in Associates		43.23	(28.84)	11.23
Less : Share of Minority (Loss)/Profit		552.92	530.93	(17.07)
PROFIT AFTER TAX AND MINORITY INTEREST		**354.29**	**1,284.62**	**841.53**
Basic and (Face Value Rs.2)		2.45	8.87	5.81
Diluted EPS		2.44	8.87	5.81

The Phoenix Mills Limited

Consolidated Cash Flow Statement

(Rs. In Millions)

Particulars		31st March 2015 Rs.	31st March 2014 Rs.	31st March 2013 Rs.
A	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Net Profit before tax as per the Profit and Loss Account	**1,357.17**	**2,753.55**	**1,241.62**
	Adjustments for :	-	-	-
	Depreciation	1,680.65	1,054.77	475.24
	(Profit)/Loss on Assets sold/discarded	(18.41)	(15.61)	(1.70)
	Balances in Debtors/Advances written off	71.71	72.52	40.88
	Provision for Doubtful Debts and Advances	231.96	90.45	87.06
	Interest & Finance Cost	3,956.09	3,450.94	1,430.04
	Interest Income	(178.79)	(209.75)	(372.89)
	Dividend Income	(24.99)	(41.41)	(94.84)
	Profit on sale of Investments	(69.59)	(89.22)	(42.94)
	Investments Impairment [Exceptional]	938.03	-	-
	Misc Exp write off	5.28	-	-
	Balances written back	(2.92)	-	-
	Operating Cash flow before working capital changes	**7,946.20**	**7,066.27**	**2,762.46**
	Adjustment for Working Capital changes :			
	Trade and other Receivables	(1,594.50)	(1,308.00)	1099..34
	Inventories	(366.56)	(3,646.93)	(5,253.28)
	Trade and other Payables	541.99	2,768.16	2,275.09
		(1,419.07)	**(2,186.77)**	**(1,878.83)**
	Cash generated from Operations	**6,527.13**	**4,879.49**	**883.64**
	Direct Taxes Paid	(890.93)	(1,111.30)	(491.56)
	Net Cash from Operating Activities A	**5,636.20**	**3,768.20**	**392.08**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**			

The Phoenix Mills Limited

	Additions/Purchases of Fixed Assets		(1,200.38)	(15,514.71)	(4,447.20)
	Advance for Fixed Assets (Given) / Refunded		808.01	676.54	(629.31)
	Sale of Fixed Assets		126.13	17.88	36.71
	Inter Corporate Deposits & Loans (placed)/refunded (Net)		40.78	(154.77)	377.14
	Purchase of Investments		(2,473.68)	(57.30)	(1,214.29)
	Sale of Investments		1,148.18	2,143.09	584.10
	Debenture / Share Application Money (Given) / Refunded		326.36	10.27	15.87
	Interest Received		178.79	208.62	372.96
	Dividend Received		24.99	41.41	94.84
	Net Cash generated from/(used in) Investing Activities	B	**(1,020.82)**	**(12,628.98)**	**(4,809.18)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**				
	Proceeds from long term borrowings		13,010.56	15,045.07	6,339.59
	Repayment of long term borrowings		(12,808.71)	(3,861.78)	(1,831.53)
	Short term loans availed / (repaid)(Net)		(239.90)	921.53	830.52
	Interest paid		(4,016.62)	(3,493.24)	(1,529.45)
	Application Money received/(refunded) NET		(149.80)	149.80	(8.50)
	Proceeds from Issue of Share Capital to Minorities		-	465.33	524.44
	Issue of Equity shares		30.06	-	-
	Dividend paid (including tax on Dividend)		(371.93)	(371.41)	(335.31)
	Net Cash generated from/(used in) Financing Activities	C	**(4,546.35)**	**8,855.30**	**3,989.76**
D	**Net Increase/(Decrease) in Cash and Cash Equivalents**	**A+B+C**	**69.03**	**(5.48)**	**(427.34)**
	Cash and Cash equivalents at the beginning of the year		851.06	683.48	999.58
	Add : on Amalgamation / Acquisition of New Subsidiaries		-	173.06	111.24
	Cash and Cash equivalents at the end of the year		920.09	851.06	683.48

Note :
The cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statement".

Notes on Consolidated Financial Statements for the year ended 31st March, 2015

NOTE "1" - Significant Accounting Policies:

1. Principles of consolidation

a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".

b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

c) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

d) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

e) In case of associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, Investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for investments in associates in consolidated financial statements".

f) The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance, based on the available information.

g) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

h) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

3. Other significant accounting policies

a) Use of estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses for the reporting period. The difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

b) Classification of Assets and Liabilities as Current and Non – Current

All assets and liabilities are classified as current or non-current as per Company's normal operating cycle, and other criteria set out in Schedule III to the Companies Act, 2013 (Schedule VI of Companies Act, 1956, as applicable) and accordingly, 12 months period has been considered by the Company as its normal operating cycle for the purpose of classification of assets and liabilities as current and non- current.

c) Fixed Assets:

i) Fixed Assets are stated at cost net of cenvat credit and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any.

ii) Expenditure incurred on construction/erection of assets, which are incomplete as at balance sheet date, are included in Capital work in progress.

iii) Assets Taken on Finance Leases: Present value of future Lease Rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Statement of Profit and Loss.

d) Depreciation:

i) Leasehold land is amortized over the period of lease.

ii) Depreciation on other fixed assets (excluding land and lease land in perpetuity) is provided on written down value method as per the useful life specified in schedule II to the Companies Act, 2013, (Schedule VI of Companies Act, 1956, as applicable) in the manner state therein. In some of the Subsidiaries, the Depreciation is provided on the straight line method as per the useful life specified in schedule II to the Companies Act, 2013, (Schedule VI of Companies Act, 1956, as applicable) in the manner state therein.

iii) In respect of certain revalued assets of holding company, (land, buildings and plant & machinery) depreciation has been calculated on the revalued figures as per the rates and in the manner specified by the valuers in their Revaluation Report. The difference between the

depreciation so computed and that computed as per (i) and (ii) above has been charged to the Revaluation Reserve.

iv) High end operating supplies forming part of hotel opening supplies are depreciated over a period of three years on straight line method.

v) Software and Goodwill arising on acquisition are amortized over a period of five years.

e) Impairment of Assets:

In accordance with AS 28 on "Impairment of Assets", where there is any indication of impairment of the company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of such assets exceeds its recoverable amount. Impairment Loss, if any, is recognised in the Statement of Profit and Loss.

f) Investments:

Long term investments are valued at cost of acquisition less diminution if any, of a permanent nature. Current Investments are stated at cost or market/fair value whichever is lower.

g) Inventories:

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

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

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

h) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

i) Revenue recognition:

i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. License fees, rental income and service charges are recognised based on contractual rights. Interest is recognised on time proportion basis. Dividend income is recognised when the right to receive the same is established.

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

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

iv) Revenues from hotel component of Sale of rooms, banquets, foods and beverages, allied services relating to hotel operations are recognised upon rendering of the service.

j) Employee Benefits:

i) Short term employee benefits are recognised as expenses at the undiscounted amounts in the Statement of Profit & Loss of the year in which the related service is rendered.

ii) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expenses are recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits [net of expected return on plan assets] are charged to the Statement of Profit & Loss.

k) Foreign Currency transactions:

a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the Balance Sheet date are restated at the year-end rates. Non monetary foreign currency items are carried at cost.

b) Exchange differences arising as a result of the subsequent settlements or on translations are recognised as income or expense in the Statement of Profit and Loss.

c) In accordance with option given by the Ministry of Corporate Affairs vide Notification No F. No 17/133/2008/CL-V dated 29th December 2011, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, in so far as they relate to acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and will be depreciated over the balance life of the asset, and in other cases are accumulated in "Foreign Currency Monetary Item Translation Difference Account" in the Company's financial statements and

amortized over the balance period of such long-term asset / liability by recognition as income or expense in each of the periods. In accordance with circular no 25/2012 dated 9th August 2012 issued by Ministry of Corporate Affairs, no portion of exchange difference adjusted to capital assets in accordance with paragraph 46A of Accounting Standard 11 is regarded as an adjustment to interest costs in terms of paragraph 4(e) of Accounting Standard AS 16 Borrowing costs.

l) Securities issue expenses:

Expenses in connection with issue of securities are adjusted against securities premium account.

m) Taxes on Income:

i) Provision for income tax (current tax) is determined on the basis of the taxable income of the current year in accordance with the Income Tax Act, 1961.

ii) Deferred tax is recognised in respect of deferred tax assets (subject to the consideration of prudence) and deferred tax liabilities on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

iii) Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement".

The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will be able to utilise the MAT Credit Entitlement within the period specified under the Income-tax Act, 1961

n) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes on Accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

o) Loyalty Program:

Contribution to loyalty programs, if any calculated as per agreed percentages of qualifying revenues that are accounted on a monthly basis.

The Phoenix Mills Limited

Notes on Consolidated Financial Statements

NOTE 2 - Share Capital

PARTICULARS	31st March, 2015	31st March, 2014	31st March, 2013
Share Capital	**Rs.**	**Rs.**	**Rs.**
Authorised			
225,000,000 (FY 2013-14 : 225,000,000 FY 2012-13 : 225,000,000) Equity Shares of Rs. 2/- each	450.00	450.00	450.00
Issued, subscribed and paid up			
144,956,695 (FY 2013-14 : 144,845,445 FY 2012-13 : 144,845,445) Equity Shares of Rs. 2/- each fully paid up	289.91	289.69	289.69
	289.91	**289.69**	**289.69**
	Nos.	**Nos.**	**Nos.**
a) Equity Shares have been reserved for allotment under The Phoenix Mills Employees' Stock Option Plan 2007.	3,390,000	3,390,000	3,390,000
b) Equity Option granted under ' The Phoenix Mills Employees' Stock Option Plan 2007 :			
As at beginning of the year (on Cumulative Basis)	6,50,000	6,50,000	6,50,000
Option Granted during the year	105,556	-	-
Option exercised during the year	(111,250)	-	-
	644,306	**650,000**	**6,50,000**
Options lapsed till date, available for regrant	425,000	406,250	3,57,500
	219,306	**243,750**	**2,92,500**
b) Reconciliation of number of shares outstanding is set out below:-			
Equity Shares			
Shares outstanding at the beginning the year	144,845,445	144,845,445	144,845,445
Add : Issued during the year on exercise of employee options	111,250	-	-
Shares outstanding at the end of the year	144,956,695	144,845,445	144,845,445
c) Terms and Rights attached to equity shareholders:-			
The company has only one class equity shares having face value of Rs 2 per share. Each holder of equity shares is entitled to one vote per share. Equity shares holder are also entitled to dividend as and when praposed 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 Compnay, after distribution of all Preferential amounts which shall be in proportionate to the number of shares held by the share holders.			

d) Details of shareholders holding more than 5% Shares in the company	**31st March, 2015**		**31st March, 2014**		**31st March, 2013**	
Name of Shareholder	**Number of shares**	**% of Holdings**	**Number of shares**	**% of Holdings**	**Number of shares**	**% of Holdings**
Ruia International Holding Company Private Limited	49,207,037	33.95	49,163,237	33.94	49,163,237	33.94
Senior Holdings Private Limited.	15,142,550	10.45	15,142,550	10.45	15,119,250	10.44
Radhakrishna Ramnarain Private Limited.	11,617,930	8.01	11,617,930	8.02	11,610,530	8.02
Ashok Apparels Private Limited.	9,670,665	6.67	9,670,665	6.68	9,670,665	6.68
Government of Singapore	-	-	7,521,801	5.19	-	-
T.Rowe Price New Asia Fund	-	-	-	-	7,537,325	5.20
e)111, 250 equity share have been issued during the FY 2014-15 on account of options exercised under “The Phoenix Mills Employees’ Stock Option Plan”						

The Phoenix Mills Limited

Notes on Consolidated Financial Statements

NOTE 3 - Reserves & Surplus

(Rs. in Millions)

Particulars	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
Capital Reserves			
As per Last Balance Sheet	18.41	18.41	18.41
Add : Capital Reserve on Assets acquired	0.12	-	-
	18.53	**18.41**	**18.41**
Securities Premium Account			
As per Last Balance Sheet	10,659.26	10,659.26	10,659.26
Add: On issue of shares	29.82	-	-
	10,689.08	**10,659.26**	**10,659.26**
Revaluation Reserve			
As per Last Balance Sheet	103.89	104.88	105.87
Less: Additional Depreciation on Revaluation of Assets transferred to Profit & Loss Account (Refer to Note No. 36)	1.00	0.99	0.98
	102.89	**103.89**	**104.89**
Share Options Outstanding Account			
As per Last Balance Sheet	-	-	-
Add: On ESOPs Granted	0.02	-	-
	0.02	**-**	**-**
General Reserve			

Notes on Consolidated Financial Statements

As per Last Balance Sheet	2,091.84	1,891.84	1,691.84
Add: Transfer from Profit & Loss Account	200.00	200.00	200.00
	2,291.84	**2,091.84**	**1,891.84**
Capital Reserve (on Consolidation)	**1,201.51**	**1,683.81**	**3,043.75**
Surplus/(defecit) in the statement of profit and loss			
As per Last Balance Sheet	2,390.51	1,678.71	1,409.99
Net Profit/(Net Loss) for current year	354.27	1,284.62	841.53
Less : Appropriations			
Proposed Dividends (Dividend Per Share Rs. FY 2014-15: Rs. 2.2, FY 2013-14: Rs.2.2, FY 2012-13: Rs.2.2)	318.90	318.66	318.66
Tax on Proposed Dividends	65.42	54.16	54.16
Transfer to General Reserves	200.00	200.00	200.00
Adjustment of depreciation as per transitional provision of Part C paragraph 7 (b) of Schedule II of the Companies Act , 2013 (Refer note no 10 (a))	17.34	-	-
	2,143.14	**2,390.51**	**1,678.71**
Total	**16,446.99**	**16,947.72**	**17,396.84**

The Phoenix Mills Limited

Notes on Consolidated Financial Statements

NOTE 4 - Long Term Borrowings

Particulars	As at 31st March, 2015		As at 31st March 2014		As at 31st March 2013	
	Non Current	Current	Non Current	Current	Non Current	Current
Secured						
Loan From Financial Institution	1,694.60	431.53	5,015.87	334.21	1,810.48	127.1
Loan From Banks						
- Term Loan - Indian Rupees	24,859.21	2,946.30	21,605.52	2,752.98	13,236.02	3,414.34
- Term Loan - Foreign Currency	1,204.87	164.3	1,292.15	112.69	1,264.30	81.83
Vehicle Loans	3.75	1.92	2.15	1.27	0.53	0.74
Unsecured						
Debentures						
635,294 (FY 2013-14 : 635,294 FY 2012-13 : 635,294) Zero Coupon Compulsory Convertible Debentures Series "A" of Rs. 100 each	63.53	-	63.53	-	63.53	-
769,440 (FY 2013-14 : 769,440 FY 2012-13 : 769,440) Zero Coupon Compulsory Convertible Debentures Series "B" of Rs. 100 each	76.94	-	76.94	-	76.94	-
407,703 (FY 2013-14 : 407,703 FY 2012-13 : 407,703) Zero Coupon Compulsory Convertible Debentures Series "D" of Rs. 100 each	40.77	-	40.77	-	40.77	-

176,600 (FY 2013-14 : 176,600 FY 2012-13 : 176,600) 0.0001% Series A Optinally Convertible Debentures of Rs. 100 each	-	17.66	-	17.66	17.66	-
1 (FY 2013-14 : 1 FY 2012-13 : Nil) Zero Coupon Non Convertible Fully Redeemable Non Transferrable Debentures series "F"	230	-	230	-	230	-
166,483 (FY 2013-14 : Nil FY 2012-13 : Nil) Zero Coupon Compulsory Convertible Debentures Series "G" of Rs. 100 each (Refer note 5.4.6)	16.65	-	-	-	-	-
Finance Lease Obligation	-	-	1.55	2.9	0.82	1.82
Less: Amount disclosed under the head "Other Current Liabilities" (Note 9)	-	-3,561.71	-	-3,221.70	-	-3,625.83
Total	**28,190.32**	**-**	**28,328.48**	**-**	**16,741.05**	**-**

3.1 Additional details in respect of Long Term Borrowing

In the year 2014-15

a) In Respect of Term Loan :

i) Loans of Rs. 5753.10MN of The Phoenix Mills Limited 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 licensees.
ii) Term Loan of Rs. 3567.00MN of Vamona Developers Pvt Ltd, secured by future Lease Rent Receivables and a pari passu charge over the land and building of the Mall i.e. Phoenix Marketcity at Viman Nagar, Pune.
iii) Loans of Rs. 5,718.75MN 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.

iv) Loans of Rs. 1,859.84MN of Upal Developers Private Limited and Blackwood Developers Private Limited are secured by Equitable mortgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, Barelly and assignment of future rental and personal guarantee of the directors.

v) Loans of Rs. 3,299.82MN 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

vi) Loans of Rs. 6,693.77MN for Offbeat Developers Private Limited are secured by pari passu charge over specified area of land and building of Retail mall and first pari passu charge on escrow of lease rental from mall, Loans of Rs. 1,091.00MN is secured by exclusive charge by way of registered mortgage on entire land of phase II (Orion Park) along with the super structures built thereon (present and future) and on all moveable fixed assets and current assets including receivables/future receipts and excrow receipts pertaining to Orion Park project.

vii) Out of total Loans of Rs.2,996.55MN for Classic Mall Developers Private Limited, Loans of Rs. 2,796.55MN is secured by undivided share of 34,136.72 sq. mtr. Out of larger extent of Land admeasuring 66,915.10 sq. mtr. situated at 142, Velachery Road, Chenenai. Further the loan is secured by way of hypothecation of the company's movable tangible & intangible assets (both present & future) with respect to Mall Building, receivables, insurance policy, and charge on company's ESCROW account for the facility and the balance Loan of Rs. 200.00MN (P.Y. NIL) is

secured by unsold units with carpet area of 48,456 sq. ft. & saleable area 60,012 Sq. ft.in Tower C Residential project alongwith proportionate land admeasuring total area 1,950 sq. mtrs. Further, the loan is secured by first and exclusive charge by way of hypothecation of future receivables of mortgaged property through Escrow mechanism.

viii) Loans of Rs. 120.00MN for Alliance Spaces Private Limited is Secured By future Receivables against sale consideration and Property being an aggregate area admeasuring 3,28,106 sq. ft. saleable area which will comprise of two buildings constructed/to be constructed alongwith un-demarcated and undivided pieces or parcels of non-agricultural freehold land admeasuring 10,322.27 square meters.

ix) Loans of Rs. 1,220.00MN 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 Loan :

Vehicle Loans are secured by the hypothecation of vehicles.

c) Maturity Profile of Long Term Borrowings are as under :

1) Repayment of Loans from Financials Institutions will be as under :

i) Pallazzio Leisure & Hotels Limited will repay loans of Rs. 1,312.50MN as follows, FY 2015-16 Rs. 135.00 MN FY 2016-17 Rs. 165.00MN FY 2017-18 Rs. 165.00MN, FY 2018-19 Rs. 165.00MN, FY 2019-2020 Rs. 195.00MN, FY 2020-21 Rs. 225.,00MN FY 2021-22 Rs. 240.00MN.

ii) Classic Mall Development Company Private Limited will repay the loans of Rs.200.00 MN in FY 2015-16.

iii) Island Star Mall Developers Private Limited will repay loans of Rs. 613.63MN as follows, for 1-2 Years Rs. 160.40MN, for 3-4 Years Rs. 453.23MN.

2) Repayment of Loans from Banks will be as under:

i) Phoenix Mills Limited will repay the loans of Rs. 5753.10MN as follows FY 2015 - 16 Rs. 434.10MN FY 2016 - 2017 Rs. 486.60MN FY 2017-18 Rs. 545.40MN and FY 2018-19 Rs. 612.00MN, FY 2019-20 Rs. 686.10MN FY 2020-24 Rs. 2988.90MN

ii) Pallazzio Leisure & Hotels Limited will repay loans of Rs. 4,406.25MN as follows FY 2015-16 Rs. 529.21MN, FY 2016-17 Rs. 554.41MN, FY 2017-18 Rs. 553.77MN, FY 2018-19 Rs. 553.77MN, FY 2019-2020 Rs. 654.45MN, FY 2020-21 Rs. 755.14MN, FY 2021-22 Rs. 805.48MN.

iii) Vamona Developers Private Limited will repay loans of Rs. 3,576.00MN in eight years starting from FY 2013 - 14 in the ratio of 1.24%, 4.18%, 5.60%, 7.11%, 8.67%, 10.77%, 13.07% & 49.37%

iv) Upal Developers Private Limited will repay loans of Rs. 835.00MN in 107 accelerated monthly instalments from Oct, 2010 to August, 2019; Rate of interest as on 31-03-2015 is 11.75% p.a.and Loan of Rs. 50 Million is repayable in 84 accelerated monthly instalments from July, 2013 to June, 2020; Rate of interest as on 31-03-2015 is 11.75% p.a. Loan of Rs. 40 Million is repayable in 74 accelerated monthly instalments from Sept, 2013 to Oct, 2019; Rate of interest as on 31-03-2015 is 11.75% p.a.

v) Blackwood Developers Private Limited will repay loans of Rs. 1024.84MN in 120 accelerated equated monthly instalments from April, 2012 to March, 2022 and loan of Rs. 80 Million carries interest @ 1.50% above Base Rate (Presently 11.75% p.a.), Repayable in 120 accelerated equated monthly instalments from July, 2013 to June, 2023)

vi) Classic Mall Development Company Private Limited will repay loans of Rs. 2796.55MN as follows FY 2015 - 16 Rs. 579.50MN, FY 2016 - 17 Rs. 612.00MN FY 2017 - 18 Rs. 612.00MN FY 2018 - 19 Rs.703.00MN FY 2019-20 Rs. 290.05MN.

vii) Island Star Mall Developers Private Limited will repay loans of Rs. 2,686.19MN as follows, for 1-2 Years Rs. 711.87MN, for 3-4 Years Rs. 1,825.57MN and beyond 4 Years Rs. 148.75MN.

viii) Alliance Spaces Private Limited will repay loans of Rs 120.00MN in eight quarterly instalments starting from May 2015, Rs.50 Million in first 2 Instalments, Rs.100 Million in next 2 Instalments & Rs.150 Million in the last 4 Instalments.

ix) Offbeat Developers Private Limited will repay loans of Rs. 6693.77MN as follows, for FY 2015 - 16 Rs. 601.07MN, FY 2016 - 17 Rs. 389.17MN, FY 2017 - 18 Rs. 340.45MN and beyond 3 years Rs. 5363.07MN.
x) Graceworks Realty & Leisure Private Limited will repay loans of Rs. 1,220.00MN as follows, for FY 2015 - 16 Rs. 110.00MN FY 2016 - 17 Rs. 740.00MN FY 2017 - 18 Rs. 370.00MN.
3) Vehicle Loans are repayable within 3 to 5 years.

4) Repayment of Finance Lease Obligations:

i) Finance Lease of Rs. 1.55MN is for Classic Mall Development Company Private Limited the same will be payable FY 2015-16.

d) Terms & Conditions of Debentures are as under :

i) Pallazzio Leisure & Hotels Limited has issued two zero coupon fully redemable non convertible unsecured debentures to body corporate of Rs 230.00MN each [including the holding company, Phenoix 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 recieves all the statutory approvals to commence business and the debenture holders are allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption by the Company at an annualised rate equivalent to the average interest rate by the lenders for that year plus 2.5%, quarterly compounded (b) the expiry of 14 years from the date of which Company recieves all the statutory approvals to commence business and the debenture holders are allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption by the Company at an annualised rate equivalent to the average interest rate by the lenders for that year plus 2%, quarterly compounded.

ii) Pallazzio Leisure & Hotel Limited has issued 769,440 in various tranches, Non Cumulative Unsecured Compulsory Convertible Debentures "Series B" of face value of Rs. 100 each at a premium of Rs. 1,721.66 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 each at any time on or after 1st April 2015. The debenture shall carry zero Coupon till 31st March 2015 and for the period of non conversion after 31st March 2015 the instrument may be entitled to coupon rate of not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. On 1st April 2017 each debenture will compulsorily convert into one equity share of Rs. 100 of the Company.

iii) Pallazzio Leisure & Hotel Limited has issued 407,703 Non Cumulative Unsecured Compulsory Convertible Debentures "Series D" of face value of Rs. 100 each at a premium of Rs. 664.26 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2016. The debenture shall carry zero coupon till 31st March 2016 and for the period of non conversion after 31st March 2016 the instrument may be entitled to coupon rate of not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. At the end of the 7th year from the date of the issue, each debenture will compulsorily convert into one equity share of Rs. 100 each of the Company.

iv) Pallazzio Leisure & Hotel Limited has issued 635,294 Non Cumulative Unsecured Compulsory Convertible Debentures "Series A" of face value of Rs. 100 each at a premium of Rs. 664.26 per debenture. As per debenture certificate, the investors have the option to convert each

Debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2016. The debenture shall carry zero coupon till 31st March 2016 and for the period of non conversion after 31st March 2016, not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. At the end of the 10th year from the date of the issue, each debenture will compulsorily convert into one equity share of Rs. 100 of the Company.

v) Pallazzio Leisure & Hotel Limited has issued 1,66,483 Non Cumulative Unsecured Compulsory Convertible Debentures "Series G" of face value of Rs. 100 each at a premium of Rs. 1,312 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2015. The Company shall not declare any dividend or other distribution to be paid to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. In the event investors does not convert the debentures prior to 31st March 2017, all the debentures shall automatically be converted into one equity share of the Company on 1st April 2017.

vi) Graceworks Realty & Leisure Private Limited has issued 176,600, 0.0001% Series A Optionally Convertible Debentures, Debenture holders have an option to convert the debentures into equity shares on or after February, 2015. Each debenture is convertible into equity shares of Rs. 10 each fully paid at price not less than fair market value as on the date of conversion. The company has an option to redeem the shares in one or more tranches at the redemption premium not exceeding Rs. 10/- per Optionally Convertible Debenture.

e) Others :

As at 31st March, 2015, Pallazzio Hotels & Leisure Limited has unpaid principal of Rs. 97.93MN for the quarter nded 31st March, 2015 and interest of Rs. 146.31MN (including penal interest of Rs. 1.98MN from January 2015 onwards) for the month of January 2015 to March 2015 to consortium of banks and financial institutions. The same has been subsequently repaid by the Company.

In the year 2013-14

a) In Respect of Term Loan :

i) Out of total Loans of Rs. 4,621.38MN of The Phoenix Mills Limited, Loan of Rs. 3301.38MN are Secured by Equitable Mortgage of deposit of title deeds in respect of certain immovable properties and by hypothecation of rentals receivable from licensees and the balance Loan of Rs.1,320.00MN is secured by pledging 8,000,000 Equity Shares of Offbeat Developers Private Limited.
ii) Loan of Rs. 3764.00MN of Vamona Developers Private Limited, secured by future Lease Rent Receivables and a pari passu mortgage charge over the land and building of Phoenix Marketcity at Viman Nagar, Pune.

iii) Loans of Rs. 6053.21MN 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.

iv) Loans of Rs. 2,035.99MN of Upal Developers Private Limited and Blackwood Developers Private Limited are secured by Equitable mortgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, Barelly and assignment of future rental and personal guarantee of the directors.

v) Loans of Rs. 1720.00MN for Graceworks Realty & Leisure Private Limited, is secured by first and exclusive registered mortgage of immovable property situated at Kurla (Mumbai), and hypothecation of lease rental, lease deposit and sales proceeds.

vi) Loans of Rs. 3567.71MN 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.

vii) Out of total Loans of, Rs. 5,759.49MN for Offbeat Developers Private Limited, Loans of Rs. 4,667.49MN are secured by pari passu charge over specified area of land and building of Retail mall and first pari passu charge on escrow of lease rental from mall, Loans of Rs. 1091.00MN is secured by exclusive charge by way of registered mortgage on entire land of phase II (Orion Park) along with the super structures built thereon (present and future) and on all moveable fixed assets and current assets including receivables/future receipts and escrow receipts pertaining to Orion Park project. Loans of Rs. 0.49MN is secured by hypothecation of Vehicles.

viii) Out of total Loans of Rs.3451.65MN for Classic Mall Developers Private Limited, Loans of Rs. 3201.65MN is secured by undivided share of 34,136.72 sq. mtr. Out of larger extent of Land admeasuring 66,915.10 sq. mtr. Situated at 142, Velachery Road, Chennai. Further the loan is secured by way of hypothecation of the company's movable tangible & intangible assets (both present & future) with respect to Mall Building, receivables, insurance policy, and charge on company's ESCROW account for the facility and the balance Loan of Rs. 250.00MN MN(P.Y. NIL) is secured by unsold units with carpet area of 48,456 sq. ft. & saleable area 60,012 Sq. Ft .in Tower C Residential project alongwith proportionate land admeasuring total area 1,950 sq. mtrs. Further, the loan is secured by first and exclusive charge by way of hypothecation of future receivables of mortgaged property through Escrow mechanism loan of 0.50MN is secured by hypothecation of vehicles.

ix) Loans of Rs. 140.00MN for Alliance Spaces Private Limited is Secured By future Receivables against sale consideration and Property being an aggregate area admeasuring 3,28,106 sq. ft. saleable area which will comprise of two buildings constructed/to be constructed alongwith un-demarcated and undivided pieces or parcels of non-agricultural freehold land admeasuring 10,322.27 square meters.

b) Vehicle Loan :

Vehicle Loans are secured by the hypothecation of vehicles.

c) Maturity Profile of Long Term Borrowings are as under:

1)Repayment of Loans from Financials Institutions will be as under:

i) Phoenix Mills Limited will repay the entire Loan of Rs. 1320.00MN in the year 2015-16.

ii) Pallazzio Leisure & Hotels Limited will repay loans of Rs. 1402.50MN as follows FY 2014-15 Rs. 90.00MN, FY 2015-16 Rs. 135.00MN, FY 2016-17 Rs. 165.00MN, FY 2017-18 Rs. 165.00MN, FY 2018-19 Rs. 165.00MN, FY 2019-2020 Rs. 195.00MN, FY 2020-21 Rs. 225.00MN, FY 2021-22 Rs. 262.50MN.
iii) Classic Mall Development Company Private Limited will repay the loans of Rs.250.00MN as follows FY 2014-15 Rs. 50.00MN, FY 2015 - 16 Rs. 200.00MN.

iv) Offbeat Developers Private Limited will repay the loans of Rs. 1714.60MN as follows, for FY 2014-16 Rs. 332.49MN, FY 2016 - 17 Rs. 215.21MN, FY 2017 - 18 Rs. 287.88MN, FY 2018 - 19 Rs. 879.01MN.
v) Island Star Mall Developers Private Limited will repay loans of Rs. 662.98MN as follows, for 1-2 Years Rs. 123.38MN, for 3-4 Years Rs. 185.07MN and beyond 4 Years Rs. 354.52MN.

2)Repayment of Loans from Banks will be as under:

i) Phoenix Mills Limited will repay the loans of Rs. 3301.38MN as follows FY 2014 - 15 Rs 814.50MN, 2015 - 16 Rs 942.38MN, FY 2016 - 2017 Rs 982.00MN FY 2017-18 Rs. 296.88MN and FY 2018-19 Rs. 265.63MN.
ii) Pallazzio Leisure & Hotels Limited will repay loans of Rs. 4650.71MN as follows FY 2014-15 Rs. 395.95MN, FY 2015-16 Rs. 448.83MN, FY 2016-17 Rs. 546.92MN, FY 2017-18 Rs. 546.92MN, FY 2018-19 Rs. 546.92MN, FY 2019-2020 Rs. 646.36MN, FY 2020-21 Rs. 745.80MN, FY 2021-22 Rs. 773.02MN.

iii) Vamona Developers Private Limited will repay loans of Rs. 3764.00MN in eight years starting from FY 2013 - 14 in the ratio of 1.24%, 4.18%, 5.60%, 7.11%, 8.67%, 10.77%, 13.07% & 49.37%
iv) Upal Developers Private Limited will repay loans of Rs. 957.74MN in 107 accelerated monthly instalments from Oct, 2010 to August, 2019; Rate of interest as on 31-03-2014 is 11.75% p.a.and Loan of Rs. 50 Million is repayable in 84 accelerated monthly instalments from July, 2013 to

June, 2020; Rate of interest as on 31-03-2014 is 11.75% p.a. Loan of Rs. 40 Million is repayable in 74 accelerated monthly instalments from Sept, 2013 to Oct, 2019; Rate of interest as on 31-03-2014 is 11.75% p.a.

v) Blackwood Developers Private Limited will repay loans of Rs. 1078.25MN in 120 accelerated equated monthly instalments from April, 2012 to March, 2022 and loan of Rs. 80 Million carries interest @ 1.50% above Base Rate (Presently 11.75% p.a.), Repayable in 120 accelerated equated monthly instalments from July, 2013 to June, 2023)

vi) Classic Mall Development Company Private Limited will repay loans of Rs. 3201.65MN as follows FY 2014 - 15 Rs. 402.30MN FY 2015 - 16 Rs. 579.50MN FY 2016 - 17 Rs. 612.00MN FY 2017 - 18 Rs. 612.00MN FY 2018 - 19 Rs. 995.84MN.

vii) Island Star Mall Developers Private Limited will repay loans of Rs. 2904.72MN as follows, for 1-2 Years Rs. 543.17MN for 3-4 Years Rs. 830.50MN and beyond 4 Years Rs. 1531.05MN.

viii) Alliance Spaces Private Limited will repay loans of Rs 140.00MN in eight quarterly instalments starting from May 2015.

ix) Offbeat Developers Private Limited will repay loans of Rs. 4044.89MN as follows, for FY 2014 - 16 Rs. 1,521.70MN, FY 2016 - 17 Rs. 527.79MN, FY 2017 - 18 Rs. 504.40MN, for FY 2018 - 19 Rs. 1491.00MN.
x) Graceworks Realty & Leisure Private Limited will repay loans of Rs. 1,720.00MN as follows, for FY 2015 - 16 Rs. 688.00MN, FY 2016 - 17 Rs. 688.00MN, FY 2017 - 18 Rs. 344.00MN.

3)Vehicle Loans are repayable within 3 to 5 years.

4) Repayment of Finance Lease Obligations:

Out of Total Finance Lease of Rs. 4.45MN, Finance Lease is of Rs. 1.03MN for Island Star Mall Developers Private limited is repayable within 36 monthly instalments and the balance Finance Lease Obligation is of Rs.
3.42MN for Classic Mall Development Company Private Limited the same will be payable as follows. For FY 2014-15, Rs. 1.86MN and for FY 2015-16 Rs. 1.55MN.

d) Terms & Conditions of Debentures are as under :

i) Pallazzio Leisure & Hotels Limited has issued two zero coupon fully redeemable non convertible unsecured debentures to body corporate of Rs 230.00MN each [including the holding company, The 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 annualised rate equivalent to the average interest rate by the lenders for that year plus 2.5%, quarterly compounded (b) the expiry of 7 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders are allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption by the Company at an annualised rate equivalent to the average interest rate by the lenders for that year plus 2%, quarterly compounded.

ii) Pallazzio Leisure & Hotel Limited has issued 769,440 in various tranches, Non Cumulative Unsecured Compulsory Convertible Debentures "Series B" of face value of Rs. 100 each at a premium of Rs. 1,721.66 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 each at any time on or after 1st April 2015. The debenture shall carry zero Coupon till 31st March 2015 and for the period of non conversion after 31st March 2015 the instrument may be entitled to coupon rate of not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. On 1st April 2017 each debenture will compulsorily convert into one equity share of Rs. 100 of the Company.

iii) Pallazzio Leisure & Hotel Limited has issued 407,703 Non Cumulative Unsecured Compulsory Convertible Debentures "Series D" of face value of Rs. 100 each at a premium of Rs. 664.26 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2016. The debenture shall carry zero coupon till 31st March 2016 and for the period of non conversion after 31st March 2016 the instrument may be entitled to coupon rate of not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. At the end of the 7th year from the date of the issue, each debenture will compulsorily convert into one equity share of Rs. 100 each of the Company.

iv) Pallazzio Leisure & Hotel Limited has issued 635,294 Non Cumulative Unsecured Compulsory Convertible Debentures "Series A" of face value of Rs. 100 each at a premium of Rs. 664.26 per debenture. As per debenture certificate, the investors have the option to convert each Debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2016. The debenture shall carry zero coupon till 31st March 2016 and for the period of non conversion after 31st March 2016, not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. At the end of the 10th year from the date of the issue, each debenture will compulsorily convert into one equity share of Rs. 100 of the Company.

v) Graceworks Realty & Leisure Private Limited has issued, 0.0001% Series A Optionally Convertible Debentures, Debenture holders have an option to convert the debentures into equity shares on or after February, 2015. Each debenture is convertible into equity shares of Rs. 10 each fully paid at price not less than fair market value as on the date of conversion. The company has an option to redeem the shares in one or more tranches at the redemption premium not exceeding Rs. 10/- per Optionally Convertible Debenture.

e) Others :

i) As at 31st March 2014, Offbeat Developers has unpaid due towards repayment of loan instalment of Rs. 7.50MN and interest of Rs. 6.31MN which was due on 31st March, 2013, which have been paid subsequently.
ii) As at 31st March, 2014, Pallazzio Hotels & Leisure Limited has unpaid principal of Rs. 95.71MN for the quarter ended 31st March, 2014 and interest of Rs. 155.38MN (including penal interest of Rs. 6.29MN from July 2013 onwards) for the month of December 2013 to March 2014 to consortium of banks and financial institutions.

In the year 2012-13

a) In Respect of Term Loan :

i) Loan of Rs. 2611.50MN of Phoenix Mills Limited, are Secured by Equitable Mortgage of deposit of Title deeds in respect of certain immovable properties and by hypothecation of rentals receivable from licensees.

ii) Loan of Rs. 4368.20MN of Vamona Developers Private Limited, secured By future Lease Rent Receivables and a pari passu mortgage charge over the land and building of Phoenix Marketcity at Viman Nagar, Pune.

iii) Loans of Rs. 6,223.94MN of 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.
iv) Loans of Rs. 2046.12MN of Upal Developers Private Limited and Blackwood Developers Private Limited are secured by Equitable mortgage of Shopping Mall and Multiplex Complex known as Phoenix United Mall, Barelly and assignment of future rental and personal guarantee of the directors.

v) Loans of Rs. 1500.00MN for Graceworks Realty & Leisure Private Limited, is secured by first and exclusive registered mortgage of immovable property situated at Kurla (Mumbai), and hypothecation of lease rental, lease deposit and sales proceeds.

vi) Loans of Rs. 3184.32MN for Island Star Mall Developers Private Limited, are secured on paripassu basis by equitable mortgage of immovable properties situated at Bengaluru and hypothecation of lease rental/ sales receivable from retailers and lien on the DSRA/ escrow account.

b) Vehicle Loan :

Vehicle Loans are secured by the hypothecation of vehicles.

c) Maturity Profile of Long Term Borrowings are as under:

1) Repayment of Loans from Financials Institutions will be as under:

i) Pallazzio Leisure & Hotels Limited will start repayment of loans of Rs. 750.00MN in 5 unequal monthly instalments beginning from 9th month from the date of first disbursement i.e. 20th July 2012 and last payment date is 20th August 2013.

ii) Grace Works Realty & Leisure Private Limited will repay the loans of Rs. 1500.00MN as follows FY 2013 -14 Rs 900.00MN , FY 2014 - 15 Rs 600.00MN

2) Repayment of Loans from Banks will be as under:

i) Pallazzio Leisure & Hotels Limited will start repayment of loans of Rs. 6223.94MN from the third Quarter of the FY 2012 - 13. The repayment will be in 38 unequal structured instalments beginning from 31st December 2012 and last payment date is 31st March 2022.

ii) Phoenix Mills Limited will repay the loans of Rs. 2611.50MN as follows FY 2013 - 14 Rs 544.50MN, FY 2014 - 15 Rs 627.00MN 2015 - 16 Rs 708.00MN, FY 2016 - 2017 Rs 732.00MN.

iii) Repayment terms of the loan taken in Vamona will be as follows

"Loan 1: Principal Rs. 3250 Million.
Repayable in six years starting from Financial Year 2011-12 in the ratio of 2%, 9%, 14%, 17% & 48 % respectively."

"Loan 2 : Principal Rs. 1500 Millions
Repayable in seven quarterly instalments starting from May 2012, Rs. 200 Millions in first 5 Instalments & Rs. 250 Millions in the last 2 Instalments. "
"Loan 3: Principal Rs. 500 Millions.

Repayable in next five years starting from Financial Year 2012-13 in the ratio of 9%, 10%, 14%, 17%, & 50% respectively."

"Loan 4: Principal Rs. 600 Millions
Repayable in next four years starting from Financial Year 2013-14 in the ratio of 1.40%, 3.60%, 4.75%, & 90.25 % respectively."

iv) Upal Developers Private Limited is repaying the loans of Rs. 1001.72 MN in 107 accelerated monthly equated instalments from Oct 2010 to August, 2019; Rate of interest as on 31-03-2012 is 13.00% p.a. and loan of Rs. 250MN is repayable in 84 accelerated monthly instalments from July 2013 to June 2020. Rate of interest as on 31st March 2013 is 13% p.a.

v) Blackwood Developers Private Limited will repay loans of Rs. 1044.40MN in 120 accelerated equated monthly instalments from April, 2012 to March, 2022, Interest as on 31.03.2012 is 13%

3) Vehicle Loans are repayable within 3 to 5 years

d) Terms & Conditions of Debentures are as under :

i) Pallazzio Leisure & Hotels Limited has issued two zero coupon fully redeemable non convertible unsecured debentures to body corporate of Rs 230.00MN each [including the holding company, The 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 annualised rate equivalent to the average interest rate by the lenders for that year plus 2.5%, quarterly compounded (b) the expiry of 7 years from the date of which Company receives all the statutory approvals to commence business and the debenture holders are allowed to take possession upon payment of the face value of the debentures along with the premium which will be computed as per the terms mentioned in the debenture certificate [for each 12 month period commencing from the date of issue of debentures till redemption by the Company at an annualised rate equivalent to the average interest rate by the lenders for that year plus 2%, quarterly compounded.

ii) Pallazzio Leisure & Hotels Limited has converted unsecured loan from Holding Company into 847,365 (P.Y. Nil) Non Cumulative Unsecured Compulsory Convertible Debentures “Series C” of face value of Rs. 100 each at a premium of Rs. 640.86 per debenture during the financial year 2012-13. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2015. The Debenture shall carry zero coupon till 31st March 2015. The Company shall not declare any dividend or other distribution to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. On 1st April 2017, the debenture will compulsorily convert into equity shares.

iii) Pallazzio Leisure & Hotel Limited has issued 769,440 in various tranches, Non Cumulative Unsecured Compulsory Convertible Debentures "Series B" of face value of Rs. 100 each at a premium of Rs. 1,721.66 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 each at any time on or after 1st April 2015. The debenture shall carry zero Coupon till 31st March 2015 and for the period of non conversion after 31st March 2015 the instrument may be entitled to coupon rate of not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. On 1st April 2017 each debenture will compulsorily convert into one equity share of Rs. 100 of the Company.

iv) Pallazzio Leisure & Hotel Limited has issued 407,703 Non Cumulative Unsecured Compulsory Convertible Debentures "Series D" of face value of Rs. 100 each at a premium of Rs. 664.26 per debenture. As per debenture certificate, the investors have the option to convert each debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2016. The debenture shall carry zero coupon till 31st March 2016 and for the period of non conversion after 31st March 2016 the instrument may be entitled to coupon rate of not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. At the end of the 7th year from the date of the issue, each debenture will compulsorily convert into one equity share of Rs. 100 each of the Company.

v) Pallazzio Leisure & Hotel Limited has issued 635,294 Non Cumulative Unsecured Compulsory Convertible Debentures "Series A" of face value of Rs. 100 each at a premium of Rs. 664.26 per debenture. As per debenture certificate, the investors have the option to convert each Debenture into one equity share of the Company of Rs. 100 at any time on or after 1st April 2016. The debenture shall carry zero coupon till 31st March 2016 and for the period of non conversion after 31st March 2016, not more than 2% p.a., as may be decided by the Company. The Company shall not declare any dividend or other distribution to be paid to the holders of the equity shares of the Company. However, in the event of such declaration, the Company will be obliged to pay interest at the same rate as the dividend declared. At the end of the 10th year from the date of the issue, each debenture will compulsorily convert into one equity share of Rs. 100 of the Company.

vi) Graceworks Realty & Leisure Private Limited has issued, 0.0001% Series A Optionally Convertible Debentures, Debenture holders have an option to convert the debentures into equity shares on or after February, 2015. Each debenture is convertible into equity shares of Rs. 10 each fully paid at price not less than fair market value as on the date of conversion. The company has an option to redeem the shares in one or more tranches at the redemption premium not exceeding Rs. 10/- per Optionally Convertible Debenture.

e) Others :

i) As at 31st March, Graceworks Realty & Leisure Private Limited has unpaid due towards repayment of loan instalment of Rs. 50.00MN and interest of Rs. 56.35MN which was due on 31st March, 2013.

ii) Finance Lease is for Island Star Mall Developers Private Limited, the same is repayable within 36 monthly instalments.

NOTE 5 - Other Long - Term Liabilities

(Rs in Millions)

Particulars	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
Trade Payables			
- Micro and Small Enterprises (Refer Note 47)			
- Others	68.47	49.08	9.87
Security Deposit from Licensees	2,783.44	2,563.11	1,477.31
Other Deposit	128.49	128.48	2.14
Income Received in Advance	15.91	11.62	17.27
Creditors for Capital Expenditure	7.35	8.37	-
	3,003.66	**2,760.67**	**1,506.59**

NOTE 6 - Provisions

(Rs in Millions)

Particulars	As at 31st March 2015		As at 31st March 2014		As at 31st March 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Provision for Employee Benefits						
- Gratuity	16.06	17.11	15.63	3.77	12.17	3.55
- Leave Encashment	21.03	23.59	13.34	9.95	11.71	15.35
Other Provisions	-	97.50	-	0.10	-	4.12
Provision for Income Tax (Net of Advance Tax)	-	18.17	-	5.51	-	91.75
Proposed Dividend	-	318.90	-	318.66	-	318.66
Tax on Proposed Dividend	-	64.92	-	54.16	-	54.16

Provision for contingency	-	-	-	-	-	10.30
Provision for premium on redemption of zero coupon non convertible debentures series "F" **	184.35	-	102.22	-	30.56	103.52
	221.44	**540.19**	**131.19**	**392.15**	**54.44**	**601.41**

** The subsidiary company Pallazzio Leisure & Hotel Limited has an option but not an obligation to redeem the NCD collectively only during the specified window period along with redemption premium. Considering the long term nature of the instrument, other uncertainties as regards exercising of the option, the company is of the view that the event is contingent in nature. However in order to comply, with the requirements of the generally accepted accounting principles, the company has made a provision for redemption premium payable (if any) and the same is being adjusted against the securities premium account in accordance with section 78 of the Companies Act, 1956.

NOTE 7 - Short Term Borrowings

(Rs in Millions)

Particulars	**For Year Ended 31st March 2015**	**For Year Ended 31st March 2014**	**For Year Ended 31st March 2013**
Secured			
Loan from Financial Institution	-	50.00	-
Loan from Bank	1,226.63	1,981.38	1,445.07
Unsecured			
Loan from Bank	550.00	100.00	-
Loans and Advances from related parties	33.04	33.04	33.03
Loan from Others	461.57	346.71	111.50
	2,271.23	**2,511.13**	**1,589.60**

For FY 2014-15 :

Out of total secured loan, Overdraft Loan of Rs. 238.25MN & Commercial Papers of Rs. 550.00MN held by Phoenix Mills Limited are Secured by Equitable Mortgage of deposit of Title deeds in respect of certain immovable properties and by hypothecation of rentals receivable from licensees. Rs. 20.62MN against the land held by Palladium Constructions Private Limited and receivables of the Bengaluru Property, loan of Rs. 569.80MN is secured by future Lease Rent Receivables and a pari passu mortgage charge over the land and building of the project of Phoenix

Notes on Consolidated Financial Statements

Marketcity at Viman Nagar, loan of Rs. 254.37MN is against the land held by Alliance Spaces Private Limited and receivables of the Viman Nagar Property, loan of Rs. 68.97MN is cash credit from Bank are secured on paripassu basis by equitable mortgage of immovable properties situated at Bengaluru and hypothecation of lease rental/ sales receivable from retailers and in lien on the DSRA/ escrow account of Island Star Mall Developer Private Limited and the balance loans of Rs. 74.59MN for Offbeat Developers Private Limited is secured against assets stated in Note 4 (a) (vii).

For FY 2013-14 :

Out of total secured loan, loan of Rs. 50,000,000 held by Phoenix Mills Limited are Secured by Pledging 200,641 Shares of Graphite India Limited held by the company as well as 1,748,449 Shares of Graphite India Limited held by a Wholly owned Subsidiary. Overdraft facility held by Phoenix Mills Limited for Rs. 241,757,863 is secured by Equitable Mortgage of deposit of Title deeds in respect of certain immovable properties and by hypothecation of rentals receivable from licensees. Rs. 746,684,715 against the land held by Palladium Constructions Private Limited and receivables of the Bengalurue Property, loan of Rs. 575,356,577 is secured by future Lease Rent Receivables and a pari passu mortgage charge over the land and building of the project of Phoenix Marketcity at Viman Nagar, loan of Rs. 171,008,690 is against the land held by Alliance Spaces Private Limited and receivables of the Viman Nagar Property and the balance loans of Rs. 246,574,526 for Offbeat Developers Private Limited is secured against assets stated in Note 4 (a) (vii).

For FY 2012-13 :

Out of total secured loan, loan of Rs. 44,749,107 is secured against Fixed Deposit of Rs. 54,466,631, Loan of Rs. 75,888,108 is secured by Equitable Mortgage of Deposit of Title deeds in respect of certain immovable properties and hypothecation of rentals receivable from licensees. Rs. 303,104,680 is secured against the Mutual Funds, Rs. 700,916,712 against the land jointly held by Palladium Constructions Private Limited and Platinum Spaces Private Limited, and receivables of the Bengaluru Property and balance loan of Rs. 320,407,422 is secured by future Lease Rent Receivables and a pari passu mortgage charge over the land and building of the project of Phoenix Marketcity at Viman Nagar, Pune and Phoenix Marketcity at Bangalore.

NOTE 8 – Trade Payables

(Rs. in Millions)

Particular	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
Trade Payables			
Micro and Small Enterprises (Refer Note 47)	1.59	2.25	2.36
Others	1,048.60	1,533.64	810.21
	1,050.18	**1,535.89**	**812.57**

NOTE 9 – Other Current Liabilities

(Rs. in Millions)

Particular	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
Current maturities of long-term borrowings (Ref- Note 4)	3,561.71	3,221.70	3,625.83
Expenses payable to Related Party	-	-	66.18
Interest accrued but not due on borrowings	126.92	138.71	134.55
Interest accrued and due on borrowings	146.92	207.45	166.1
Application money received for allotment of securities	-	149.8	-
Other payables			
- Statutory Dues	272.82	309.12	131.68
- Deposit/Advance received from Customers	3,078.69	2,417.39	1,719.62
- Deposit from related party	-	-	12.5
- Creditors for Capital Goods	411.52	481.96	602.82
- Income received in advances	6.36	16.54	12
- Unpaid Dividends#	16.19	14.8	13.39
- Others *	565.64	531.07	378.41
	8,186.77	**7,488.54**	**6863.08**

These figures do not include any amounts, due and outstanding to be credited to Investor Education & Protection Fund.
* Others include Advance received against the sale/redemption of Investments of Rs. 191.88MN (FY 2013-14 Rs. 191,880,000 FY 2012-13 Rs. Nil)

Notes on Consolidated Financial Statements

NOTE 10 - Fixed Asset

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
Tangible Assets									
Freehold Land	5,730.62	6,093.13	7,217.59	-	-	-	5,730.62	6,093.13	7,217.59
Right on Leasehold Land	69.76	69.76	69.76	4.90	4.86	4.83	64.86	64.90	64.93
Buildings	30,005.82	28,873.74	16,199.37	2,553.01	1,908.27	1,259.40	27,452.81	26,965.47	14,939.97
Plant & Machinery	6,298.52	6,158.91	3,512.30	1,134.13	655.97	308.90	5,164.39	5,502.94	3,203.40
Leased -Plant & Machinery	-	-	5.12	-	-	0.28	-	-	4.84
Leasehold Improvements	83.69	83.44	83.44	25.98	20.47	17.16	57.71	62.97	66.28
Leased- Office Equipment	9.09	9.09	-	1.16	0.46	-	7.93	8.63	-
Motor Car, Lorries & Vehicles	73.67	63.23	61.38	39.22	33.36	35.59	34.44	29.87	25.79
Office Furniture &Equiptment	4,044.66	3,668.09	2,734.95	1,279.62	725.35	446.52	2,765.03	2,942.74	2,288.44
Total	**46,315.82**	**45,019.40**	**29,883.92**	**5,038.03**	**3,348.75**	**2,072.68**	**41,277.79**	**41,670.65**	**27,811.24**
Intangible Assets									
Software	46.93	40.78	32.55	22.94	14.80	6.56	23.98	25.98	25.99
Goodwill	1.71	-	-	0.34	-	-	1.36	-	-
Total	**48.63**	**40.78**	**32.55**	**23.28**	**14.80**	**6.56**	**25.35**	**25.98**	**25.99**

Total (A+B)	**46,364.46**	**45,060.18**	**29,916.47**	**5,061.32**	**3,363.55**	**2,079.24**	**41,303.14**	**41,696.63**	**27,837.23**
Previous Year	45,060.18	29,916.47	13,383.22	3,363.55	2,079.24	1,502.74	41,696.63	27,837.23	11,880.48
Capital Work In progress	-	-	-	-	-	-	2,137.77	2,350.49	1,669.58

Note

a. Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II . Accordingly the unamortised carrying value is being depreciated/ amortised over the revised/ remaining useful lives. The written down value of fixed Assets whose lives have expired as at 1st April 2014 of Rs. 17,752,260/-(Gross figure) have been adjusted net of tax of Rs.11,609,229/- , in the opening balance of the Profit and Loss Account.. Amount added on Revaluation (as at 31.03.1985) Rs.184.84MN (Net of Depreciation). Refer to Note No. 36

b. Depreciation on Right on Lease Hold Land represents write off on the basis of the period of the lease.

c. Lease Hold Land

1) Includes land leased for period of 999 years as from 1951 renewal at the option for further like period.

2) Includes Rs.26.64MN (as devalued) leased in perpetuity against which there is no write off required.

d. Capital Work in Progress includes pre-operative expenses of Rs. 184.02 MN (FY 13-14 : Rs. 183.67MN & FY 12-13 : Rs. 78.67MN). Refer to Note No. 32.

e. Depreciation of Rs. Nil (FY 13-14 : Rs. 0.04MN & FY 12-13 : Rs. 0.03MN) capitalised during the year.

f. Depreciation of Rs. Nil (FY 13-14 : Rs. Nil & FY 12-13 : Rs. 3.68MN) transferred to Profit & Loss Account from pre-operative expenses.

g. In respect of Fixed Assets acquired by Classic Mall Development Private Limited and Island Star Mall Developers Private Limited on finance lease , the minimum lease rentals outstanding as on 31st March, 2015 are as follows:

Particulars	Total Minimum lease Payments outstanding			Future interest on outstanding Payments			Present Value of Minimum Lease Payments		
	As 31st March			As 31st March			As 31st March		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Not Later than one year	1.63	3.06	3.79	0.08	0.35	0.30	1.55	2.71	3.48
Later than one year but not later than five years	-	1.63	0.85	-	0.08	0.02	-	1.55	0.82
Later than five years	-	-	-	-	-	-	-	-	-
Total	**1.63**	**4.69**	**4.64**	**0.08**	**0.44**	**0.33**	**1.55**	**4.26**	**4.30**

h. In Pallazzio Hotels & Leisure Limited, the company had during the year, exchange loss aggregating to Rs. 60.60MN (FY 2013-14 Rs. 190.48MN FY 2012-13 Rs. 15.55MN) has been added to the cost of fixed assets (including transfer from opening Capital work in progress) in accordance with the option given by the ministry of corporate affairs vide notification number F.No 17/133/2008/CL-V dated 29th December 2011. The aggregate exchange loss capitaised is Rs. 402.64MN (FY 2013-14 Rs 342.04MN FY 2012-13 Rs. 15.55MN). The exchange loss is being depreciated over the balance useful life of the asset and the unamortised amount of the said exchange loss is Rs. 369.10MN (FY 2013-14 Rs. 330.50MN FY 2012-13 Rs. 146.33MN).

i. In Classic Mall Development Company Private Limited, land admeasuring 1.01MN Sq. ft. aggregating of Rs. 262.86MN relating to residential complex has been inventories during the FY 2014-15.

j. In Island Star Mall Developers Private Limited, land admeasuring 1,01,693 Sq. ft. aggregating of Rs. 262.86MN relating to residential complex has been inventories during FY 2013-14

k. In Island Star Mall Developers Private Limited, deduction/adjustment in Gross Block to Building includes an amount of Rs.143.75MN being the proportionate cost of area to be consumed in development of Residential Project in FY 2013-14.

l. Land admeasuring 35,253.40 sq. mtrs (Cost Rs. 639.16MN) is jointly owned with Classic Housing Projects Private Limited and Starboard Hotels Private Limited representing approx. 60% of the undivided share of land. Out of the above, 1117 sq. mtrs of land has been leased to

Tamil Nadu Generation and Distribution Corporation Ltd. for setting up an electrical sub- station for a period of 99 years on an annual lease of Rs. 100/-

m. Balance Useful Life of Intangible Assets of Pallazio Hotels & Leisure's Limited

Name of Asset	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
Software	13.29	16.9	19.54
	Ranging from 3-5 Years	Ranging from 4-5 Years	4 Year 9 Months

In respect of Land purchased by Blackwood Developers Private Limited in 2008-09 for Rs. 3.11MN sale deed is pending for execution. However, pursuant to an 'Agreement for sale with possession' the land is in company's possession.

NOTE 11 – Non – Current Investments

(Rs. in Millions)

Particulars	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
A) Trade Investments			
(i) Investment in Equity instruments			
Investment in Associates: Equity shares of Rs. 10/- each fully Paid up, unless otherwise stated.			
Unquoted			
5,417 (FY 2013-14 5,417 FY 2012-13 3,334) Classic Housing Projects Pvt. Ltd.	77.79	42.81	10.47
2,500,000 (FY 2013-14 2,500,000 FY 2012-13 2,500,000) Galaxy Entertainment India Ltd.	24.96	24.96	24.97
2,070,800 (FY 2013-14 2,070,800 FY 2012-13 2,070,800) Gangetic Hotels Pvt. Ltd.	104.17	104.17	104.17
2,500,626 (FY 2013-14 2,500,626 FY 2012-13 15,015) Star Board Hotels Pvt. Ltd.	24.93	25.10	0.15

5,000 (FY 2013-14 5,000 FY 2012-13 5,000) Mirabel Entertainment Pvt Ltd.	1.84	1.53	1.62
25,000 (FY 2013-14 25,000 FY 2012-13 25,000) Savannah Phoenix Pvt Ltd	*	*	*
25,000 (FY 2013-14 25000 FY 2012-13 25000) Escort Developers Pvt. Ltd.	15.93	15.95	15.93
Nil (FY 2013-14 Nil FY 2012-13 22,46,588) Classic Mall Development Pvt. Ltd.	-	-	493.47
Nil (FY 2013-14 5,000 FY 2012-13 5,000) Bartraya Mall Development Co. Pvt. Ltd (FY 2013-14 : 1,845 FY 2012-13 : 1,845) #	*	*	*
Nil (FY 2013-14 25,356,940 FY 2012-13 25,356,940) Entertainment World Developers Ltd #	-	471.86	586.64
Nil (PY 7,265,080) Offbeat Developers Pvt. Ltd.	-	-	552.22
Quoted			
36,86,484 (FY 2013-14 36,86,484 FY 2012-13 36,86,484) Equity shares of 10/- each fully paid up of Galaxy Entertainment Corporation Ltd.	60.35	39.50	74.31
Others			
10 (FY 2013-14 10 FY 2012-13 10) Equity shares of 10/- each fully paid up of Treasure World Developers (India) Pvt. Ltd. (Rs. 8,500)	0.01	0.01	0.01
25,356,940 (FY 2013-14 25,356,940 FY 2012-13 25,356,940) Entertainment World Developers Ltd #	579.27	-	-
5,000 (FY 2013-14 Nil FY 2012-13 Nil) Bartraya Mall Development Co. Pvt. Ltd #	0.05	-	-
(ii) Investment in Preference shares			
Investment in Associates, 10 each fully paid up, unless otherwise stated.			

1,000,000 (FY 2013-14 100000 FY 2012-13 100000) 7% Cumulative Optionally Convertible Preference Shares fully paid up of Galaxy Entertainment India Ltd.	10.00	10.00	10.00
250,000 (FY 2013-14 250000 FY 2012-13 250000) 7% Cumulative Optionally Convertible Preference Shares each Re. 0.50 paid up of Galaxy Entertainment India Ltd.	0.13	0.13	0.13
(iii) Investment in Debentures			
Investment in Associates:			
Compulsorily Fully Convertible Debentures (CCD) fully paid up unless otherwise stated			
7,000 (FY 2013-14 : Nil FY 2012-13 : Nil) CCD's in Mirabel Entertainment Pvt Ltd. - Face value Rs 100 each.	0.70	-	-
35,1564 (FY 2013-14 : Nil FY 2012-13 : Nil) CCD's in Star Board Hotels Pvt Ltd. - Face value Rs 100 each.	35.16	-	-
34,000 (FY 2013-14 : Nil FY 2012-13 : Nil) 0.0001% - Escort Developers Pvt Limited - Face value Rs 100 each.	3.40	-	-
224,000 (FY 2013-14 : Nil FY 2012-13 : Nil) 0.0001% - Savannah Phoenix (P) Limited - Face value Rs 100 each.	22.40	-	-
1,383,999 (FY 2013-14 : Nil FY 2012-13 : Nil) 0.0001% - Star Board Hotels (P) Limited - Face value Rs 100 each. ##	138.40	-	-
Nil ((FY 2013-14 100,000,000 FY 2012-13 100,000,000)) Treasure World Developers (India) Pvt. Ltd - Face value Rs 10 each.	-	1,000.00	1,000.00
Optionally Convertible Debentures	-	-	-
325,000 (FY 2013-14 325000 FY 2012-13 800000), 0.001% Series B Optionally Convertible Debentures of 100 each fully paid in Classic Housing Projects Pvt. Ltd.	30.00	32.50	80.00

130,000 (FY 2013-14 130000 FY 2012-13 312000) 0.001% Series C Optionally Convertible Debentures of 100 each Fully paid in Classic Housing Projects Pvt. Ltd.	12.00	13.00	31.20
Others:			
Compulsorily Fully Convertible Debentures	-	-	-
66,500 (FY 2013-14 : Nil FY 2012-13 : Nil) 0.0001% - Phoenix Retail Pvt. Limited - Face Value of 10 Each	6.65	-	-
38,545 (FY 2013-14 : Nil FY 2012-13 : Nil) 0.0001% - Vigilant Developers Pvt. Limited - Face Value of 10 Each	3.85	-	-
7,25,0000 (FY 2013-14 : Nil FY 2012-13 : Nil) Padmashil Hospitality - Face Value of 10 Each	72.50	-	-
4,000 (FY 2013-14 : Nil FY 2012-13 : Nil) CCD's in ACME Hospitality Services Pvt Ltd. - Face value Rs 100 each.	0.40	-	-
7,000 (FY 2013-14 : Nil FY 2012-13 : Nil) Insight Hotels & Leisure Pvt. LTD. - Face value Rs 100 each.	0.70	-	-
100,000,000 (FY 2013-14 : Nil FY 2012-13 : Nil) Treasure World Developers (India) Pvt. Ltd - Face Value of 10 Each #	1,000.00	-	-
(iv) Investment in Capital of Partnership Firm			
Phoenix Construction Company	19.42	19.94	21.18
B) Others			
(i) Unquoted			
7 years - National Savings Certificates	0.08	0.08	0.08
(Deposited with State Government and other authorities as security)			

10 (FY 2013-14 10 FY 2012-13 10) ordinary shares of Rs. 50/-each -fully paid of Sukhsagar Premises Co-op. Society Ltd. (Rs. 500)	-	-	-
Nil (FY 2013-14 Nil FY 2012-13 : 5) ordinary shares of Rs. 50/-each -fully paid of Vivina Co-op. Housing Society Ltd. (Rs. 250)	-	-	-
80 (FY 2013-14 80 FY 2012-13 80) ordinary shares of Rs. 25/- each -fully paid of Rashtriya Mazdoor Madhyavarti Sahakari Grahak Sangh (Maryadit) (Rs. 2000)	-	-	-
50,000 (FY 2013-14 Nil FY 2012-13 Nil) 10.50% Perpetual Non-cumulative Preference shares of Rs. 10 each in The Saraswat Co-Operative Bank Limited	0.50	-	-
2500 (FY 2013-14 2500 FY 2012-13 2500) shares of The Saraswat Co-op Bank Ltd.	0.05	0.03	0.03
(ii) Quoted			
(Equity Shares of face value of Rs. 10/- each fully paid-up, unless otherwise stated)			
36,325 (FY 2013-14 7265 FY 2012-13 7265) I.C.I.C.I. Bank Limited */***	0.26	0.26	0.26
20 (FY 2013-14 20 FY 2012-13 20) Clariant Chemicals (India) Ltd. (Rs. 200)	*	*	*
1,949,090 (FY 2013-14 1,949,090 FY 2012-13 1,949,090) Graphite India Limited face value of Rs. 2 each **	417.43	417.43	417.43
584,726 (FY 2013-14 584,726 FY 2012-13 584,726) GKW Limited	56.33	56.33	56.33
Nil (FY 2013-14 : Nil FY 2012-13 : 59) Syngenta AG Ordinary shares	-	-	0.16
	2,719.66	**2,275.58**	**3,480.74**
Less: Aggregate provision for diminution in value of investments (Refer Note No. 40)	(912.50)	-	-

Total Non- Current Investments	**1,807.16**	**2,275.58**	**6,680.51**
Particulars	**As at 31st March, 2015**	**As at 31st March 2014**	**As at 31st March 2013**
1. Aggregate value of Quoted Investments:			
Book Value	534.37	513.52	548.49
Market Value	561.89	455.46	422.97
2. Aggregate book value of other Unquoted Investments:	2,185.29	1,746.11	2,932.26

* Out of 7,265 shares, 1,995 shares are held by a Bank in their name as security
** Shares have been pledged against loan taken from Financial Institutions.
***During the year 7,265 shares of Rs. 10 each have been split into 36,325 shares of Rs. 2 each
In FY 2013-14 and FY 2012-13 these investments were categorised as Associates
Investments are non transferable and non marketable.

NOTE 12 – Deferred Tax

(Rs. in Millions)

Particulars	**As at 31st March, 2015**	**As at 31st March, 2014**	**As at 31st March, 2013**
Deferred Tax Assets (Net)			
Deferred Tax Assets			
Disallowance under the Income Tax Act. 1961	70.49	17.03	40.37
Carry Forward of Losses & Depreciations	1,838.88	1,729.35	713.79
Deferred Tax Liability			
Related to Fixed Assets	(862.04)	(888.32)	(277.04)
	1,047.33	**858.06**	**477.12**

The Phoenix Mills Limited

Notes on Consolidated Financial Statements

NOTE 13 - Loans and Advances

(Rs. in Millions)

Particulars	As at 31st March, 2015		As at 31st March, 2014		As at 31st March 2013	
	Non Current	Current	Non Current	Current	Non Current	Current
Unsecured and considered Good						
Capital Advances - Related Party#	-	-	-	-	1,469.59	-
Capital Advances - Other	1,167.42	-	1,975.43	-	1,182.38	-
Considered Doubtful	0.66	-	0.66	-	-	-
Less: Provision for Doubtful Capital Advance	(0.66)	-	(0.66)	-	-	-
Deposits						
Deposits to related parties#	479.28	-	479.28	-	479.29	59.08
Security Deposits	138.83	1.10	172.09	4.79	54.86	1.30
Other Deposits	40.34	-	38.88	-	38.23	-
Loans to related parties#	-	-	-	379.57	-	-
Share/Debenture Application Money Pending Allotment						
- With Related Parties#	-	-	248.64	-	261.01	-
- Others	2.60	-	80.32	-	78.22	-
Inter Corporate Deposits to						
- Related Parties	109.32	265.68	-	5.70	-	269.94
- Others	32.00	160.07	2.00	220.59	2.00	181.15
Other						
- Advances recoverable in cash or kind	209.54	454.91	127.61	336.13	100.24	629.28

- Prepaid Expenses	0.00	42.39	0.24	37.06	0.75	16.61
- Advance to Vendors	-	232.30	-	-	-	-
- Advance income tax (net of provision for taxation)	97.07	406.67	14.78	259.52	-	121.08
- Balance with statutory/government authorities	79.83	403.93	55.37	151.64	-	115.79
	2,356.23	**1,967.05**	**3,194.64**	**1,395.00**	**3,666.57**	**1,394.23**

Refer Note No 29 for details

Note – Loans and advances include Rs. 560.48MN (FY 2013-14 Rs. 305.93MN FY 2012-13 Rs. 571.22MN) to Private Limited Companies which director is director / member.

NOTE 14 – Other Non Current Assets

(Rs. in Millions)

Particulars	**As at 31st March, 2015**	**As at 31st March, 2014**	**As at 31st March, 2013**
Non Current Portion of Cash and Cash Equivalents (Refer Note 18)	504.14	59.30	51.36
Others			
Misc. Expenditure (to the extent not written off / adjusted)	15.60	-	-
Interest Accrued but not due on Fixed Deposits	8.30	5.56	3.77
	528.04	**64.85**	**55.13**

NOTE 15 - Current Investments

(Rs. in Millions)

Particulars	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
Quoted :			
Investments in Mutual Funds units of Rs 100/- each, Growth unless otherwise stated			
85,194 (P.Y. Nil) DSP BlackRock Liquidity Fund - Int'nal Plan-Growth, units of Rs. 1,000/-	170.00	-	-
Nil (P.Y. 3,654) - Reliance Liquidity Plan, units of face value Rs. 1000 each (DDR)	-	3.66	-
Nil (P.Y. 13,499) Kootak Liquid Sheme Plan A, units of Rs. 1,000/-	-	35.01	-
Nil (P.Y. 33,962) Baroda Pioneer Treasury Advantage Fund , units of face value of Rs. 1,000/-	-	49.45	-
Nil (P.Y. 34,67,512) DWS Money Plus Fund - Institutional Plan, units of face value of Rs. 10/-	-	46.12	-
Nil (P.Y. 333,845) ICICI Prudential Banking & PSU Debt Fund, units of face value of Rs. 10/-	-	4.69	-
Nil (P.Y. 333,845) ICICI Prudential Banking & PSU Debt Fund, units of face value of Rs. 10/-	-	18.25	-
Nil (P.Y. 257,114) ICICI Prudential Liquid - Regular Plan	-	48.74	-
Nil (P.Y. 18,38,177) Kotak Banking & PSU Debt Fund, units of face value of Rs. 10/-	-	52.31	-
Nil (P.Y. 169,78,955) Kotak Flexi Debt Fund - Plan A, units of face value of Rs. 10/-	-	268.10	-
Nil (P.Y. 62,45,937) Peerless Liquid Fund - Super Inst (Growth), units of face value of Rs. 10/-	-	87.75	-
Nil (P.Y. 34,382) Religare Invesco Ultra Short Term Fund (Growth), units of face value of Rs. 1,000/-	-	60.75	-
Nil (P.Y. 2,87,96,945) Sundaram Ultra Short Term Fund Regular, units of face value of Rs. 10/-	-	506.00	-
5,877 (FY 2013-14 14,275 FY 2012-13 2374) Reliance Liquid Fund - Treasury Plan (Growth), units of Rs. 1,000/-	20.00	44.52	3.63

Nil (FY 2013-14 2,125,347 FY 2012-13 11505281) Kotak Floater Long Term - Fund, units of face value of Rs. 10/-	-	43.24	115.97
Nil (P.Y. 20,343) BSL FRF Short Term DDR @	-	-	2.03
Nil (P.Y. 20,356) BSL Cash Manager DDR @	-	-	2.04
Nil (P.Y. 3,289) DSP Money Manager Fund-DD,of Rs. 1,000/- each	-	-	3.30
Nil (P.Y. 76,013) Tata Floated Fund Plan A - DD @	-	-	76.28
Nil (P.Y. 59,032) UTI Money Market Fund- Dividend, of Rs. 1,000/- each	-	-	59.23
Nil (P.Y. 451,767) SBI Ultra Short Term Fund, units of face value of Rs. 1,000/-	-	-	680.00
Nil (P.Y. 1,454,716) BSL Floating Rate Fund Short Term Plan - Daily Dividend	-	-	145.50
Nil (P.Y. 8,561,427) BSL Floating Rate Fund Long Term Plan - Daily Dividend	-	-	857.54
Nil (P.Y. 127,266) DSP Money Manager Fund-DD, units of Rs. 1,000	-	-	127.37
	190.00	**1,268.59**	**2,072.89**

Particulars	**FY 2014-15**	**FY 2013-14**	**FY 2012-13**
Aggregate value of Quoted Investment:	190.00	1,268.59	2,072.89
Market value of Quoted Investments:	190.36	1,269.72	2,076.73

@ Given as security for loan taken by Vamona Developers Private Limited

NOTE 16 - Inventories

(Rs. in Millions)

Particulars	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
Realty Work- In- Progress	11,727.44	11,373.46	7,728.58
Food & Beverages	38.40	38.16	20.39
Stores and spares	17.25	4.90	20.62
	11,783.09	**11,416.52**	**7,769.59**

NOTE 17 - Trade Receivables

(Rs. in Millions)

Particulars	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	969.02	710.25	341.87
Unsecured, considered doubtful	646.48	421.83	155.25
Less : Provision for Doubtful Debt	(646.48)	(421.83)	(155.24)
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-	-
Unsecured, considered good	1,223.03	1,257.93	504.30
	2,192.05	**1,968.18**	**846.18**

Trade Receivable includes Rs. 1.17MN(FY 2013-14 Rs. Nil FY 2012-13 Rs. 1,078,265)

Notes on Consolidated Financial Statements

NOTE 18 - Cash and Bank Equivalents

(Rs. in Millions)

Particulars	As at 31st March, 2015		As at 31st March, 2014		As at 31st March, 2013	
	Non Current	Current	Non Current	Current	Non Current	Current
Balances with banks						
In current accounts	-	607.76	-	419.00	-	262.30
In Fixed Deposits Account						
Deposits with original maturity of less than three months *	-	-	-	117.13	-	94.33
Deposits with original maturity of less than One Year **	504.14	288.91	59.30	293.03	51.36	302.43
In unpaid dividend account	-	16.19	-	14.80	-	19.89
Cash on hand	-	5.24	-	6.13	-	3.21
Cheques on hand	-	1.99	-	0.51	-	0.86
Others - (Stamp Paper)	-	-	-	0.46	-	0.46
Less: Non current portin transferred to Non Current assets (Note 14)	(504.14)	-	(59.30)	-	(51.36)	-
	-	**920.09**	**-**	**851.06**	**-**	**683.48**

* Includes Fixed Deposits of The Phoenix Mills Limited of Rs. Nil (FY 2013-14: Rs. 112.50MN FY 2012-13: Rs. 75.00MN) earmarked towards maintenance of DSRA as per loan agreement.

**Includes

1) Fixed Deposits of The Phoenix Mills Limited of Rs 314.60MN(FY 2013-14: Rs. Nil FY 2012-13: Rs. Nil) earmarked towards maintenance of DSRA as per loan agreement
2)

Notes on Consolidated Financial Statements

3) Fixed deposits of The Phoenix Mills Limited of Rs 1.48MN (FY 2013-14: Rs 1.48MN FY 2012-13: Rs 1.48MN) is given as security for bank guarantee

4) Fixed Deposits of The Phoenix Mills Limited of Rs 2.77MN (FY 2013-14 : Rs 2.77MN FY 2012-13 : Rs 2.77MN) is pledged as security against Bank guarantee.
5) Fixed Deposit of The Phoenix Mills of Nil (FY 2013-14: Rs. Nil FY 2012-13: Rs 54.47MN) is given against Bank Over draft facility.
6) Deposits of Island Star Mall Developers Private Limited of Rs. 100.00MN (FY 2013-14: Rs. 100.00MN FY 2012-13: Rs. 100.00MN) earmarked toward maintenance of DSRA.
7) Deposits of Offbeat Developers Private Limited of Rs. Nil (FY 2013-14: Rs.66.41MN FY 2012-13: Rs. Nil) given as security for Bank Guarantee.
8) Deposits of Offbeat Developers Private Limited of Rs. 203.93MN (FY 2013-14: Rs. 3.63MN FY 2012-13: Rs.Nil) earmarked toward maintaining of DSRA as per loan agreement.
9) Deposits of Graceworks Realty & Leisure Private Limited of Rs.40.25MN (FY 2013-14: Rs. 57.35MN FY 2012-13: Rs. Nil) earmarked towards maintaining of DSRA as per loan agreement.

NOTE 19 - Other Current Assets

(Rs. in Millions)

Particulars	**As at 31st March, 2015**	**As at 31st March, 2014**	**As at 31st March, 2013**
Interest accrued but not due on Fixed Deposit	7.74	20.95	9.03
Interest accrued on Investments	143.25	143.25	144.38
Interest accrued on ICD's with related parties	0.57	-	-
Short term Deposits	0.25	0.25	-
Other receivables	2.00	3.41	-
Miscellaneous Expenditure (to the extent not written off / adjusted)	4.91	-	-
Unbilled revenue	22.18	93.88	1.57
	180.90	**261.74**	**154.98**

Notes on Consolidated Financial Statements

NOTE 20 - Revenue From Operations

(Rs. in Millions)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Sales			
From Reality Sales	4,569.66	5,527.56	245.41
From Cloth Sales	5.32	6.52	6.65
License Fees and Rental Income	6,515.04	5,051.52	2,707.34
Service Charges	3,053.51	2,308.72	1,111.89
Room Rent Income	635.27	335.49	58.29
Food, Beverages and Banquet Income (Gross)	955.04	481.03	93.92
Other Operating Income	799.40	774.32	475.59
	16,533.24	**14,485.15**	**4,699.08**

NOTE "21" - Other Income

(Rs. in Millions)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest	178.79	209.75	372.89
Current	16.17	34.34	87.80
Long Term	8.82	7.06	7.04
Profit on sale of Investments	69.59	89.22	42.94
Profit on sale of Assets	19.15	16.70	2.52
Compensation on Relinquishment of rights	-	2.57	-
Miscellaneous Receipts	16.91	6.83	2.92
Balance/(Provisions) Written Back	2.92	24.13	4.55
	312.34	**390.61**	**520.67**

NOTE 22 - Cost of Materials/Construction

a) (Rs. in Millions)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Cloth Trading			
Purchase for resale	5.13	6.29	6.42
Food and Beverage Consumed			
Purchases	254.34	133.53	51.79
Realty Sales			
Land Cost - transferred from Fixed Assets	-	406.61	3,954.59
Construction & Other related costs	2,856.76	4,241.18	1,240.90
	3,116.23	**4,787.62**	**5,253.70**

b) Out of Rs. 35.01MN to expended towards CSR activities as aper section 135 of The Companies Act, 2013, the company has incurred and expenditure of Rs. 6.85MN in the year.

NOTE 23 - Change in Inventory

(Rs. in Millions)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Food and Beverage Consumed			
Stocks at commencement	29.86	20.39	-
Stocks at close	38.40	29.86	20.39
	(8.54)	**(9.47)**	**(20.39)**
Realty Sales			
Opening Work In Progress	11,373.46	9,738.67	2,100.27
Closing work in progress	11,667.88	11,017.00	7,372.12
Net (Increase)/Decrease	**(294.42)**	**(1,278.33)**	**(5,271.85)**
	(302.96)	**(1,287.80)**	**(5,292.24)**

NOTE 24 - Employee Benefits Expense

(Rs. in Millions)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Salaries, Wages & Bonus	830.99	688.26	352.06
Contribution to Provident Fund & Other Funds	23.89	16.73	6.12
Gratuity and Leave encashment	37.25	7.76	12.64
Staff Welfare Expenses	22.42	17.78	12.65
	914.55	**730.53**	**383.47**

NOTE 25 – Depreciation and Amortisation

(Rs. in Millions)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Depreciation and Amortisation	1,681.58	1,061.24	475.24
Add/(Less) : Transferred from revaluation reserve (Refer Note No 3)	(1.00)	(0.99)	(0.98)
Add/(Less) : Prior Period Adjustments	0.07	(5.48)	-
	1,680.65	**1,054.77**	**474.26**

NOTE 26 - Finance Costs

(Rs. in Millions)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest Expenses			
Interest on fixed loans	3,814.19	3,265.24	1,394.72
Interest on other loans	111.00	53.45	2.73
Other Costs	30.90	132.24	32.59
	3,956.09	**3,450.94**	**1,430.04**

NOTE 27 - Other Expenses

(Rs. in Millions)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Electricity	1,682.91	1,348.93	730.55
Repairs and Maintenance:-			
Buildings	106.00	83.07	64.29
Machinery & Vehicles	233.91	147.29	58.82
Others	54.67	30.52	11.48
Foreign Exchange (Gain)/Loss	(0.70)	2.05	9.88
Insurance	35.23	22.57	12.55
Stores and Operating Supplies	84.01	50.75	11.19
Rent	9.12	10.49	11.50
Rates & Taxes	72.35	36.72	65.70
Property Tax	525.38	258.47	-
Water Charges	107.48	77.15	41.81
Communication expenses	20.61	19.26	12.35
Postage & Courier	1.85	0.44	0.56
Printing & stationary expenses	7.98	7.46	5.07
Legal and Professional charges	298.27	127.37	29.64
Travelling Expenses	49.69	42.84	23.56
Auditors' Remuneration	13.13	11.32	8.92
Car Hire charges	26.90	26.21	-
Directors' sitting fees & Commission	11.19	1.61	1.85
Compensation	14.43	71.02	6.55
Donation	12.19	4.78	1.14
Loss on Assets Sold/Discarded	0.74	1.09	0.03
Prior Period Expenses	10.31	7.25	11.70
Advertisement & Sales Promotion	660.73	371.80	201.85
Bank charges	3.55	2.34	2.94

Brokerage	35.21	14.09	-
Rebate & Settlement	141.37	72.52	40.88
Bad debts & Sundry balances written off	71.71	66.97	-
Provision for Doubtful Debts & Advances/(written back)	231.96	23.48	87.06
Parking Expenses	7.30	32.62	16.89
Office Expenses	15.51	1.52	3.65
Management Fee	-	1.03	2.84
Security Charges	239.18	159.21	68.22
Housekeeping Expenses	240.20	223.13	112.25
General Expenses	43.92	72.95	-
Other Miscellaneous Expenses	112.28	40.21	66.56
Miscellaneous/Preliminary Expenditure written off	5.28	-	0.33
Assets written off	-	-	0.79
	5,185.82	**3,470.55**	**1,723.39**

The Phoenix Mills Limited

Notes on Consolidated Financial Statements

NOTE 28 - Segment Reporting:

The Company has disclosed Business Segment as the primary Segment. In the opinion of the Management, the Company is organised into two main business segments namely, Property & Related Services and Hospitality Services. These segments have been identified in line with AS-17 on segment reporting. The accounting policies adopted for segment reporting are in line with accounting policy of the Company.

(Rs. in Millions)

Sr.No.	Particulars	Property & Related Services			Hospitality Services			Unallocated			Total		
		2014 - 15	2013 - 14	2012 -13	2014 - 15	2013 -14	2012 - 13	2014 - 15	2013 - 14	2012 - 13	2014 - 15	2013 - 14	2012 - 13
A	**REVENUE**												
1	Income from Operations & Sales	14,942.92	13,601.32	4,537.06	1,590.31	883.83	162.02	-	-	-	16,533.24	14,485.15	4,699.08
2	Other Income	-	-	-	-	-	-	312.34	390.61	520.67	312.34	390.61	520.67
	TOTAL	**14,942.92**	**13,601.32**	**4,537.06**	**1,590.31**	**883.83**	**162.02**	**312.34**	**390.61**	**520.67**	**16,845.58**	**14,875.76**	**5,219.75**
B	**RESULTS**	-	-	-	-	-	-	-	-	-	-	-	-
1	Profit Before Tax & Interest	7,040.45	6,000.17	2,410.14	-1,101.50	-270.69	-252.64	312.34	390.61	520.67	6,251.29	6,120.09	2,678.18
2	Less: Interest	-	-	-	-	-	-	-3,956.09	3,450.94	1,430.04	-3,956.09	3,450.94	1,430.04
3	Profit Before Tax & Exceptional Items	7,040.45	6,000.17	2,410.14	-1,101.50	-270.69	-252.64	-3,643.76	-3,060.33	-909.37	2,295.20	2,669.15	1,248.14
4	Add/(Less): Exceptional Items	-	-	-	-	84.41	-27.37	-938.03	-	20.85	-938.03	84.41	-6.52
5	Less : Provision for Taxation	-	-	-	-	-	-	-493.19	909.17	428.39	-493.19	909.17	428.39
6	Net Profit after tax (before adjustments of Minority Interest	7,040.45	6,000.17	2,410.14	-1,101.50	-186.28	-280.00	-5,074.97	-3,969.50	-1,316.91	863.98	1,844.39	813.23

	and share of associates)												
7	Add/(Less): Share of Profit/(Loss) from Associates	-	-	-	-	-	-	43.23	-28.84	11.23	43.23	-28.84	11.23
8	Less : Minority Interest	-	-	-	-	-	-	552.92	530.93	-17.07	552.92	530.93	-17.07
9	**Profit after tax and Minority Interest**	**7,040.45**	**6,000.17**	**2,410.14**	**-1,101.50**	**-186.28**	**-280.00**	**-5,584.66**	**-4,529.27**	**-1,288.61**	**354.29**	**1,284.62**	**841.53**
C	**OTHER INFORMATION**	-	-	-	-	-	-	-	-	-	-	-	-
1	Segment Assets	49,890.35	50,302.40	33,151.89	11,440.71	11,464.86	10,847.82	5,081.79	5,818.16	6,108.03	66,412.86	67,585.42	50,107.74
2	Segment Liabilities	10,635.27	9,720.41	7,998.64	2,348.81	2,582.51	1,839.45	30,461.55	30,845.13	18,330.67	43,445.62	43,148.05	28,168.76
3	Capital Expenditure	1,228.24	407.67	4,677.36	593.47	2,882.71	7,604.97	-	-	-	1,821.71	3,290.38	12,282.33
4	Depreciation	1,171.63	789.96	334.80	509.02	264.82	139.45	-	-	-	1,680.65	1,054.77	474.26

All the activities of the Company and its subsidiaries are located in India. There are no secondary reportable segments.

NOTE 29 - As per the Accounting Standard 18, the disclosure of transactions with the related parties as defined in the accounting standards, are given below

(a) List of the related parties where control exist and related parties with whom transactions have taken place and relationship.

Category I: Associates

Classic Housing Projects Private Limited
Escort Developers Private Limited
Galaxy Entertainment Corporation Limited
Galaxy Entertainment (India) Private Limited
Gangetic Hotels Private Limited
Mirabel Entertainment Private Limited

Notes on Consolidated Financial Statements

Savannah Phoenix Private Limited
Starboard Hotels Private Limited

Category II: Key Managerial Personnel

Key Person	Designation
Ashokkumar R Ruia	Chairman & Managing Director
Atul Ruia	Jt. Managing Director
Kiran B Gandhi	Whole-time Director
Shishir Shrivastava	Group CEO and Jt. Managing Director

Category III: Other Related Parties where common control exists

R.R.Hosiery Private Limited
R.R. Hosiery
Phoenix Retail Private Limited
Ruia International Holdings Company Private Limited
Phoenix Construction Company
Winston Hotel Private Limited
Ashok Apparels Private Limited
Vigilant Developers Private Limited
Padmshil Hospitality & Lesiure Private Limited

Category IV : Relatives of Key Managerial Personnel

Gayatri A Ruia
B. R. International.

(b) The following transactions were carried out with the Related Parties in the ordinary course of business in the financial year under report:

(Rs. in Millions)

Sr.No.	TRANSACTIONS	Category I	Category II	Category III	Category IV	Total
1	Rent, Compensation & Other recoveries					
	FY 2014-15	16.87	-	-	1.81	18.68
	FY 2013-14	72.41	-	0.05	1.81	74.27
	FY 2012-13	170.53	7.52	-	1.81	179.86
2	Interest Received					
	FY 2014-15	13.27	-	-	-	13.27
	FY 2013-14	108.94	-	-	-	108.94
	FY 2012-13	299.88	-	-	-	299.88
3	Remuneration / Salary Paid					
	FY 2014-15	-	35.78	-	-	35.78
	FY 2013-14	-	35.77	-	-	35.77
	FY 2012-13	-	44.06	-	-	44.06
4	Administrative & Other Charges paid (Excluding Service Tax)					
	FY 2014-15	0.40	0.19	5.98	-	6.57
	FY 2013-14	0.47	-	5.56	-	6.03
	FY 2012-13	0.24	-	5.27	-	5.51
5	Loans given					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	28.00	-	-	-	28.00
	FY 2012-13	-	-	-	-	-
6	Interest Paid					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	-	-	-	8.97	8.97
	FY 2012-13	-	-	-	13.91	13.91
7	Purchase of Goods / Materials					

	FY 2014-15	5.10	-	-	-	5.10
	FY 2013-14	-	-	-	-	-
	FY 2012-13	-	-	-	-	-
8	Loans returned by Parties					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	100.07	-	-	-	100.07
	FY 2012-13	300.00	-	-	-	300.00
9	ICD Given					
	FY 2014-15	390.70	-	-	-	390.70
	FY 2013-14	12.50	-	-	-	12.50
	FY 2012-13	-	-	-	-	-
10	ICD returned by Parties					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	66.50	-	-	-	66.50
	FY 2012-13	8.81	-	-	-	8.81
11	Deposit Given					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	-	-	-	-	-
	FY 2012-13	120.35	-	-	-	120.35
12	Deposit Returned by the Parties					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	-	-	-	-	-
	FY 2012-13	127.58	-	-	-	127.58
13	Investment in Shares/application money pending allotment					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	0.60	-	18.03	-	18.63
	FY 2012-13	15.95	-	-	-	15.95
14	Purchase of Fixed Assets					
	FY 2014-15	-	-	-	-	-

	FY 2013-14	-	-	-	-	-
	FY 2012-13	227.59	-	-	-	227.59
15	Sale of Fixed Assets					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	-	-	-	-	-
	FY 2012-13	2.00	-	-	-	2.00
16	Sale of Profit/(Loss) from partnership firm					
	FY 2014-15	-	-	0.51	-	0.51
	FY 2013-14	-	-	1.24	-	1.24
	FY 2012-13	-	-	0.67	-	0.67
17	Capital Investment in Firm					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	-	-	-	-	-
	FY 2012-13	-	1.12	-	-	1.12
18	Advances Given					
	FY 2014-15	30.00	-	-	-	30.00
	FY 2013-14	70.00	-	-	-	70.00
	FY 2012-13	243.56	-	-	-	243.56
19	Redemption of OCD/CCD					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	124.80	-	-	-	124.80
	FY 2012-13	-	-	-	-	-
20	Investment in OCD/CCD					
	FY 2014-15	200.06	-	10.50	-	210.56
	FY 2013-14	-	-	-	-	-
	FY 2012-13	-	-	-	-	-
21	Application money Refund Received					
	FY 2014-15	188.10	-	24.68	-	212.78
	FY 2013-14	-	-	-	-	-

	FY 2012-13	-	-	6.00	-	6.00
22	Advances Refunded by party					
	FY 2014-15	30.00	-	-	-	30.00
	FY 2013-14	-	-	-	-	-
	FY 2012-13	1,295.00	-	-	-	1,295.00
23	Purchase of Equity / Preference Shares					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	-	-	-	-	-
	FY 2012-13	0.25	-	-	-	0.25
24	Conversion Of Debentures into Equity					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	24.84	-	-	-	24.84
	FY 2012-13	-	-	-	-	-

C) The following balances were due from / to the related parties as at year end

(Rs. in Millions)

Sr.No.	Balances	Category I	Category II	Category III	Category IV	Total
1	Investment in Equity Shares / pref shares					
	FY 2014-15	254.90	-	-	-	254.90
	FY 2013-14	818.27	-	10.00	-	828.27
	FY 2012-13	1,306.37	-	-	-	1,306.37
2	Investment in OCD/CCD					
	FY 2014-15	242.06	-	10.50	-	252.56
	FY 2013-14	42.00	-	-	-	42.00
	FY 2012-13	111.20	-	-	-	111.20
3	Investment in Capital of Partnership Firm					

	FY 2014-15	-	-	19.42	-	19.42
	FY 2013-14	-	-	19.94	-	19.94
	FY 2012-13	-	-	21.18	-	21.18
4	Loans and Advances Given					
	FY 2014-15	190.21	-	-	-	190.21
	FY 2013-14	30.00	-	-	-	30.00
	FY 2012-13	1,469.59	-	-	-	1,469.59
5	Loans Taken					
	FY 2014-15	33.04	-	-	-	33.04
	FY 2013-14	33.04	-	-	-	33.04
	FY 2012-13	33.04	-	-	-	33.04
6	Inter Corporate Deposits Given					
	FY 2014-15	374.61	-	-	-	374.61
	FY 2013-14	0.62	-	-	-	0.62
	FY 2012-13	269.94	-	-	-	269.94
7	Advances Received					
	FY 2014-15	-	-	0.15	-	0.15
	FY 2013-14	-	-	-	-	-
	FY 2012-13	-	-	-	-	-
8	Trade receivables					
	FY 2014-15	27.96	-	1.17	0.48	29.61
	FY 2013-14	8.61	-	1.17	0.47	10.25
	FY 2012-13	78.79	1.76	-	0.61	81.16
9	Trade Payables					
	FY 2014-15	0.16	-	-	-	0.16
	FY 2013-14	3.25	-	-	-	3.25

	FY 2012-13	0.35	202.46	-	-	202.81
10	Deposits received					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	12.50	-	-	-	12.50
	FY 2012-13	12.50	-	-	-	12.50
11	Deposits Given					
	FY 2014-15	-	-	479.28	-	479.28
	FY 2013-14	5.08	-	479.28	-	484.35
	FY 2012-13	59.08	-	479.28	-	538.36
12	Share/ DebentureApplication money pending allotment					
	FY 2014-15	-	-	-	-	-
	FY 2013-14	220.56	-	24.68	-	245.24
	FY 2012-13	253.40	-	6.65	-	260.05

Disclosure in Respect of Material Related Party Transactions during the year:

a. Rent & other recoveries include received from Classic Mall Development Company (P) Limited Rs. Nil (FY 2013-14 Rs. 7.90MN FY 2013-14 Rs.41.04MN), Classic Housing Projects (P) Limited Rs. 5.04 (FY 2013-14 Rs. 37.16MN FY 2012-13 Rs. Nil), Starboard Hotels Private Limited Rs. 11.79MN (FY 2013-14 Rs. 37.16MN FY 2012-13 Rs. Nil) and Offbeat Developers (P) Limited Rs. Nil (FY 2013-14 Rs. 16.43MN FY 2012-13 Rs. 80.07MN).

b. Interest received include received from Classic Mall Development Company (P) Limited Rs. Nil (FY 2013-14 Rs. 11.21MN FY 2013-14 Rs. 44.38MN), Gangetic Hotels Private Limited Rs. 1.67MN (FY 2013-14 Rs. 9.25MN FY 2013-14 Rs. Nil), Starboard hotels private limited Rs. 10.93MN (FY 2013-14 Rs. 6.90MN FY 2012-13 Rs. Nil) and Offbeat Developers (P) Limited Rs. Nil (FY 2013-14 Rs. 86.92MN FY 2013-14 Rs. 195.40MN).

c. Remuneration paid to Ashok Ruia Rs.6MN (FY 2013-14 Rs.6MN FY 2012-13 Rs. 6MN), Atul Ruia Rs.6MN (FY 2013-14 Rs.6MN FY 2012-13 Rs. 6MN), Kiran Gandhi Rs. 2.79MN (FY 2013-14 Rs. 3.77MN FY 2012-13 Rs. 4.8MN), Shishir Shrivastava Rs. 21.03MN (FY 2013-14 Rs. 20MN FY 2012-13 Rs. 20MN).

Notes on Consolidated Financial Statements

d. Administrative & other expenses include paid to R.R. Hosiery Rs. 5.97MN (FY 2013-14 Rs. 1.95MN FY 2012-13 Rs. 1.95MN) and R.R. Hosiery (P) Limited Rs.5.97 (FY 2013-14 Rs. 3.61MN FY 2012-13 Rs. 3.32MN).

e. Interest paid includes interest paid B.R. International Rs. Nil (FY 2013-14 Rs. 8.97MN FY 2012-13 Rs.13.91MN)

f. Loan Given includes Classic Housing Projects (P) Limited Rs. Nil (FY 2013-14 Rs. 28MN FY 2012-13 Rs. Nil)

g. Loan returned by party includes Offbeat Developers (P) Limited Rs. Nil (FY 2013-14 Rs. Nil FY 2012-13 Rs.300MN)

h. ICD given includes Starboard Hotels (P) limited Rs. 99.5MN (FY 2013-14 Rs. 12.5MN FY 2012-13 Rs. Nil), Gangetic Hotels Private Limited Rs. 261.2MN (FY 2013-14 Rs. Nil FY 2012-13 Rs. Nil)

i. ICD returned by parties includes Starboard Hotels (P) limited Rs. Nil (FY 2013-14 Rs. 12.5MN FY 2012-13 Rs. Nil), and Gangetic Hotels (P) Limited Rs. Nil (FY 2013-14 Rs. 52.5MN FY 2012-13 Rs. Nil).

j. Deposit given to Offbeat Developers (P) Limited Rs. Nil (FY 2013-14 Rs. Nil FY 2012-13 Rs. 46.27MN), Gangetic Hotels (P) Limited Rs. Nil (FY 2013-14 Rs. Nil FY 2012-13 Rs. 52.5MN).

k. Deposit returned by parties include Offbeat Developers (P) Limited Rs. Nil (FY 2013-14 Rs. Nil FY 2012-13 Rs. 111.03MN), Classic Mall Development Company (P) Limited Rs. Nil (FY 2013-14 Rs. Nil FY 2012-13 Rs. 15MN).

l. Investment in Shares/Application Money pending allotment includes Savannah Phoenix (P) Limited Rs. Nil (FY 2013-14 Rs.0.6MN FY 2013-14 Rs. 15.95MN), and Winston Hotels (P) Limited Rs. Nil (FY 2013-14 Rs. 18.03MN FY 2012-13 Rs. Nil).

m. Purchase of goods includes purchase from Classic Housing Project (P) Limited Rs. 5.10MN (FY 2013-14 Rs. Nil FY 2012-13 Rs. Nil).

n. Purchase of Fixed assets includes purchase from Offbeat Developers (P) Limited Rs. Nil (FY 2013-14 Rs. Nil FY 2012-13 Rs. 227.59MN)

o. Sale of Fixed assets includes sale from Classic Mall Development Company (P) Limited Rs. Nil (FY 2013-14 Rs. Nil FY 2012-13 Rs. 2MN).

p. Loss from investment in Phoenix Construction partnership firm Rs 0.51MN (FY 2013-14 Rs. 1.24MN FY 2012-13 Rs. 0.67MN).

q. Capital introduced from Partnership firm includes capital introduced from Phoenix Construction Company Rs. Nil (FY 2013-14 Rs. -0.11MN FY 2012-13 Rs.1.12MN).

r. Advances given includes advances given to Offbeat Developers (P) Limited Rs. Nil (FY 2013-14 Rs. 70MN FY 2012-13 Rs.203.56MN) and Island Star Mall Developers (P) Limited Rs. Nil (FY 2013-14 Rs. Nil FY 2012-13 Rs.40MN).

s. Optionally Convertible Debentures Redeemed of Classic Housing Projects (P) Limited Rs. Nil (FY 2013-14 Rs. 124.8MN FY 2012-13 Rs.Nil).

Notes on Consolidated Financial Statements

t. Application Money Refund received includes refund received from Savannah Phoenix (P) Limited Rs. 1.63MN (FY 2013-14 Rs. Nil FY 2012-13 Rs.6MN) Starboard Hotels (P) Limited Rs. 138.41MN (FY 2013-14 Rs. Nil FY 2012-13 Rs. Nil).

u. Conversion of Debentures into equity of Starboard Hotels (P) Limited Rs. Nil (FY 2013-14 Rs 24.84MN FY 2012-13 Rs Nil).

v. Advance refunded by party includes Offbeat Developers (P) Limited Rs. Nil (FY 2013-14 Rs. Nil FY 2012-13 Rs.945MN) and Island Star Mall (P) Limited Rs. Nil (FY 2013-14 Rs. Nil FY 2012-13 Rs. 350MN)

w. Purchase of the shares includes Shares purchased of Savannah Phoenix (P) Limited Rs. Nil (FY 2013-14 Rs. Nil FY 2012-13 Rs.0.25MN).

x. Investment in OCD/CCD include investment in Starboard Hotels (P) Limited of Rs. 173.56MN (FY 2013-14 Rs. Nil FY 2012-13 Rs. Nil), Savannah Phoenix (P) Limited Rs. 22.4MN (FY 2013-14 Rs. Nil FY 2012-13 Rs. Nil).

NOTE 30 - Earnings Per Share (EPS) Basic and Diluted

(Rs . in Millions)

Basic as well as Diluted EPS	**2014-15**	**2013-14**	**2012-13**
Net Profit after Tax	354.30	1,284.62	841.53
Weighted Average No. of Equity Shares for Basic EPS	14,48,81,603	14,48,45,445	14,48,45,445
Dilution due to ESOPs	1,63,912	-	-
Weighted Average No. of Equity Shares for Diluted EPS	14,50,45,515	-	-
Nominal Value of Equity Shares	2.00	2.00	2.00
Basic Earning Per Share	2.45	8.87	5.81
Diluted Earning Per Share	2.44	8.87	5.81

NOTE 31 - 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 Rs 1199.51MN (FY 2013-14 Rs. 1162.74MN FY 2012-13 Rs. 1860.71 MN) net of advance paid.

b) Disputed Statutory demands on account of :

(Rs. in Millions)

Sr No.	Particulars	31-03-2015	31-03-2014	31-03-2013
1	Income Tax (Including TDS)	252.01	209.91	127.44
2	Service Tax	140.26	103.78	103.78
3	Entry Tax	-	10.24	-
4	VAT	10.47	-	-
5	Property Tax	108.60	-	-
5	Excise Duty	-	-	1.65
6.	Other Claim	-	0.03	-

c) Other Claims against the company : 8.40MN (FY 2013-14 Rs. 8.40MN FY 2012-13 Rs. 8.40MN)

a) Demand notices received on account of arrears of Provident Fund dues Rs. 2.47MN (FY 2013-14 Rs. 2.47MN FY 2012-13 Rs. 2.47MN) are disputed by the Company. The Company has paid Rs. 1MN and has also furnished a Bank Guarantee for Rs. 1.47MN against P.F. demands to the P.F. authorities.
b) Outstanding guarantees given by Banks Rs. 21.85MN (FY 2013-14 Rs. 12.64MN FY 2012-13 Rs. 2.77MN)
c) Guarantees given by the company for EPCG Licence Rs. 1,665.07MN (FY 2013-14 2007.65MN FY 2012-13 Rs. 2125.12MN)

NOTE 32 - Expenditure incurred during construction period

The Group's various projects relating to construction of commercial, retail, hotel and entertainment complexes are in progress. The expenditure incurred during the construction period is treated as "Project Development Expenditure" pending capitalisation. The same has been included under Capital Work In Progress and will be apportioned to fixed assets on the completion of the project.

a) The details of Project Development Expenditure as on the date of Balance sheet are as under:

Particulars	2014-15	2013-14	2012-13
Opening Balance (A)	183.67	78.67	1,019.77
Expenditure			

	-	-	-
Salary and Allowances	-	0.17	10.82
Rates and Taxes	5.27	0.01	3.25
Legal, Professional & Consultancy Fees	-	0.02	10.26
Travelling Expenses	-	0.01	1.06
Bank Charges	-	0.00	0.17
Auditors' Remuneration	-	0.03	-
Depreciation	-	0.04	0.03
Miscellaneous Expenses	-	-	32.45
Interest	74.55	83.64	99.41
Other expenses	-	21.08	-
Total (B)	**79.82**	**105.00**	**157.59**
Income	-	-	-
Interest income	-	-	0.07
Other Income	-	-	33.35
Total (C)	**-**	**-**	**33.42**
Less : Project Development Expenses Capitalised during the year	-	-	409.91
Less : Project Development Expenses Transferred to profit and loss account as exceptional item (D)	79.47	-	655.37
Closing Balance (A+B-C-D)	**184.02**	**183.67**	**78.66**

b) Project Development Expenditure in Pallazzio Hotels & Leisure Limited as under :

1) Aggregate interest and other borrowing costs (net of service tax credit in the current year) allocated to CWIP (net of interest income of Rs. 1.45MN [FY 2013-14 Rs. 3.63MN]) during the year is Rs. 60.40MN (FY 2013-14 Rs. 154.92MN). In accordance with circular no 25/2012 dated 9th August 2012 issued by Ministry of Corporate Affairs, no portion of exchange difference adjusted to capital assets in accordance with paragraph 46A of Accounting Standard 11 is regarded as an adjustment to interest costs in terms of paragraph 4(e) of Accounting Standard - 16 "Borrowing Costs".

2) During the year exchange loss (net) aggregating to Rs. 57.91MN (FY 2013-14 Rs. 135.08MN) has been added to the cost of capital work in progress (including amount transferred to fixed assets on capitalization) in accordance with the option given by the ministry of corporate affairs vide notification number F.No 17/133/2008/CL-V dated 29th December 2011.

NOTE 33 – Derivatives Transaction

a) Disclosure regarding derivative instruments and un-hedged foreign currency exposure The Company does not enter into any forward exchange contracts being derivative instruments for trading or speculative purposes. The Company did not enter into any forward exchange contracts being derivative instruments for hedging purposes during the year.

b) In Pallazzio Hotels & Leisure Limited, the Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

(Rs in Millions)

Particulars	Foreign Currency	2014-15		2013-14		2012-13	
		Amount in FC	Amount	Amount in FC	Amount	Amount in FC	Amount
Trade Payables	USD	0.35	21.85	0.24	14.44	0.42	22.77
	AED	0.01	0.16	0.01	0.15	0.03	0.49
	SGD	0.5	22.85	0.5	24.01	0.19	8.13
	HKD	0.24	1.94	0.22	1.88	0.29	2.00
	PHP	-	-	-	-	0.12	0.16
Advance to supplier	USD					0.82	43.52
	EURO					0.01	0.81
Capital Advance	USD	0.56	31.77	0.3	15.94	-	-
	EURO	0.03	2.1	0.07	4.84	-	-
	SGD	0	0.1	-	-	-	-
	HKD	0.01	0.1	0.07	0.59	-	-
Long Term Borrowings	USD	21.88	1,369.17	23.38	1,404.83	24.75	1,346.14

Interest Accrued and Due	USD	0.25	15.64	0.31	18.75	0.33	17.87
Balances with bank	USD	0	0.07	0	0.07	0.00	0.07
Cash in Hand	USD	-	-	0	39,095	0.00	0.01
	YEN	-	-	0.01	0.01	-	-
	EURO	-	-	-	-	0.00	0.02
	SA Rand	-	-	2,050	9,840	-	-

c) In Classic Mall Development Company Private Limited, foreign currency exposure that are not hedged by derivative instruments or Forward ontracts as at March 31, 2015 comprises of dues to creditors Rs. NIL (FY 2013-14 Rs. 1.75MN FY 2012-13 Rs. Nil).

NOTE "34" - Basis of consolidation

Name of Subsidiaries	**Country of Incorporation**	**Proportion of ownership interest**	**Proportion of ownership interest**	**Proportion of ownership interest**
		2014-15	**2013-14**	**2012-13**
Pallazzio Hotels and Leisure Limited	India	100%	100%	100%
Bellona Finvest Limited	India	100%	100%	100%
Marketcity Resources Private Limited	India	100%	100%	100%
Pinnacle Real Estate Development Private Limited	India	100%	100%	100%
Palladium Constructions Private Limited	India	73.25	70%	62.98%
Enhance Holdings Private Limited	India	100%	100%	100%
Plutocrat Assets & Capital Management Private Limited	India	100%	100%	100%
Big Apple Real Estate Private Limited (BAREPL)	India	76.59%	77.20%	77.20%

Butala Farm Lands Private Limited	India	100%	100%	100%
Vamona Developers Private Limited	India	62.55%	58.55%	58.55%
Upal Developers Private Limited (Subsidiary of BAREPL)	India	76.59%	71.41%	48.25%
Blackwood Developers Private Limited (Subsidiary of BAREPL)	India	76.59%	77.20%	77.20%
Gangetic Developers Private Limited(Subsidiary of BAREPL)	India	44.89%	45.25%	45.25%
Market City Management Private Limited	India	100%	100%	100%
Phoenix Hospitality Company Private Limited (PHCPL)	India	56.92%	56.92%	56.92%
Graceworks Reality and Leisure Private Limited (Subsidiary of PHCPL)	India	44.02%	44.02%	44.02%
Alliance Spaces Private Limited (Subsidiary of PHCPL)	India	33.01%	33.01%	31.33%
Platinum Spaces Private Limited (formerly Platinum Hospitality Private Limited) (Subsidiary of PHCPL)(merged with Palladium constructions Private Limited)	India	-	-	35.84%
Mugwort Land Holdings Private Limited	India	94.86%	94.86%	94.86%
Sangam Infrabuild Corporation Private Limited (Subsidiary of BAREPL)	India	77.19%	76.94%	76.94%
Island Star Mall Developers Private Limited	India	75.34%	68.05%	64.72%

Classic Mall Development Company Private Limited (including 1.82% indirect holding through Escort Developers Private Limited)	India	50.01%	50.01%	-
Offbeat Developers Private Limited	India	56.26%	53.23%	-

NOTE 35 - The associate companies considered in the consolidated financial statements are:

Name of Associate companies	Country of Incorporation	Proportion of ownership interest	Proportion of ownership interest	Proportion of ownership interest
		2014-15	2013-14	2012-13
Bartraya Mall Development Co. Pvt. Ltd.	India	-	50.00%	50.00%
Classic Housing Projects Pvt. Limited	India	50.00%	50.00%	32.00%
Classic Mall Development Company Pvt. Ltd.(upto 9th July, 2013)	India	-	-	29.18%
Entertainment World Developers Ltd.	India	-	40.21%	40.28%
Escort Developers Pvt. Ltd.	India	50.00%	50.00%	50.00%
Galaxy Entertainment Corporation Ltd.	India	23.56%	23.56%	23.56%
Galaxy Entertainment (India) Pvt. Ltd.	India	49.02%	49.02%	49.02%
Offbeat Developers Pvt. Ltd. (upto 13th October,2013)	India	-	-	28.81%
Starboard Hotels Private Limited (Formerly Classic Software Technology Park Developers Private Limited)	India	28.47%	28.47%	28.47%
Mirable Entertainment Private Limited	India	28.46%	28.46%	33.34%

Gangetic Hotels Private Limited	India	23.61%	23.61%	23.61%
Savannah Phoenix Private Limited	India	50.00%	50.00%	50.00%

For year ended 31st March, 2015, Rs. 107,461,495 credit on reclassification of investments under equity method to cost method as per Accounting Standard 13.

Investments in Associates include: (Rs. in Millions)

Name of Associates	**Cost of Acquisition**	**Goodwill/(Capital Reserve) included in cost of acquisition**	**Cost of Acquisition**	**Goodwill/(Capital Reserve) included in cost of acquisition**	**Cost of Acquisition**	**Goodwill/(Capital Reserve) included in cost of acquisition**
	2014-15		2013-14		2012-13	
Bartraya Mall Development Co. Pvt. Ltd.	-	-	0.05	-	0.05	-
Classic Housing Projects Pvt. Limited	0.05	(4.74)	0.05	(4.74)	0.03	0.09
Classic Mall Development Company Pvt. Ltd.	-	-	-	-	249.97	29.08
Entertainment World Developers Ltd.	-	-	579.27	245.91	579.27	245.91
Escort Developers Pvt. Ltd.	15.95	0.00	15.95	0.00	15.95	0.00
Galaxy Entertainment Corporation Ltd.	74.31	47.48	74.31	47.48	74.31	47.48
Galaxy Entertainment (India) Pvt. Ltd.	25.00	(0.21)	25.00	(0.21)	25.00	(0.21)
Offbeat Developers Pvt. Ltd.	-	-	-	-	247.04	(409.42)

Savannah Phoenix Private Limited	0.25	-	0.25	-	0.25	-
Starboard Hotels Private Limited (Formerly Classic Software Technology Park Developers Private Limited)	14.23	0.19	14.23	0.19	0.09	0.09
Mirable Entertainment Private Limited	0.03	(0.31)	0.03	(0.31)	0.04	(0.36)
Gangetic Hotels Private Limited	59.29	(41.66)	59.29	(41.66)	59.29	(48.79)

NOTE 36 - Based on the valuation reports of the Government approved valuers, the Holding Company had revalued the assets consisting of land including leasehold land and land leased in perpetuity, Buildings and Plants and Machinery as on 31st March 1985. Depreciation on revalued land, building and plant and machinery has been calculated as per the rates specified by the valuers, which includes an additional charge amounting to Rs. 0.99MN (FY 2013-14 Rs.0. 99MN FY 2012-13 Rs. 0.98 MN) in comparison to depreciation provided under the Companies Act, 2013, and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Statment of Profit and Loss.

NOTE 37 - Details of the Exceptional Items

(Rs. in Millions)

Particulars	**2014-15**	**2013-14**	**2012-13**
Staff Training Expenses on commencement of Hotel operations	-	-	7.86
Advertisement and business promotion on commencement of Hotel Operations	-	-	19.50
Provision for the diminution in the value of investment (Refer Note 40)	912.50	-	-
Project Development Expenditure transferred ##	132.99	-	-
Amounts credited on reclassification of investments in Entertainment World Developers Limited and Bhartiya Mall Development Pvt Ltd from equity method to Cost as per AS-13	(107.46)	-	-
Excess Depreciation charged in earlier years (Refer Note 43)	-	(84.41)	(20.85)

Net Exceptional Expenses	938.03	(84.41)	6.52

The business plan of Gangetic Developers Private Limited incorporated in the Articles of Association (AOA) has become unworkable due to decision of the management to modify the plan as mentioned in the AOA and planning to combine Mall, Multiplex project with other commercial structure for ensuring viability of the project and therefore, the capital work in progress incurred has been written off..

NOTE 38 - Capital work in progress includes Rs. 933.83 MN (FY 2013-14 Rs.878.08 MN) 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

NOTE 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 17,853 square meters of the said land to PHLL for the construction of a hotel, vide a Land Development Agreement dated 30th March 2007. The conveyance of the said portion of Land, in favour of PHLL is pending.

NOTE 40 - The Investments of Rs. 579.27MN (including through wholly owned subsidiary) in the equity shares of Entertainment World Developers Limited (EWDL) and Rs. 1000MN in FCDs of Treasure world Developers Pvt. Ltd. (TWDPL), subsidiary of EWDL, which were considered as strategic and long term in nature, have been hitherto carried at cost in the Financial Statements. Interest income aggregating to Rs. 143.25MN (net of TDS) was accrued on the said debentures upto 31st March 2012 and is outstanding as on 31st March, 2015.The company had exercised the put option available as per the Share & Debenture Subscription Deed for the said FCDs and EWDL has paid a part amount of Rs 191.88MN in November 2013 towards the same. Pending receipt of the balance consideration and the settlement of the matter, the amount received has not been adjusted against the investments/accrued Interest and has been shown under other current liability. The Company has been making all efforts towards settlement of the matter and for recovery of the balance dues against the above put option. There has been limited progress in the matter. The Company is exploring various options, including contractual remedies, for the recovery of its dues. However, the Company's Board has, out of abundant caution and as a prudent practice in line with the standard accounting practices, decided to provide Rs. 912.5MN for the impairment of these investments, which is considered adequate at this stage The Company will continue its efforts for the recovery of the dues against the put option exercised by it and would endeavour to ascertain the realizable values of these Investments. The adequacy of the impairment provision would be reviewed annually based on the future developments

NOTE 41 - In Offbeat Developer Private Limited, Trade Receivables as at 31st March, 2015 includes receivables of Rs. 559.73MN in respect of mall operations, which are due for more than six months and subject to confirmations. The company is in the process of recovering these through

ongoing negotiations. Pending final outcome of such negotiations, a provision of Rs. 368.82MN has been made as at 31st March, 2015 towards doubtful debts which in the opinion of the Management is adequate.

NOTE 42 - The management has identified unsecured Trade Receivables in Upal Developers Private Limited of Rs. 19.3 MN and Blackwood Developers Private Limited of Rs. 3.22MN which are outstanding for recovery from various parties. No provision against the same has been made in the financial statements since the management considers the same as fully recoverable.

NOTE 43 -

1) During the FY 2013-14, Pallazzio Hotels and Leisure Limited has changed its accounting policy with respect to method of charging depreciation on fixed tangible assets from 'Written Down Value' to 'Straight Line Method' at the rates prescribed in Schedule XIV of the Companies Act, 1956. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefit will flow to the Company. Accordingly the company has recognized a surplus of Rs 84.41MN arising from retrospective change as an exceptional item. Had the company followed written down value method of providing depreciation, the depreciation charge for the year would have been higher by Rs 389.38MN exceptional income would have been lower by 84.41MN and the loss of the year would also have been higher by Rs 473.79MN.

2) Effective April 1, 2012, Vamona Developers Private Limited (Subsidiary) has, with retrospective effect, changed its method of providing depreciation on Tangible Fixed Assets from the 'Written Down Value' method to 'Straight Line' method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. The Management believes that this change results in more appropriate presentation and gives a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits flow to the company, from the use of these assets. Accordingly, the Company has written back the accumulated Depreciation of Rs. 141.83MN pertaining to the period upto 31st March, 2012.

   Had the company continued to use the earlier method of Depreciation, the Profit after Tax for the year under report would have been lower by Rs. 230.98MN excluding the impact of the Depreciation written back for period upto 31st March, 2012 .

3) During the current year, Pallazzio Hotesl & Leisure Limited has changed its accounting policy with respect to classification of high end operating supplies acquired pre commencement of operations like crockery & cutlery etc from inventory to fixed assets

NOTE 44 - The balances in respect of Trade Receivables & Payables and loans and advances, as appearing in the books of accounts are subject to confirmations from the respective parties and are pending reconciliations/adjustments arising there from, if any.

NOTE 45 - Operating Leases – in the books of Pallazzio Hotels and Leisure Limited –

As lessee

a. The Company has taken vehicles under operating lease. The minimum future lease rentals payable under non-cancellable operating lease are as under:-

(Rs. in Millions)

Particulars	2014-15	2013-14	2012-13
Not later than one year	12.47	20.88	20.76
Later than one year and not later than five years	-	12.47	34.80
Later than five years	-	-	-
Total	12.47	33.35	55.56

Total contingent rent Rs. Nil (Previous year Rs. Nil).

b. In accordance with the terms of the issue of non-convertible debentures, the company has given the debenture holders a right to occupy certain premises of the building which is under construction. No separate/additional consideration is receivable for the above.

As lessor

c. In accordance with the arrangements entered into by the company, the company has accounted for license fees of Rs. 50.83MN (FY 2013-14 Rs. 14.64MN FY 2012-13 Rs. Nil) [including amortization of non-refundable security deposit of Rs. 6.67MN (FY 2013-14 Rs. 2.39MN FY 2012-13 Rs. Nil) and contingent rent of Rs. 9.17MN (FY 2013-14 Rs.Nil FY 2012-13 Rs. Nil). The minimum license fees receivable in next one year is Rs 48.67MN (FY 2013-14 Rs. 48.67MN FY 2012-13 Rs. Nil) and later than one year and not later than five years is Rs. 180.19MN (FY 2013-14 Rs. 228.86MN FY 2012-13 Rs. Nil) and later than five years Nil..

The gross carrying amount and accumulated depreciation at the balance sheet date of the said premises is Rs. 154.59MN (FY 2013-14 Rs. 142.06MN FY 2012-13 Rs. Nil) and Rs. 7.15MN (FY 2013-14 Rs. 1.46MN FY 2012-13 Rs. Nil) respectively. Depreciation recognized in Statement of Profit and loss for the said premises during the year is Rs. 5.69MN (FY 2013-14 Rs. 0.19MN FY 2012-13 Rs. Nil)

Notes on Consolidated Financial Statements

NOTE 46 - The Company is a partner in a partnership firm M/s. Phoenix Construction Company. The accounts of the partnership firm have been finalised upto the financial year 2013-2014. The details of the Capital Accounts of the Partners as per the latest Financial Statements of the firm are as under:

(Rs. in Millions)

Sr No	Name of the Partner	Profit Sharing Ratio %	Total Capital on		
			31-03-2014	31-03-2013	31-03-2012
1	The Phoenix Mills Ltd	50	16.52	17.04	17.15
2	Gold Seal Holding Pvt. Ltd	50	11.67	12.19	13.42

The Company has accounted for its share of loss amounting to Rs. 0.51MN- pertaining to the financial year 2013-2014 in the current year. The share of profit/loss for the current financial year will be accounted in the books of the Company on the finalisation of the accounts of the firm.

NOTE 47 - Disclosure under the Micro and Small Enterprise Development Act, 2006 is tabled below

Particulars	31-03-2015	31-03-2014	31-03-2013
Principal amount payable to micro and small enterprises at year end	1.59	2.25	2.36
Interest accrued and unpaid to suppliers at year end	-	-	-
Interest paid to suppliers during the year	-	-	-

NOTE 48 - The Hotel Management Agreement (HMA) between the Pallazzio Hotels & Leisure Limited and Shangri-La International Hotel Management Pte Ltd for the operation of the Company's hotel in Lower Parel, Mumbai has been terminated effective 5th September, 2013. In accordance with the provisions of the HMA, the Parties have referred their mutual disputes to arbitration tribunal. Currently the arbitration proceeding
are at the preliminary stage, i.e. the tribunal is in the process of determining jurisdictional issues raised by the parties. The management, based on its own assessment, is of the view that the arbitration award would be in its favour and hence does not expect any material outflow on the conclusion of the arbitration proceedings. The accounting treatment for the outcome {(including termination fees payable (if any)} of this arbitration will be based on the final award of the tribunal.

Notes on Consolidated Financial Statements

NOTE 49 - In case of Big Apple Real Estate Private Limited The Company has received a sum of Rs. 284,700,000 crore from Gangetic Developers Private Limited for sale of shares of Blackwood Developers Private Limited and UPAL Developers Private Limited. The transaction will be concluded after a mutual agreement on rate for the shares.

NOTE 50 - The material difference in the accounting policies of the company and it's subsidiaries are as under:

Item	Name of Subsidiary	Amount	%proportion of Item	Amount	%proportion of Item
		FY 2014-15		**FY 2013-14**	
Depreciation	Pallazzio Hotels & Leisure Ltd.	509.02	30.29	264.82	25.11
Depreciation	Offbeat Developers Pvt. Ltd.	229.16	13.64	143.31	13.59
Depreciation	Vamona Developers Pvt. Ltd.	196.53	11.69	113.73	10.78
Depreciation	Island Star Mall Developers Pvt. Ltd.	159.33	9.48	106.16	10.06
Depreciation	Classic Mall Developers Pvt. Ltd.	151.14	8.99	92.47	8.77
Depreciation	Upal Developers Pvt. Ltd.	52.03	3.1	33.61	3.19
Depreciation	Blackwood Developers Pvt. Ltd.	49.95	2.97	33.48	3.17
Depreciation	Big Apple Rea Estate Pvt. Ltd.	1.18	0.07	0.77	0.07

Out of Rs. 35.01MN to expended towards CSR activities as aper section 135 of The Companies Act, 2013, the company has incurred and expenditure of Rs. 6.00MN in the year.

NOTE 52 - The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

NOTE 53 - '* 'in the amount column represents amount less than Rs.100,000.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII and Schedule XVIII of the SEBI Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of the Chapter VIII and Schedule XVIII of the SEBI Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

_____

ATUL RUIA

JOINT MANAGING DIRECTOR

_____

PRADUMNA KANODIA

DIRECTOR - FINANCE

Date : July 14, 2015

Place : Mumbai

DECLARATION

We, the Directors of our Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures as prescribed under Form PAS-4).

Signed by:

_____

ATUL RUIA

JOINT MANAGING DIRECTOR

I am authorized by the Capital Raising Committee, a committee of the Board of Directors of our Company, vide resolution dated July 14, 2015 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum and the Articles.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

_____

PRADUMNA KANODIA

DIRECTOR - FINANCE

Date : July 14, 2015

Place : Mumbai

THE PHOENIX MILLS LIMITED

Registered Office: 462, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India
Website: www.thephoenixmills.com; **CIN:** L17100MH1905PLC000200
Corporate Office: Shree Laxmi Woolen Mills Estate, 2nd Floor, R.R. Hosiery Building
Off. Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, Maharashtra, India
Compliance Officer: Puja Tandon, Company Secretary
Address of Compliance Offier: Shree Laxmi Woolen Mills Estate, 2nd Floor, R.R. Hosiery Building
Off. Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, Maharashtra, India
Telephone: +91 22 3001 6600; **Fax:** +91 22 3001 6818
Email: corpaffairs@highstreetphoenix.com

JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS

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(formerly CLSA India Limited)
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J.P. MORGAN INDIA PRIVATE LIMITED
J.P. Morgan Tower, Off CST Road, Kalina,
Santacruz (E), Mumbai - 400 098, Maharashtra, India

LEGAL ADVISOR TO OUR COMPANY AS TO INDIAN LAW

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INTERNATIONAL LEGAL ADVISOR TO THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS

JONES DAY
138 Market Street,
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AUDITORS TO OUR COMPANY

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Chartered Accountants
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Sion Koliwada Road, Sion East,
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M/S. CHATURVEDI & SHAH,
Chartered Accountants
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