

PROZONE INTU PROPERTIES LIMITED

CIN : L45200MH2007PLC174147

Website: <https://prozoneintu.com> Email: info@prozoneintu.com Tel.: 022 - 68239000

Regd. Off: 105/106, Ground Floor, Dream Square, Dalia Industrial Estate, Off New Link Road, Andheri West, Mumbai- 400 053

Statement of Unaudited Consolidated Financial Results for the quarter and half year ended 30 September 2022

Particulars		Quarter Ended			Half Year ended		(Rs. in lakhs)
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	Year Ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income							
(a) Revenue from operations							
Revenue from real estate projects		195.42	327.54	1,190.78	522.96	1,190.78	2,443.23
Lease rental and related income		2,474.65	2,536.24	1,838.66	5,010.89	2,549.23	6,894.46
		2,670.07	2,863.78	3,029.44	5,533.85	3,740.01	9,337.69
(b) Other income		1,878.37	442.67	463.67	2,321.04	1,128.18	2,188.58
Total income		4,548.44	3,306.45	3,493.11	7,854.89	4,868.19	11,526.27
2 Expenses							
(a) Cost of material consumed		826.27	808.02	665.72	1,634.29	952.02	2,922.66
(b) Change in inventories of finished goods and construction work in progress		(664.75)	(610.79)	274.38	(1,275.54)	(11.92)	(1,199.52)
(c) Employee benefits expense		114.89	101.27	102.17	216.16	199.06	422.45
(d) Finance costs		1,006.87	995.33	995.43	2,002.20	2,015.42	4,014.34
(e) Depreciation and amortisation expenses		605.86	595.27	668.98	1,201.13	1,328.87	2,669.17
(f) Other expenses		984.73	1,005.45	767.49	1,990.18	1,383.52	3,289.72
Total expenses		2,873.87	2,894.55	3,474.17	5,768.42	5,866.97	12,118.82
3 Profit / (loss) from ordinary activities before tax and before share of profit / (loss) of joint venture		1,674.57	411.90	18.94	2,086.47	(998.78)	(592.55)
4 Share of profit / (loss) of joint venture (net of tax)		0.45	(0.11)	1.18	0.34	1.61	(1.56)
5 Profit / (loss) before tax for the period / year		1,675.02	411.79	20.12	2,086.81	(997.17)	(594.11)
6 Tax expense							
Current Tax (including earlier years)		241.82	35.67	70.59	277.49	85.78	137.75
Deferred Tax / (credit)		(223.48)	52.62	(333.76)	(170.86)	(432.19)	(583.47)
7 Net profit / (loss) for the period / year		1,656.68	323.50	283.29	1,980.18	(650.76)	(148.39)
8 Other comprehensive income							
Items that will not be reclassified to profit or loss							
Remeasurement gain on the defined benefit liability		0.12	0.38	1.28	0.50	2.56	1.00
Fair value (gain)/ loss on financial assets measured at FVOCI (Refer note 5)		8.70	-	1,087.65	8.70	1,087.22	965.77
Tax on above		(2.03)	(0.09)	(249.18)	(2.12)	(249.40)	(221.22)
9 Total comprehensive income / (loss) for the period / year		1,663.47	323.79	1,123.04	1,987.26	189.62	597.16
Net income/ (loss) attributable to							
- Owners		1,339.90	19.16	115.46	1,359.06	(382.67)	(350.56)
- Non Controlling Interest		316.78	304.34	167.83	621.12	(268.09)	202.17
Total comprehensive income / (loss) attributable to							
- Owners		1,201.06	20.53	884.08	1,221.59	385.66	162.88
- Non Controlling Interest		462.41	303.26	238.96	765.67	(196.04)	434.28
10 Paid-up equity share capital (face value per share of Rs. 2/-)		3,052.06	3,052.06	3,052.06	3,052.06	3,052.06	3,052.06
11 Other Equity							45,168.40
12 Earnings per share (Basic and Diluted) (Rs.) *		0.88	0.01	0.08	0.89	(0.25)	(0.23)

* EPS is not annualized for the quarter and half year ended September 30, 2022 and quarter and half year ended September 30, 2021.



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Notes

- 1 The above unaudited consolidated financial results for the quarter and half year ended 30 September 2022 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 14 November 2022. The Statutory Auditors of the Company have carried out limited review on the above results in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('the Regulation'), as amended and expressed an unmodified conclusion.
- 2 The unaudited consolidated financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of the Regulation.
- 3 Hagwood Commercial Developers Private Limited ('the Subsidiary company') had applied for aviation No Objection Certificate ('NOC') from Airport Authority of India, Nagpur ('AAIN') for 60 meters in the month of February 2012. After completion of all due diligence and internal checks, a NOC of 48 meters above ground level was granted on March 03, 2012 by AAIN, valid for 5 years. Based on the said NOC, the Subsidiary company constructed four towers out of five towers during the validity of the said NOC.

The Subsidiary company had applied for renewal of NOC with AAIN in April 2017. However, AAIN had arbitrarily cancelled its earlier NOC of maximum permissible height in August 2017.

Further, the Appellate Committee of Ministry of Civil Aviation (Appellate Committee), without due consideration of complete facts had rejected the appeal of the Subsidiary company in this matter and instructed the Airport operator, Mihan India Private Limited ('MIHAN') to initiate action as per The Aircraft (Demolition of Obstructions caused by Buildings and Trees, etc.) Rules, 1994.

The Subsidiary company gathered Information through the RTI from MIHAN and Airport Authority of India ('AAI') which also suggests that there are no complaints from the pilots / airlines with respect to the four towers of the Subsidiary company creating any obstruction to safe flight operations. In addition, the Subsidiary company conducted an independent aeronautical study through ex-AAI official and VHF Omni directional Radio Range (VOR) (an aircraft navigation system) analysis and assessment study from a reputed aviation consultant, the reports of which cleared the buildings from being a major obstacle to the flight path.

The Subsidiary company had filed a writ petition in the Honourable High Court of Bombay (Nagpur Bench) for revocation of demolition order of Appellate Committee and restoration of the aviation NOC. Based on the interim order, the Honourable High Court of Bombay (Nagpur Bench) had stayed the demolition order and further proceedings were in progress.

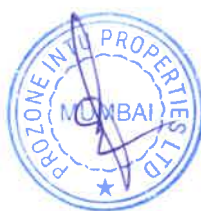
The Subsidiary company had withdrawn writ petition on June 22, 2021, with reference to the Order passed by Airport Authority of India dated April 13, 2021 in another case (MM 268 of 2014), which had permitted the right to increase the height for construction of towers from existing 49.26 meters to 57.00 metres, based on the study carried out in pursuance of the directions given by High Court of Kerala in its Judgement dated September 22, 2019.

The Nagpur Bench has allowed the Subsidiary company to withdraw the petition with liberty to file again if need arises. Since the facts and circumstances of the said case are similar to that of the Subsidiary company, the Subsidiary company has approached the competent Airport Authorities i.e. the Appellate Committee at New Delhi on October 4, 2021 requesting them to conduct aeronautical study and DVOR simulation study in order to seek a resolution outside Court to determine the permissible top elevation in respect of four towers in accordance to the rules prescribed in section 6.3.1.5 of Circular 5 of 2020 "Aeronautical Study Guidelines". The Subsidiary company has sent reminders to the authorities in December 2021 and January 2022. The decision/ reply of the Appellate Committee is awaited in this regard.

During the current quarter ended September 30, 2022, the subsidiary company has received part occupancy certificate (OC) from Nagpur Municipal Corporation ('NMC') upto 11 floors (206 flats) out of 14 floors (total 336 flats) for all four towers. While granting part OC, NMC has obtained bank guarantee of Rs. 396.00 Lakhs for Demolition and Rs. 330.84 Lakhs for rehabilitation rent being valid upto June 20, 2024 from the subsidiary company.

Based on independent aeronautical survey report obtained by the Subsidiary company, the obstacle limitation study report conducted by AAIN, legal opinion obtained by the Subsidiary company, receipt of part OC upto 11th floor (206 flats out of 336 flats) during the quarter ended September 2022 and merits of the case, management believes the chances of revalidation of NOC are high and accordingly, no adjustments have been made, in respect of any write down in the carrying value of inventories aggregating to Rs 31,570.68 Lakhs, and provision towards expected demolition cost and interest payable to customers on cancellation of bookings, in these unaudited consolidated financial results for the quarter and half year ended September 30, 2022.

- 4 The unaudited Consolidated Financial Results have been prepared in accordance with Ind AS 110 on Consolidated Financial Statements and Ind AS 28 on Investments in Associates and Joint Ventures.
- 5 Significant fair value gains / (losses) on remeasuring financial assets (FVOCI) represent remeasurement of fair valuation of investments in Joint venture on account of change in fair value of properties determined based on valuation report of independent valuer.
- 6 The above Unaudited Consolidated Financials Results are available on the Company's and stock exchanges websites (www.prozointu.com), BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.
- 7 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013.



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8 Standalone information:

Particulars	Quarter Ended			Half Year Ended		(Rs. in lakhs)
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from Operations	247.83	238.74	220.58	486.57	465.67	986.53
Profit from ordinary activities before tax	222.47	174.75	165.67	397.22	281.12	702.58
Net Profit for the period / year end	167.21	131.38	117.00	298.59	207.89	529.56
Total comprehensive income for the period / year end	1,963.91	133.11	1,943.84	2,097.02	2,035.28	5,946.07
Earnings per share (Basic and Diluted) (Rs.) *	0.11	0.09	0.08	0.20	0.14	0.35

* EPS is not annualized for the quarter and half year ended September 30, 2022 and quarter and half year ended September 30, 2021.

9 Segment information :

Particulars	Quarter Ended			Half Year ended		(Rs. in lakhs)
	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
a. Leasing	2,474.65	2,536.24	1,838.66	5,010.89	2,549.23	6,894.46
b. Outright Sales	195.42	327.54	1,190.78	522.96	1,190.78	2,443.23
Total	2,670.07	2,863.78	3,029.44	5,533.85	3,740.01	9,337.69
2. Segment Results						
Profit before tax and interest for each segment						
a. Leasing	1,098.50	1,173.44	634.69	2,271.94	359.18	1,942.39
b. Outright Sales	(237.37)	(32.69)	21.82	(270.06)	(87.92)	22.61
Total	861.13	1,140.75	656.51	2,001.88	271.26	1,965.00
Less: i) Interest	1,006.87	995.33	995.43	2,002.20	2,015.42	4,014.34
ii) Un-allocable (income) (net)	(1,820.31)	(266.48)	(357.86)	(2,086.79)	(745.38)	(1,456.79)
Profit / (Loss) from ordinary activities before tax and before share of profit / (loss) of joint venture	1,674.57	411.90	18.94	2,086.47	(998.78)	(592.55)
Add: Share of (loss) / profit of joint venture (net)	0.45	(0.11)	1.18	0.34	1.61	(1.56)
Profit / (Loss) before tax	1,675.02	411.79	20.12	2,086.81	(997.17)	(594.11)
Less: Tax Expenses	18.34	88.29	(263.17)	106.63	(346.41)	(445.72)
Net profit / (loss)	1,656.68	323.50	283.29	1,980.18	(650.76)	(148.39)
3. Capital Employed						
Segment Assets						
a. Leasing	58,863.88	63,966.84	63,590.60	58,863.88	63,590.60	61,876.51
b. Outright Sales	56,658.86	55,943.02	50,880.99	56,658.86	50,880.99	56,272.56
c. Unallocated *	48,930.65	43,225.21	49,200.97	48,930.65	49,200.97	45,982.28
Total	1,64,453.39	1,63,135.07	1,63,672.56	1,64,453.39	1,63,672.56	1,64,131.35
Segment Liabilities						
a. Leasing	40,168.70	40,796.91	41,386.25	40,168.70	41,386.25	42,803.29
b. Outright Sales	37,247.41	36,734.93	34,897.92	37,247.41	34,897.92	35,316.97
c. Unallocated *	6,450.28	6,679.71	9,196.19	6,450.28	9,196.19	7,411.33
Total	83,866.39	84,211.55	85,480.36	83,866.39	85,480.36	85,531.59
Capital Employed (Segment Assets - Segment Liabilities)						
a. Leasing	18,695.18	23,169.93	22,204.35	18,695.18	22,204.35	19,073.22
b. Outright Sales	19,411.45	19,208.09	15,983.07	19,411.45	15,983.07	20,955.59
c. Unallocated *	42,480.37	36,545.50	40,004.78	42,480.37	40,004.78	38,570.95
Total	80,587.00	78,923.52	78,192.20	80,587.00	78,192.20	78,599.76

Business segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the group. The group is engaged in the business of developing, owning and operating of Shopping Malls, Commercial and Residential Premises. Based on the business activities during the financial year, the group has identified the following business segments as its primary segment:-

- Leasing
- Outright Sales

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

*** Capital employed**

Assets and liabilities, which specifically cannot be allocable to identified business segment are separately disclosed as 'Unallocated'. The Management believes that it is not practicable to provide segment disclosures relating to unallocated, since a meaningful segregation of the available data is onerous.

For and on behalf of the Board of Directors of Prozone Intu Properties Limited

Nikhil Chaturvedi

Nikhil Chaturvedi
Managing Director
DIN : 00004983



Date : 14 November 2022
Place : Mumbai



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Statement of Consolidated Assets and Liabilities

(Rs. in lakhs)

Particulars	As at 30.09.2022 (Unaudited)	As at 31.03.2022 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	218.60	254.71
Investment properties	57,654.27	58,712.75
Investment property under development	3,663.18	3,703.52
Goodwill	9,113.18	9,113.18
Financial assets		
Investments	2,505.98	2,485.84
Loans	526.44	570.43
Other financial assets	1,774.12	3,668.14
Deferred tax assets (net)	10,099.55	9,930.81
Income tax assets (net)	1,182.67	791.23
Other non-current assets	2,040.52	2,037.76
Total Non-current assets	88,778.51	91,268.37
Current assets		
Inventories	49,356.75	47,073.70
Financial assets		
Investments	1,722.25	4,537.02
Trade receivables	1,357.53	2,929.09
Cash and cash equivalents	3,747.09	3,452.16
Bank balances other than Cash and cash equivalents	5,460.75	1,761.40
Loans	12,848.46	12,081.70
Other financial assets	761.40	672.74
Other current assets	420.65	355.17
Total current assets	75,674.88	72,862.98
TOTAL ASSETS	1,64,453.39	1,64,131.35
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	3,052.06	3,052.06
Other equity	46,389.98	45,168.40
Equity attributable to owners	49,442.04	48,220.46
Non controlling interest	31,144.96	30,379.30
Total equity	80,587.00	78,599.76
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	43,047.55	43,085.19
Other financial liabilities	3,399.57	3,538.56
Provisions	88.27	88.27
Other non-current liabilities	28.38	378.94
Total non-current liabilities	46,563.77	47,090.96
Current liabilities		
Financial liabilities		
Borrowings	1,173.52	2,526.89
Trade payables		
Due to micro enterprises and small enterprises	23.57	4.27
Due to other	678.48	855.35
Other financial liabilities	1,528.17	1,618.15
Provisions	80.62	75.85
Other current liabilities	33,782.89	33,359.58
Current tax liabilities (net)	35.37	0.54
Total current liabilities	37,302.62	38,440.63
Total liabilities	83,866.39	85,531.59
TOTAL EQUITY AND LIABILITIES	1,64,453.39	1,64,131.35



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Consolidated statement of cash flows

Particulars	(Rs. in lakhs)	
	For the half year ended 30.09.2022 (Unaudited)	For the half year ended 30.09.2021 (Unaudited)
A. Cash flow from operating activities:		
(Loss) before tax	2,086.81	(997.17)
<i>Adjustments for :</i>		
Depreciation and amortisation expense	1,201.13	1,328.87
Share of (Profit) / loss of Joint Venture	(0.34)	(1.61)
Fair value changes of current investments	2.01	(6.39)
Interest income (including financial assets carried at amortised cost)	(2,188.97)	(680.39)
Dividend income on current investments	-	(44.31)
Foreign currency translation gain	(14.66)	(8.79)
Sundry balances written off	21.86	39.52
Sundry Balances Written back	(99.17)	(281.91)
Finance Costs (including financial liabilities carried at amortised cost)	2,002.20	2,015.42
Liabilities no longer required written back	-	(107.05)
Amortisation of deferred asset	-	19.98
Profit on sale of current investments	(34.91)	(8.13)
Operating profit before working capital changes	2,975.96	1,268.04
Adjustments for changes in working capital:		
(Increase) / Decrease in inventories	(944.20)	359.25
(Increase) / Decrease in trade receivables	1,549.70	(413.89)
(Increase) / Decrease in loans	1,219.81	(1,722.19)
Decrease in other financial assets	1,896.57	290.13
(Increase) in other assets	(68.24)	(173.06)
Increase / (Decrease) in trade payables	(138.19)	920.57
(Decrease) in other financial liabilities	(397.31)	(1,847.59)
Increase / (Decrease) in other liabilities	(701.88)	1,466.79
Increase in provisions	5.26	10.27
Cash generated from operations	5,397.48	158.32
Direct taxes paid (net of refunds received)	(364.48)	533.03
Net cash flows generated from operating activities (A)	5,033.00	691.35
B. Cash flows from investing activities:		
Purchase of property, plant and equipment	(19.98)	(6.95)
Sales of property, plant and equipment	10.93	-
Purchase of investment property including expenditure on Investment property under construction	(57.15)	(56.87)
Purchase of non-current investments (net)	-	(417.00)
(Purchase) / Sales of current investments (net)	2,827.87	(1,300.22)
Dividend income	-	44.31
Net (Investment) / Divestment in Bank Deposits	(3,699.35)	(209.40)
Net cash flows (used in) investing activities (B)	(937.68)	(1,946.13)
C. Cash flows from financing activities:		
Repayment of long - term borrowings	(2,719.88)	(13.00)
Proceeds from long - term borrowings	1,000.00	1,392.37
Repayment of short - term borrowings	-	(1,698.92)
Finance cost paid	(2,080.51)	(1,623.91)
Net cash flows (used in) from financing activities (C)	(3,800.39)	(1,943.46)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	294.93	(3,198.24)
Cash and cash equivalents at the beginning of the year	3,452.16	4,613.27
Cash and Cash Equivalents at the end of the period	3,747.09	1,415.03

The Statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on statement of cash flow prescribed in Companies (Indian Accounting Standard) Rules, 2015, notified under section 133 of the Companies Act, 2013.

For and on behalf of the Board of Directors of Prozone Intu Properties Limited

Nikhil Chaturvedi

Nikhil Chaturvedi
Managing Director
DIN : 00004983



Date : 14 November 2022
Place : Mumbai

