

Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2023

(Rs. in lakhs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
(a) Revenue from operations						
Outright Sales	1,108.63	2,668.04	195.42	3,776.67	522.96	7,064.45
Leasing	2,691.58	2,687.53	2,474.65	5,379.11	5,010.89	10,252.82
	3,800.21	5,355.57	2,670.07	9,155.78	5,533.85	17,317.27
(b) Other income	262.45	1,186.58	1,878.37	1,449.03	2,321.04	5,750.96
Total income	4,062.66	6,542.15	4,548.44	10,604.81	7,854.89	23,068.23
2 Expenses						
(a) Cost of material consumed	569.33	692.52	826.27	1,261.85	1,634.29	3,907.87
(b) Change in inventories of finished goods and construction work in progress	422.82	1,677.77	(664.75)	2,100.59	(1,275.54)	2,757.58
(c) Employee benefits expense	117.43	112.85	114.89	230.28	216.16	462.30
(d) Finance costs	1,077.38	1,023.98	1,006.87	2,101.36	2,002.20	4,106.80
(e) Depreciation and amortisation expenses	603.61	579.76	605.86	1,183.37	1,201.13	2,424.35
(f) Other expenses	1,109.94	1,053.35	984.73	2,163.29	1,990.18	4,638.52
Total expenses	3,900.51	5,140.23	2,873.87	9,040.74	5,768.42	18,297.42
3 Profit from ordinary activities before tax and before share of profit / (loss) of joint venture	162.15	1,401.92	1,674.57	1,564.07	2,086.47	4,770.81
4 Share of profit / (loss) of joint venture (net of tax)	10.69	10.34	0.45	21.03	0.34	(4.16)
5 Profit before tax for the period / year	172.84	1,412.26	1,675.02	1,585.10	2,086.81	4,766.65
6 Tax expense						
Current Tax (including earlier years)	48.62	259.92	241.82	308.54	277.49	875.23
Deferred Tax / (credit)	(234.54)	(152.25)	(223.48)	(386.79)	(170.86)	59.06
7 Net profit for the period / year	358.76	1,304.60	1,656.68	1,663.35	1,980.18	3,832.36
8 Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement gain on the defined benefit liability	0.77	0.77	0.12	1.54	0.50	3.07
Fair value (loss) on financial assets measured at FVOCI	-	-	8.70	-	8.70	(313.50)
Tax on above	(0.20)	(0.19)	(2.03)	(0.39)	(2.12)	464.95
9 Total comprehensive income for the period / year	359.33	1,305.17	1,663.47	1,664.50	1,987.27	3,986.88
Net income attributable to						
- Owners	139.32	891.08	1,339.90	1,030.39	1,359.06	2,530.62
- Non Controlling Interest	219.44	413.52	316.78	632.96	621.12	1,301.74
Total comprehensive income attributable to						
- Owners	139.77	891.55	1,201.06	1,031.31	1,221.60	2,333.49
- Non Controlling Interest	219.56	413.63	462.41	633.18	765.67	1,653.39
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	-	-	-	-	-	48,143.93
12 Earnings per share (Basic and Diluted) (Rs.) *	0.09	0.58	0.88	0.68	0.89	1.66

* Not annualized except for the year ended March 31, 2023



[Handwritten signature]



PROZONE REALTY LIMITED

(Formerly known as PROZONE INTU PROPERTIES LIMITED)

CIN : L45200MH2007PLC174147

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

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

Notes

- 1 The above Unaudited consolidated financial results for the Quarter and Half year ended September 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on November 10, 2023. The statutory auditors of the Company have expressed an unmodified conclusion on the unaudited consolidated financial results for the quarter and half year ended September 30, 2023.
- 2 The unaudited consolidated financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting principles generally accepted in India 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 02, 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 February 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 judgment dated September 22, 2020.

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 previous year ended March 31, 2023, the subsidiary company had 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. 330.94 Lakhs for rehabilitation rent being valid upto June 20, 2024 from the subsidiary company.

During the half year ended September 30, 2023 and year ended March 31, 2023, 33 customers and 62 customers, respectively, have taken possession and based on which, revenue and proportionate cost in respect such units has been recognised in the financial results/ financial statements for the half year ended September 30, 2023 and year ended March 31, 2023, respectively. Further, the Company had sent final demand letters and letter asking to take possession to remaining customers for which OC has been received during the year ended March 31, 2023 and for which the customers are expected to make the balance payment and take possession of their respective units.

Considering the delay in the revert from AAI, the Company had submitted the representation vide letter dated April 29, 2023 to the Appellate Committee, Secretary Aviation, Chairman of AAI and Member Air Navigation Services requesting to conduct the Aeronautical studies, CNS simulation study and issue of aviation NOC may be kindly taken within 30 days, failing which the Company has approached the Hon'ble High Court of Bombay (Nagpur Bench) for redressal by way of filing writ petition in the month of July 2023, for which the admission and hearing is awaited.

Based on finding from an independent aeronautical survey report obtained by the Subsidiary company, the obstacle limitation study report conducted by Mihan India Private Limited and validated by AAI New Delhi, the receipt of part OC upto 11th floor (206 flats out of 336 flats) during the year ended March 31, 2023 and legal opinion obtained by the subsidiary company for the quarter and half year ended September 30, 2023, the management believes that 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 inventory of four towers aggregating to Rs. 27,758.91 lakhs, and no provision has been made in these financial results for the quarter and half year ended September 30, 2023 towards expected demolition cost and interest payable to customers on cancellation of bookings.



[Handwritten signature]



- 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 The above unaudited consolidated financials results are available on the company's website (www.prozoneintu.com) and stock exchanges websites BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.
- 6 Previous period's / year's figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification.

7 Standalone information:

Particulars	Quarter Ended			Half Year Ended		(Rs. in lakhs)
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from Operations	245.82	239.33	247.83	485.15	486.57	1,083.99
Profit from ordinary activities before tax	160.05	209.39	222.47	369.44	397.22	851.12
Net Profit for the period / year end	119.90	156.80	167.21	276.70	298.59	634.76
Total comprehensive income for the period / year end	2,930.97	157.08	1,963.91	3,088.04	2,097.02	7,887.36
Earnings per share (Basic and Diluted) (Rs.) *	0.08	0.10	0.11	0.18	0.20	0.42

* not annualized except for the year ended March 31, 2023



8 Segment information :

(Rs. in lakhs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
a. Leasing	2,691.58	2,687.53	2,474.65	5,379.11	5,010.89	10,252.82
b. Outright Sales	1,108.63	2,668.04	195.42	3,776.67	522.96	7,064.45
Total	3,800.21	5,355.57	2,670.07	9,155.78	5,533.85	17,317.27
2. Segment Results						
Profit before tax and interest for each segment						
a. Leasing	1,277.18	1,400.64	1,098.50	2,677.82	2,271.94	4,608.21
b. Outright Sales	(138.10)	13.59	(237.37)	(124.51)	(270.06)	(780.77)
Total	1,139.08	1,414.23	861.13	2,553.31	2,001.88	3,827.44
Less: i) Interest	1,077.38	1,023.98	1,006.87	2,101.36	2,002.20	4,106.80
ii) Un-allocable (income) (net)	(100.45)	(1,011.67)	(1,820.31)	(1,112.12)	(2,086.78)	(5,050.17)
Profit / (Loss) from ordinary activities before tax and before share of profit / (loss) of joint venture	162.15	1,401.92	1,674.57	1,564.07	2,086.47	4,770.81
Add: Share of (loss) / profit of joint venture (net)	10.69	10.34	0.45	21.03	0.34	(4.16)
Profit / (Loss) before tax	172.84	1,412.26	1,675.02	1,585.10	2,086.81	4,766.65
Less: Tax Expenses	(185.92)	107.67	18.34	(78.25)	106.63	934.29
Net profit / (loss)	358.76	1,304.60	1,656.68	1,663.35	1,980.18	3,832.36
3. Capital Employed						
<u>Segment Assets</u>						
a. Leasing	45,438.15	47,438.03	58,863.88	45,438.15	58,863.88	57,028.50
b. Outright Sales	50,645.23	50,883.04	56,658.86	50,645.23	56,658.86	52,641.35
c. Unallocated *	60,037.04	60,384.00	48,930.65	60,037.04	48,930.65	49,225.03
Total	1,56,120.42	1,58,705.07	1,64,453.39	1,56,120.42	1,64,453.39	1,58,894.88
<u>Segment Liabilities</u>						
a. Leasing	34,285.13	37,426.27	40,168.70	34,285.13	40,168.70	37,798.68
b. Outright Sales	29,716.23	29,578.40	37,247.41	29,716.23	37,247.41	30,961.73
c. Unallocated *	7,225.89	7,166.53	6,450.28	7,225.89	6,450.28	6,905.79
Total	71,227.25	74,171.20	83,866.39	71,227.25	83,866.39	75,666.20
<u>Capital Employed (Segment Assets - Segment Liabilities)</u>						
a. Leasing	11,153.02	10,011.76	18,695.18	11,153.02	18,695.18	19,229.82
b. Outright Sales	20,929.00	21,304.64	19,411.45	20,929.00	19,411.45	21,679.62
c. Unallocated *	52,811.15	53,217.47	42,480.37	52,811.15	42,480.37	42,319.24
Total	84,893.17	84,533.87	80,587.00	84,893.17	80,587.00	83,228.68

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:-

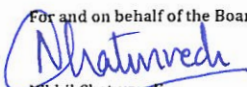
- a) Leasing
- b) Outright Sales

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.

*** Unallocated**

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 REALTY LIMITED


Nikhil Chaturvedi
Managing Director
DIN : 00004983



Date : November 10, 2023
Place : Mumbai

