

Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31 December 2019

Particulars	Quarter Ended			Nine Months Ended		(Rs. in lakhs)
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
(a) Revenue from operations	3.46	32.83	1,347.19	44.82	3,367.87	3,875.74
Revenue from real estate projects	2,270.05	2,185.13	2,045.07	6,682.39	5,666.10	7,946.61
Lease rental and related income	2,273.51	2,217.96	3,392.26	6,727.21	9,033.97	11,822.35
(b) Other income	686.52	499.59	338.62	1,554.93	1,166.36	1,559.70
Total income	2,960.03	2,717.55	3,730.88	8,282.14	10,200.33	13,382.05
2 Expenses						
(a) Cost of material consumed	1,628.03	1,304.87	415.70	3,996.16	1,927.98	3,146.57
(b) Change in inventories of finished goods and construction work in progress	(1,625.72)	(1,279.87)	611.51	(3,963.14)	377.25	(366.62)
(c) Employee benefits expense	115.25	114.14	94.68	334.69	264.49	380.67
(d) Finance costs	1,192.69	1,100.98	895.32	3,256.28	2,474.25	3,432.16
(e) Depreciation and amortisation expenses	828.44	841.24	872.06	2,478.89	2,504.12	3,397.19
(f) Other expenses	987.25	816.09	566.85	2,504.26	1,919.10	2,608.39
Total expenses	3,125.94	2,897.45	3,456.12	8,607.14	9,467.19	12,598.36
3 (Loss) / Profit from ordinary activities before tax before share of (loss) / profit of joint ventures	(165.91)	(179.90)	274.76	(325.00)	733.14	783.69
4 Share of profit / (loss) of joint ventures (net of tax)	12.09	12.61	(0.02)	24.55	(0.15)	17.44
5 (Loss) / profit before tax	(153.82)	(167.29)	274.74	(300.45)	732.99	801.13
6 Tax expense						
Current Tax	20.14	22.25	18.19	90.02	125.90	135.85
Deferred Tax (credit) / charge	(235.02)	168.67	148.81	(113.75)	336.07	(22.37)
Tax of earlier years	-	-	-	-	12.43	35.30
7 Net profit / (loss) for the period / year	61.06	(358.21)	107.74	(276.72)	258.59	652.35
8 Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plan	(1.76)	(1.77)	(1.76)	(5.29)	(5.29)	(7.05)
(Loss) on remeasuring FVTOCI financial assets	-	-	-	-	-	(199.40)
Tax on above	0.53	0.49	0.49	1.51	1.47	46.34
9 Total comprehensive income / (loss) for the period / year	59.83	(359.49)	106.47	(280.50)	254.77	492.24
Net profit / (loss) attributable to						
- Owners	30.87	(260.85)	25.04	(212.75)	(10.36)	244.55
- Non Controlling Interest	30.19	(97.36)	82.70	(63.97)	268.94	407.80
Total comprehensive income / (loss) attributable to						
- Owners	30.48	(363.18)	23.39	(317.29)	(15.44)	(197.29)
- Non Controlling Interest	29.35	3.69	83.08	36.79	270.22	689.53
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	-	-	-	-	-	46,867.86
12 Earnings per share (Basic and Diluted) (Rs.)	0.02 *	(0.17) *	0.02 *	(0.14) *	(0.01) *	0.16
* (Not annualised)						



Chaturvedi

Notes:

- The above unaudited consolidated financial results which are published in accordance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14 February 2020. The financial results are in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment Rules), 2016. These results have been subject to limited review by the Statutory Auditors of the Holding company.
- With effect from 1 April 2019, the Group has adopted Ind AS 116 "Leases". The same is applied to all lease contract existing on 1 April 2019 using modified retrospective approach. Under this approach the Group has recognised the right of use asset at its carrying amount as if the standard had been applied since the lease commencement date, but discounted at its borrowing rate at the date of its initial application and lease liability measured at the present value of the remaining lease payment. Accordingly the Group has recognised the right to use assets (ROU) of Rs 44.34 lakhs and lease liability of Rs 50.70 lakhs and the cumulative effect of Rs 4.59 lakhs (net of deferred tax amounting to Rs 1.77 lakhs) is debited to retained earnings. Further the comparative for the previous periods are not required to be restated.

The effect of transition to Ind AS 116 on the statement of profit and loss for the quarter and nine months ended 31 December 2019 is as under: (Rs. in lakhs)

Particulars	Quarter Ended 31 December 2019			Nine Months Ended 31 December 2019		
	Amount without Ind AS 116 application	Amount due to Ind AS 116 impact	Impact on PBT	Amount without Ind AS 116 application	Amount due to Ind AS 116 impact	Impact on PBT
Rental expenses	9.48	0.48	9.00	28.45	1.45	27.00
Finance costs	1,191.72	1,192.69	(0.97)	3,252.46	3,256.28	(3.82)
Depreciation expense	821.44	828.44	(7.00)	2,457.89	2,478.89	(21.00)
Total	2,022.64	2,021.61	1.03	5,738.80	5,736.62	2.18

- Airport Authority of India, Nagpur ('AAIN') has arbitrarily cancelled maximum permissible height NOC issued to one of the subsidiary of the Company for its project in Nagpur. The subsidiary of the company has followed due process as per rules & regulation and contesting case for revalidation of NOC. Further, the Appellate Committee of Ministry of Civil Aviation, without due consideration of complete facts has rejected the appeal of the subsidiary company and instructed the Airport operator to initiate action as per Aircraft (Demolition of Obstructions caused by buildings and tree, etc.) Rule 1994. The subsidiary of the company has filed writ petition in Honourable High court of Bombay (Nagpur Bench) for revocation of demolition order of Appellate Committee and restoration of the aviation NOC. In interim, Honourable High court has stayed demolition order and further proceedings are in progress. Based on facts, aviation consultants study report and legal opinion, chances of revalidation of NOC are high hence no provision has been considered necessary on inventory as at 31 December 2019.
- The subsidiary of company has provided the facility amount of Rs. 4,000 lakhs (Rs. 7,255.02 lakhs including interest) for various real estate projects with fixed and variable returns. The said amount is fully secured. Investee has failed to perform on agreed obligations, hence the subsidiary of company had filed petition in the Hon'ble High Court at Bombay, seeking performance of contract, Status quo on the projects and security given. As per the interim order passed on 17 July 2018, Hon'ble High court has directed investee to maintain status quo and not to create any third party right on the respective projects etc till further order. Further, as per the legal opinion, the Company would get an award / decree in its favour at least for recovering money together with the interest from the investee. During the previous quarter, the said investee has submitted a 'Without Prejudice Offer' to pay facility amount in installments with interest in next 3 years. Accordingly, the Company has considered the said facility amount as good and continued to accrue interest thereon.
- A new section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on 20 September 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. The Group has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) for all companies except Parent Company. This has resulted in reduction in deferred tax assets by Rs 348.67 lakhs which is charged to profit and loss account as deferred tax expense in quarter ended 30 September 2019 and nine months ended 31 December 2019.
- The 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.
- The Company has opted to furnish consolidated results, pursuant to option made available as per Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulation, 2015. The consolidated financial results are available on the Company's website (www.prozoneintu.com), BSE (www.bseindia.com) and NSE (www.nseindia.com).
- The statutory auditors of the Holding Company have expressed an unqualified opinion on the unaudited consolidated financial results for the quarter and nine months ended 31 December 2019.
- Standalone information:**

Particulars	Quarter Ended			Nine Months Ended		(Rs. in lakhs)
	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	Year Ended 31.03.2019 (Audited)
Income from operations	237.76	237.29	260.95	712.19	594.93	829.64
Profit from ordinary activities before tax	134.05	145.08	44.20	429.13	114.81	336.34
Profit from ordinary activities after tax	114.52	129.38	31.57	378.01	91.10	242.18
Total comprehensive income / (loss)	111.93	(908.32)	32.43	(664.88)	93.67	(199.93)
Earnings per share (Rs.) (Basic / Diluted)	0.08*	0.08*	0.02*	0.25*	0.06*	0.16

*(Not annualised)



Dharmendra



10 Segment information :

(Rs. in lakhs)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Segment Revenue						
a. Leasing	2,270.05	2,185.13	2,045.07	6,682.39	5,666.10	7,946.61
b. Outright Sales	3.46	32.83	1,347.19	44.82	3,367.87	3,875.74
Total	2,273.51	2,217.96	3,392.26	6,727.21	9,033.97	11,822.35
2 Segment Results						
Profit before tax and interest for each segment						
a. Leasing	905.25	527.36	638.49	2,364.16	1,504.62	2,328.50
b. Outright Sales	(295.49)	(54.91)	262.66	(405.31)	913.63	892.55
Total	609.76	472.45	901.15	1,958.85	2,418.25	3,221.05
Less: i) Interest	1,192.69	1,100.98	895.32	3,256.28	2,474.25	3,432.16
ii) Un-allocable expenses / (income) (net)	(429.11)	(461.24)	(268.91)	(996.98)	(788.98)	(1,012.24)
Total (loss) / profit before tax	(153.82)	(167.29)	274.74	(300.45)	732.99	801.13
Less: Tax Expenses	(214.88)	190.92	167.00	(23.73)	474.40	148.78
Net (loss) / profit	61.06	(358.21)	107.74	(276.72)	258.59	652.35
3 Capital Employed						
Segment Assets						
a. Leasing	59,593.10	55,107.31	58,464.45	59,593.10	58,464.45	56,543.28
b. Outright Sales	43,160.52	41,890.25	31,022.35	43,160.52	31,022.35	31,983.19
c. Unallocated	56,485.10	60,913.00	53,842.30	56,485.10	53,842.30	54,686.04
Total	159,238.72	157,910.56	143,329.10	159,238.72	143,329.10	143,212.51
Segment Liabilities						
a. Leasing	40,013.76	41,891.07	36,458.20	40,013.76	36,458.20	34,746.32
b. Outright Sales	27,873.88	24,953.27	15,669.36	27,873.88	15,669.36	17,090.04
c. Unallocated	8,893.14	8,668.13	8,360.73	8,893.14	8,360.73	8,633.13
Total	76,780.78	75,512.47	60,488.29	76,780.78	60,488.29	60,469.49
(Segment Assets - Segment Liabilities)						
a. Leasing	19,579.34	13,216.24	22,006.25	19,579.34	22,006.25	21,796.96
b. Outright Sales	15,286.64	16,936.98	15,352.99	15,286.64	15,352.99	14,893.15
Unallocated Capital Employed	47,591.96	52,244.87	45,481.57	47,591.96	45,481.57	46,052.91
Total	82,457.94	82,398.09	82,840.81	82,457.94	82,840.81	82,743.02

For and on behalf of the Board

Nikhil Chaturvedi
Nikhil Chaturvedi
Managing Director
DIN : 00004983



Date : 14 February 2020
Place : Mumbai

