

PROZONE INTU PROPERTIES LIMITED

CIN : L45200MH2007PLC174147

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

Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2020

		(Rs. in lakhs)				
Particulars		Quarter Ended			Nine months ended	
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Income					
	(a) Revenue from operations	-	-	3.46	-	44.82
	Revenue from real estate projects	1,455.90	322.14	2,270.05	1,793.48	6,682.39
	Lease rental and related income	1,455.90	322.14	2,273.51	1,793.48	6,727.21
						8,503.88
	(b) Other income	316.45	407.06	686.52	1,017.93	1,554.93
						2,014.17
	Total income	1,772.35	729.20	2,960.03	2,811.41	8,282.14
						10,518.05
2	Expenses					
	(a) Cost of material consumed	474.23	440.28	1,628.03	1,174.69	3,996.16
	(b) Change in inventories of finished goods and construction work in progress	(474.23)	(440.28)	(1,625.72)	(1,174.69)	(3,963.14)
	(c) Employee benefits expense	91.50	73.45	115.25	243.65	334.69
	(d) Finance costs	1,259.68	1,192.13	1,192.69	3,451.12	3,256.28
	(e) Depreciation and amortisation expenses	750.70	752.51	828.44	2,247.49	2,478.89
	(f) Other expenses	655.36	376.54	987.25	1,340.13	2,504.26
						3,201.91
	Total expenses	2,757.24	2,394.63	3,125.94	7,282.39	8,607.14
						11,152.80
3	Loss from ordinary activities before tax before share of profit of joint ventures	(984.89)	(1,665.43)	(165.91)	(4,470.98)	(325.00)
						(634.75)
4	Share of (loss) / profit of joint ventures (net of tax)	(1.84)	3.02	12.09	3.15	24.55
						31.23
5	Loss before tax	(986.73)	(1,662.41)	(153.82)	(4,467.83)	(300.45)
						(603.52)
6	Tax expense					
	Current Tax	25.59	(9.16)	20.14	61.27	90.02
	Deferred Tax (credit) / charge	(4.85)	94.33	(235.02)	(6.33)	(113.75)
	Tax of earlier years	(22.87)	-	-	(22.87)	-
						(3.15)
7	Net (loss) / profit for the period / year	(984.60)	(1,747.58)	61.06	(4,499.90)	(276.72)
						(416.51)
8	Other comprehensive income					
	Items that will not be reclassified to profit or loss					
	Remeasurement gain/ (loss) of the defined benefit plan	(1.28)	0.30	(1.76)	(0.63)	(5.29)
	Profit / (loss) on remeasuring FVTOCI financial assets	363.24	(860.98)	-	(426.49)	-
	Tax on above	(82.74)	196.91	0.53	97.76	1.51
						(191.69)
9	Total comprehensive (loss) / profit for the period / year	(705.38)	(2,411.35)	59.83	(4,829.26)	(280.50)
						(585.87)
	Net (loss) / income attributable to					
	- Owners	(663.68)	(1,083.09)	30.87	(2,683.51)	(212.75)
	- Non Controlling Interest	(320.91)	(664.45)	30.19	(1,816.38)	(63.97)
						(152.02)
	Total comprehensive (loss) / income attributable to					
	- Owners	(383.35)	(1,097.77)	30.48	(2,363.10)	(317.29)
	- Non Controlling Interest	(322.03)	(1,313.58)	29.35	(2,466.15)	36.78
						(73.28)
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
11	Other Equity	-	-	-	-	46,599.66
12	Earnings per share (Basic and Diluted) (Rs.)	(0.43) *	(0.71) *	0.02 *	(1.76) *	(0.14) *
	* (Not annualised)					(0.10)



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Notes :

1 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 12 February 2021. 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.

2 Airport Authority of India, Nagpur ('AAIN') had arbitrarily cancelled maximum permissible height No Objection certificate ('NOC') issued to the subsidiary company for its residential project in Nagpur in August 2017. The subsidiary company had followed due process as per rules and regulations and obtained the NOC in February 2012. The subsidiary company is contesting the case against AAIN for cancellation order issued by AAIN and revalidation of the NOC.

Further, the Appellate Committee of Ministry of Civil Aviation, 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 to initiate action as per Aircraft (Demolition of Obstructions caused by buildings and tree, etc.) Rule, 1994.

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) has stayed the demolition order and further proceedings are in progress.

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 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 25,839.39 lakhs, and provision towards expected demolition cost and interest payable to customers on cancellation of bookings, in the unaudited consolidated financial results as at 31 December 2020.

3 A subsidiary company had provided the facility amount of Rs. 4,000 lakhs (Rs. 7,518.02 lakhs including interest) for various real estate projects with fixed and variable returns to a party. The said amount is fully secured. Investee has failed to perform on agreed obligations, hence the subsidiary 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, the 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 subsidiary company would get an award / decree in its favour at least for recovering money together with the interest from the investee. Accordingly, the subsidiary company has considered the said facility amount including interest of Rs 7,518.02 lakhs, as good and recoverable. However, since the matter is pending since long time, the management has discontinued to accrue interest thereon from 1 April 2020 till the outcome of the said litigation.

4 The Group's operations were impacted by the Covid 19 pandemic. In preparation of these unaudited consolidated financial results, the Group has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity and going concern, recoverable values of its financial and non-financial assets, impact on revenues and costs to complete ongoing projects. Based on current indicators of future economic conditions, the Group has sufficient liquidity and expects to fully recover the carrying amount of its assets. Mall operations of the subsidiaries of Company were severely impacted and mall remain closed for entire 1st quarter and opened in end of 2nd quarter. During 2nd quarter and 3rd quarter, Revenue is recognized on the basis of certainty of receipt of same from the tenants

Considering the present nature of the pandemic, its actual impact in future could be different from that estimated as at the date of approval of these unaudited consolidated financial results. The Group will continue to monitor any material changes to future economic conditions.

5 The Group has applied for resolution as per Resolution Framework for COVID-19-related Stress for construction as well as lease rental discounting (LRD) loan as per Reserve bank of India (RBI) circular dated 6 August 2020 and 7 September 2020. The confirmations are received from all Bank/Financial Institution for invocation of resolution plan. The resolution proposals are under finalisation at respective Bank/Financial Institution. The Group based on its cash flow projections and management assessment has the ability to discharge the liabilities as and when due and will be able to continue to operate on going concern basis

6 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.

7 The Parent Company has approved the Scheme of Amalgamation of its wholly owned subsidiaries ie Royal Mall Private Limited ('Amalgamating Company') with Prozone Developers & Realtors Private Limited ('Amalgamated Company') under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. Both these Companies are wholly owned subsidiaries of the Parent Company and have approved the Scheme in their respective Board Meetings. The appointed date of the Scheme is 1 January 2020. The scheme of Amalgamation is already filed with National Company Law Tribunal on 20 August 2020. Since the proposed amalgamation is between two wholly-owned subsidiaries, right of the Company and its stakeholders are not going to be affected by the virtue of this Scheme. The next hearing in National Company Law Tribunal is scheduled in March 2021.

8 During the previous quarter ended 30 June 2020, the Parent Company has acquired 25.37 lakhs shares (FV of Rs. 10 fully paid up) and 46.34 lakhs shares (FV of Rs. 10 partly paid up) at par in "Calendula Commerce Private Limited". "Calendula Commerce Private Limited" has become joint venture company of Parent Company with effect from 4 May 2020 on account of said acquisition of shares.

9 Prozone Liberty International Limited ('PLIL'), overseas wholly owned subsidiary of Company has entered into a Share Transfer Agreement on 21 January 2021 with Indian buyers for sale of equity shares, representing 50% of the total issued and paid up capital of Emerald Buildhome Private Limited (joint venture of PLIL), and have received sale consideration and completed share transfer. Accordingly, Emerald Buildhome Private Limited will cease to be joint venture of the ('PLIL or Seller') and consequently of the Holding Company.

10 The Group 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).



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11 The statutory auditors of the Parent Company have expressed an unqualified opinion on the unaudited consolidated financial results for the quarter and nine months ended 31 December 2020

12 Standalone information:

(Rs. in lakhs)

Particulars	Quarter Ended			Year Ended		
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from operations	212.80	120.78	237.76	468.22	712.19	951.44
Profit / (Loss) from ordinary activities before tax	122.56	(58.38)	134.05	194.15	429.13	586.53
Net Profit / (Net loss) for the period / year	85.89	(46.10)	114.52	133.84	378.01	516.57
Total comprehensive income / (loss) for the period / year	365.92	(17,180.56)	111.93	(16,449.54)	(664.88)	(19,799.22)
Earnings per share (Rs.) (Basic / Diluted)	0.06*	(0.03)*	0.08*	0.09*	0.25*	0.34


* (Not annualised)

13 Segment information :

(Rs. in lakhs)

Particulars	Quarter Ended			Year Ended		
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Segment Revenue						
a. Leasing	1,455.90	322.14	2,270.05	1,793.48	6,682.39	8,453.95
b. Outright Sales	-	-	3.46	-	44.82	49.93
Total	1,455.90	322.14	2,273.51	1,793.48	6,727.21	8,503.88
2 Segment Results						
Profit before tax and interest for each segment						
a. Leasing	191.40	(733.27)	905.25	(1,410.58)	2,364.16	2,715.16
b. Outright Sales	(158.42)	(105.56)	(295.49)	(407.26)	(405.31)	(570.01)
Total	32.98	(838.83)	609.76	(1,817.84)	1,958.85	2,145.15
Less: i) Interest	1,259.68	1,192.13	1,192.69	3,451.12	3,256.28	4,152.17
ii) Un-allocable expenses / (income) (net)	(241.81)	(365.53)	(417.02)	(797.98)	(972.43)	(1,372.27)
(Loss) / Profit from ordinary activities before tax before share of (loss) / profit of joint ventures	(984.89)	(1,665.43)	(165.91)	(4,470.98)	(325.00)	(634.75)
Add: Share of profit / (loss) of joint ventures (net)	(1.84)	3.02	12.09	3.15	24.55	31.23
(Loss) / profit before tax	(986.73)	(1,662.41)	(153.82)	(4,467.83)	(300.45)	(603.52)
Less: Tax Expenses	(2.13)	85.17	(214.88)	32.07	(23.73)	(187.01)
Net (loss) / profit	(984.60)	(1,747.58)	61.06	(4,499.90)	(276.72)	(416.51)
3 Capital Employed						
Segment Assets						
a. Leasing	62,566.19	63,331.38	59,593.10	62,566.19	59,593.10	64,335.40
b. Outright Sales	47,823.18	46,944.98	43,160.52	47,823.18	43,160.52	45,113.44
c. Unallocated	49,455.17	49,410.39	56,485.10	49,455.17	56,485.10	51,624.52
Total	1,59,844.54	1,59,686.75	1,59,238.72	1,59,844.54	1,59,238.72	1,61,073.36
Segment Liabilities						
a. Leasing	41,456.91	41,981.25	40,013.76	41,456.91	40,013.76	40,036.91
b. Outright Sales	32,044.43	30,313.18	27,873.88	32,044.43	27,873.88	28,602.88
c. Unallocated	9,019.90	9,363.62	8,893.14	9,019.90	8,893.14	10,281.01
Total	82,521.24	81,658.05	76,780.78	82,521.24	76,780.78	78,920.80
(Segment Assets - Segment Liabilities)						
a. Leasing	21,109.28	21,350.13	19,579.34	21,109.28	19,579.34	24,298.49
b. Outright Sales	15,778.75	16,631.80	15,286.64	15,778.75	15,286.64	16,510.56
Unallocated Capital Employed	40,435.27	40,046.77	47,591.96	40,435.27	47,591.96	41,343.51
Total	77,323.30	78,028.70	82,457.94	77,323.30	82,457.94	82,152.56

For and on behalf of the Board



Nikhil Chaturvedi
Managing Director
DIN : 00004983



Date : 12 February 2021
Place : Mumbai

