

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 Unaudited Consolidated Financial Results for the Quarter and Half Year Ended 30 September 2019

(Rs. in lakhs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
(a) Revenue from operations						
Revenue from real estate projects	32.83	8.53	2,020.68	41.36	2,020.68	3,875.74
Lease rental and related income	2,185.13	2,227.21	1,920.18	4,412.34	3,621.03	7,946.61
	2,217.96	2,235.74	3,940.86	4,453.70	5,641.71	11,822.35
(b) Other income	499.59	368.82	409.56	868.41	827.74	1,559.70
Total income	2,717.55	2,604.56	4,350.42	5,322.11	6,469.45	13,382.05
2 Expenses						
(a) Cost of material consumed	1,304.87	1,063.26	1,512.28	2,368.13	1,512.28	3,146.57
(b) Change in inventories of finished goods and construction work in progress	(1,279.87)	(1,057.55)	(234.26)	(2,337.42)	(234.26)	(366.62)
(c) Employee benefits expense	114.14	105.30	81.55	219.44	169.81	380.67
(d) Finance costs	1,100.98	962.61	808.00	2,063.59	1,578.93	3,432.16
(e) Depreciation and amortisation expenses	841.24	809.21	852.14	1,650.45	1,632.06	3,397.19
(f) Other expenses	816.09	700.93	744.48	1,517.01	1,352.25	2,608.39
Total expenses	2,897.45	2,583.76	3,764.19	5,481.20	6,011.06	12,598.36
3 (Loss) / Profit from ordinary activities before tax before share of (loss) / profit of joint ventures	(179.90)	20.80	586.23	(159.09)	458.39	783.69
4 Share of profit / (loss) of joint ventures (net of tax)	12.61	(0.15)	(0.03)	12.46	(0.13)	17.44
5 (Loss) / profit before tax	(167.29)	20.65	586.20	(146.63)	458.26	801.13
6 Tax expense						
Current Tax	22.25	47.63	47.31	69.88	107.71	135.85
Deferred Tax (credit) / charge	168.67	(47.40)	201.28	121.27	187.26	(22.37)
Tax of earlier years	-	-	12.70	-	12.43	35.30
7 Net (loss) / profit for the period / year	(358.21)	20.42	324.91	(337.78)	150.85	652.35
8 Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plan	(1.77)	(1.76)	(1.76)	(3.53)	(3.53)	(7.05)
(Loss) on remeasuring FVTOCI financial assets	-	-	-	-	-	(199.40)
Tax on above	0.49	0.49	0.50	0.98	0.98	46.34
9 Total comprehensive income / (loss) for the period / year	(359.49)	19.15	323.64	(340.33)	148.31	492.24
Net profit / (loss) attributable to						
- Owners	(260.85)	17.22	28.82	(243.62)	(35.39)	244.54
- Non Controlling Interest	(97.36)	3.20	296.09	(94.16)	186.24	407.81
Total comprehensive income / (loss) attributable to						
- Owners	(363.18)	15.41	27.18	(347.76)	(38.83)	(197.29)
- Non Controlling Interest	3.69	3.74	296.46	7.43	187.14	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.)	(0.17) *	0.01 *	0.02 *	(0.16) *	(0.02) *	0.16
* (Not annualised)						


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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 13 November 2019. 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 half year ended 30 September 2019 is as under: (Rs. in lakhs)

Particulars	Quarter Ended 30 September 2019			Half year Ended 30 September 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	9.49	0.49	9.00	18.97	0.97	18.00
Finance costs	1,098.13	1,100.98	(2.85)	2,060.74	2,063.59	(2.85)
Depreciation expense	827.24	841.24	(14.00)	1,636.45	1,650.45	(14.00)
Total	1,934.86	1,942.71	(7.85)	3,716.16	3,715.01	1.15

- 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. 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 30 September 2019.
- The subsidiary of company has provided the facility amount of Rs. 4,000 lakhs (Rs. 6,974.47 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 for the quarter and half year ended 30 September 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 half year ended 30 September 2019.

9 Standalone Information:

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
Income from operations	237.29	237.14	167.61	474.43	333.98	829.64
Profit from ordinary activities before tax	145.08	150.00	(19.42)	295.08	70.61	336.34
Profit from ordinary activities after tax	129.38	134.11	(11.65)	263.49	59.53	242.18
Total comprehensive (loss) / income	(908.32)	131.51	(10.79)	(776.81)	61.24	(199.93)
Earnings per share (Rs.) (Basic / Diluted)	0.08*	0.09*	(0.01)*	0.17*	0.04*	0.16

* (Not annualised)



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10 Segment Information :

(Rs. in lakhs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Segment Revenue						
a. Leasing	2,185.13	2,227.21	1,920.18	4,412.34	3,621.03	7,946.61
b. Outright Sales	32.83	8.53	2,020.68	41.36	2,020.68	3,875.74
Total	2,217.96	2,235.74	3,940.86	4,453.70	5,641.71	11,822.35
2 Segment Results						
Profit before tax and interest for each segment						
a. Leasing	527.36	931.55	1,033.43	1,458.91	2,134.00	2,328.50
b. Outright Sales	(54.91)	(51.75)	697.69	(106.66)	650.97	892.55
Total	472.45	879.80	1,731.12	1,352.25	2,784.97	3,221.05
Less: i) Interest	1,100.98	962.61	808.00	2,063.59	1,578.93	3,432.16
ii) Un-allocable expenses / (income) (net)	(461.24)	(103.46)	336.92	(564.71)	747.79	(1,012.24)
Total (loss) / profit before tax	(167.29)	20.65	586.20	(146.63)	458.25	801.13
Less: Tax Expenses	190.92	0.23	261.29	191.15	307.40	148.78
Net (loss) / profit	(358.21)	20.42	324.91	(337.78)	150.85	652.35
3 Capital Employed						
Segment Assets						
a. Leasing	55,107.31	55,806.02	58,333.74	55,107.31	58,333.74	56,543.28
b. Outright Sales	41,890.25	33,117.63	31,409.51	41,890.25	31,409.51	31,983.19
c. Unallocated	60,913.00	55,328.20	51,684.52	60,913.00	51,684.52	54,686.04
Total	157,910.57	144,251.85	141,427.77	157,910.57	141,427.77	143,212.51
Segment Liabilities						
a. Leasing	41,891.07	34,691.96	36,829.99	41,891.07	36,829.99	34,746.32
b. Outright Sales	24,953.27	17,717.73	15,085.13	24,953.27	15,085.13	17,090.04
c. Unallocated	8,668.13	9,080.02	6,784.49	8,668.13	6,784.49	8,633.13
Total	75,512.47	61,489.71	58,699.61	75,512.47	58,699.61	60,469.49
(Segment Assets - Segment Liabilities)						
a. Leasing	13,216.24	21,114.06	21,503.75	13,216.24	21,503.75	21,796.96
b. Outright Sales	16,936.98	15,399.90	16,324.38	16,936.98	16,324.38	14,893.15
Unallocated Capital Employed	52,244.87	46,248.18	44,900.03	52,244.87	44,900.03	46,052.91
Total	82,398.10	82,762.14	82,728.16	82,398.10	82,728.16	82,743.02

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Note 11: Unaudited Consolidated Balance Sheet

Particulars	(Rs. in lakhs)	
	As at 30.09.2019 (Unaudited)	As at 31.03.2019 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	637.17	747.70
Investment properties	65,232.41	68,037.81
Investment property under construction	3,468.05	2,508.04
Right of use assets	30.34	-
Goodwill	9,144.91	9,144.91
Financial assets		
Non-current investments	5,862.89	4,589.54
Loans	653.97	915.88
Other financial assets	10,287.50	9,541.96
Deferred tax assets (net)	9,308.17	9,422.20
Income tax assets (net)	1,228.55	979.50
Other non-current assets	1,843.84	1,691.40
	107,697.80	107,578.94
Current assets		
Inventories	36,468.63	27,522.32
Financial assets		
Current investments	7,949.00	3,031.24
Trade receivables	2,876.07	3,458.29
Cash and cash equivalents	386.30	198.77
Bank balances other than Cash and cash equivalents	180.67	175.82
Loans	994.26	484.48
Other financial assets	1,111.73	508.46
Other current assets	246.11	254.19
	50,212.77	35,633.57
TOTAL ASSETS	157,910.57	143,212.51
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	3,052.06	3,052.06
Other equity	46,328.71	46,867.86
Equity attributable to owners	49,380.77	49,919.92
Non controlling interest	33,017.33	32,823.10
Total equity	82,398.10	82,743.02
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Non-current borrowings	40,093.07	33,257.24
Other financial liabilities	6,169.49	5,350.35
Provisions	61.90	62.13
Other non-current liabilities	244.90	285.89
	46,569.36	38,955.61
Current liabilities		
Financial liabilities		
Trade payables		
- total outstanding dues of micro enterprise and small enterprise	13.58	24.80
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,099.60	2,127.85
Other financial liabilities	5,472.53	4,049.09
Other current liabilities	22,206.62	15,221.51
Provisions	90.89	66.71
Current tax liabilities (net)	59.89	23.92
	28,943.11	21,513.88
TOTAL EQUITY AND LIABILITIES	157,910.57	143,212.51


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Note 12: Unaudited consolidated Cash flow statement

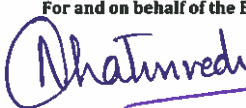
(Rs. in lakhs)

Particulars	For the period ended 30.09.2019 (Unaudited)	For the period ended 30.09.2018 (Unaudited)
A. Cash flow from operating activities:		
(loss) / profit before tax	(146.63)	458.26
Adjustments for:		
Depreciation and amortization expense	1,650.45	1,632.06
Share of profit of joint ventures	(12.46)	0.13
Reversal of provision for diminution in value of current investments	(21.75)	(0.31)
Interest income (including financial assets carried at amortised cost)	(650.34)	(806.03)
Dividend income	(5.31)	(14.52)
Sundry Balances Written back	(103.04)	-
Finance Costs (including financial liabilities carried at amortised cost)	2,063.59	1,578.93
Profit on sale of current investments	(123.97)	-
Provision for expected credit loss	-	173.28
Operating profit / (loss) before working capital changes	2,650.54	3,021.81
Adjustments for changes in working capital:		
(Increase) / decrease in inventories	(8,946.31)	3,645.79
Decrease in trade receivables	685.26	3,039.47
Decrease in loans	306.95	662.81
(Increase) in other financial assets	(1,303.18)	(1,317.38)
(Increase) / decrease in other assets	(149.80)	173.68
(Decrease) / increase in trade payables	(1,039.47)	48.44
Increase in other financial liabilities	614.44	588.09
Increase / (decrease) in other liabilities	6,964.89	(8,692.30)
Increase in provisions	15.94	2.78
Cash (used in) / generated from operations	(200.74)	1,173.20
Direct taxes paid (net of refunds received)	(282.96)	(242.63)
Net cash (used in) / generated from operating activities (A)	(483.70)	930.57
B. Cash flows from investing activities:		
(Purchase) of property, plant and equipment	(11.27)	(26.70)
Sale / (purchase) of investment property including expenditure on Investment property under construction	329.82	(515.82)
(Purchase) of non-current investments (net)	(1,260.90)	-
(Purchase) of / proceeds from current investments (net)	(4,772.04)	1,280.05
Dividend income	5.31	14.52
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	(4.85)	(4.95)
Net cash (used in) / generated from investing activities (B)	(5,713.93)	747.10
C. Cash flows from financing activities:		
Repayment of long - term borrowings	(458.68)	(305.73)
Proceeds from long - term borrowings	8,800.00	-
Finance cost	(1,956.16)	(1,494.49)
Net cash (used in) / generated from financing activities (C)	6,385.16	(1,800.22)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	187.53	(122.55)
Foreign Currency Translation Reserve	-	(9.99)
Cash and cash equivalents at the beginning of the period	198.77	380.56
Cash and Cash Equivalents at period the ended	386.30	248.01

Components of cash and cash equivalents considered only for the purpose of cash flow statement

Particulars	As at 30.09.2019 (Unaudited)	As at 30.09.2018 (Unaudited)
In bank current accounts	362.45	237.74
Cash on hand	21.85	10.27
Cheque on Hand	2.00	-
	386.30	248.01

For and on behalf of the Board


Nikhil Chaturvedi
 Managing Director
 DIN : 00004983



Date : 13 November 2019
 Place : Mumbai

