

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 2021

(Rs. in lakhs)

Particulars	Quarter Ended			Nine months ended		Year Ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
(a) Revenue from operations						
Revenue from real estate projects	456.78	1,190.78	-	1,647.56	-	-
Lease rental and related income	2,191.97	1,838.66	1,455.90	4,741.20	1,793.48	4,486.36
	2,648.75	3,029.44	1,455.90	6,388.76	1,793.48	4,486.36
(b) Other income	403.86	463.67	316.45	1,532.04	1,017.93	1,370.59
Total income	3,052.61	3,493.11	1,772.35	7,920.80	2,811.41	5,856.95
2 Expenses						
(a) Cost of material consumed	1,897.08	665.72	474.23	2,849.10	1,174.69	2,065.71
(b) Change in inventories of finished goods and construction work in progress	(1,549.82)	274.38	(474.23)	(1,561.74)	(1,174.69)	(2,065.71)
(c) Employee benefits expense	118.17	102.17	91.50	317.23	243.65	340.27
(d) Finance costs	1,006.17	995.43	1,259.68	3,021.59	3,451.12	4,483.81
(e) Depreciation and amortisation expenses	669.42	668.98	750.70	1,998.29	2,247.49	3,022.18
(f) Other expenses	882.31	767.48	655.36	2,265.82	1,340.13	2,235.33
Total expenses	3,023.33	3,474.16	2,757.24	8,890.29	7,282.39	10,081.59
3 Profit / (loss) from ordinary activities before tax before share of profit of joint ventures	29.28	18.95	(984.89)	(969.49)	(4,470.98)	(4,224.64)
4 Share of profit of joint ventures (net of tax)	0.12	1.18	(1.84)	1.73	3.15	3.32
5 Profit / (loss) before tax for the period / year	29.40	20.13	(986.73)	(967.76)	(4,467.83)	(4,221.32)
6 Tax expense						
Current Tax	43.09	70.59	25.59	128.87	61.27	93.43
Deferred Tax (credit)	(8.00)	(333.76)	(4.85)	(440.19)	(6.33)	(20.23)
Tax of earlier years	(4.89)	-	(22.87)	(4.89)	(22.87)	(122.83)
7 Net profit / (loss) for the period / year	(0.80)	283.30	(984.60)	(651.55)	(4,499.90)	(4,171.69)
8 Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement gain of the defined benefit plan	1.28	1.28	(1.28)	3.84	(0.63)	5.12
(Loss) / profit on remeasuring FVTOCI financial assets	-	1,087.65	363.24	1,087.22	(426.49)	23.20
Tax on above	(0.32)	(249.18)	(82.74)	(249.72)	97.76	(6.60)
9 Total comprehensive income / (loss) for the period / year	0.16	1,123.05	(705.38)	189.79	(4,829.26)	(4,149.97)
Net income/ (loss) attributable to						
- Owners	(132.35)	115.47	(663.69)	(515.00)	(2,683.52)	(2,769.59)
- Non Controlling Interest	131.55	167.83	(320.91)	(136.55)	(1,816.38)	(1,402.10)
Total comprehensive (loss) / income attributable to						
- Owners	(131.48)	884.10	(383.35)	254.22	(2,363.11)	(1,489.03)
- Non Controlling Interest	131.64	238.95	(322.03)	(64.43)	(2,466.15)	(2,660.94)
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	-	-	-	-	-	45,013.21
12 Earnings per share (Basic and Diluted) (Rs.)	(0.09) *	0.08 *	(0.43) *	(0.34)	(1.76)	(1.81)
* (Not annualised)						

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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 11 February 2022. The unaudited consolidated financial results are in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.
- 2 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.

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.

- 3 Airport Authority of India, Nagpur ('AAIN') had arbitrarily cancelled maximum permissible height No Objection certificate ('NOC') issued to the company for its residential project in Nagpur in August 2017. The company had followed due process as per rules and regulations and obtained the NOC in February 2012. The 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 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.) Rules, 1994. The 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. Information received by the company through the RTI from MIHAN & AAI also suggests that there is no complaints from the pilots / airlines with respect to the four towers of the company creating any obstruction to safe flight operations. The 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. However the application is withdrawn on 22 June 2021 in light of the recent Order passed by Airport Authority of India dated 13.04.2021 passed in Case MM 268 of 2014 and has permitted 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 22.09.2019. The Court has allowed the 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 company, the company has approached the competent Airport Authorities i.e. the Appellate Committee at New Delhi on 04th Oct 21 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 company has sent reminders to the authorities in Dec 21 and Jan 2022. The decision/ reply of the Appellate Committee is awaited in this regard. Based on independent aeronautical survey report obtained by the company, the obstacle limitation study report conducted by AAIN, legal opinion obtained by the 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 29,377.09 lakhs, and provision towards expected demolition cost and interest payable to customers on cancellation of bookings, in the unaudited financial results as at 31 December 2021.
- 4 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 as per the term sheets. The Subsidiary company had filed petition in the Hon'ble High Court at Bombay, seeking performance of contract. During the quarter, the said litigation was settled and consent terms has been filed with the Hon'ble High court on 26 November 2021. Based on this, management of the Company expects to recover the entire outstanding along with the interest by 31 December 2022.
- 5 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.
- 6 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).
- 7 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 2021.
- 8 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.
- 9 **Standalone information:**

Particulars	(Rs. in lakhs)					
	Quarter Ended			Nine months ended		Year Ended
	31.12.2021 (Unaudited)	30.09.2021 (Unaudited)	31.12.2020 (Unaudited)	31.12.2021 (Unaudited)	31.12.2020 (Unaudited)	31.03.2021 (Audited)
Income from Operations	237.50	220.58	212.80	703.17	468.22	749.63
Profit from ordinary activities before tax	191.09	165.67	122.56	472.21	194.15	313.16
Net Profit for the period / year end	143.26	117.00	85.89	351.15	133.84	37.46
Total comprehensive income / (loss) for the period / year end	143.49	1,943.84	365.92	2,178.77	(16,449.54)	(27,502.23)
Earnings per share (Rs.) (Basic / Diluted)	0.09*	0.08*	0.06*	0.23*	0.09*	0.02

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10 Segment information :

(Rs. in lakhs)

Particulars	Quarter Ended			Nine months ended		Year Ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Segment Revenue						
a. Leasing	2,191.97	1,838.66	1,455.90	4,741.20	1,793.48	4,486.36
b. Outright Sales	456.78	1,190.78	-	1,647.56	-	-
Total	2,648.75	3,029.44	1,455.90	6,388.76	1,793.48	4,486.36
2 Segment Results						
Profit before tax and interest for each segment						
a. Leasing	836.67	634.69	191.40	1,195.85	(1,410.58)	(2.46)
b. Outright Sales	(65.12)	21.82	(158.42)	(153.04)	(407.26)	(610.63)
Total	771.55	656.51	32.98	1,042.81	(1,817.84)	(613.09)
Less: i) Interest	1,006.17	995.43	1,259.68	3,021.59	3,451.12	4,483.81
ii) Un-allocable (income) (net)	(263.90)	(357.87)	(241.82)	(1,009.28)	(797.97)	(872.26)
Profit / (Loss) from ordinary activities before tax before share of profit / (loss) of joint ventures	29.28	18.95	(984.89)	(969.49)	(4,470.99)	(4,224.64)
Add: Share of profit / (loss) of joint ventures (net)	0.12	1.18	(1.84)	1.73	3.15	3.32
Profit / (Loss) before tax	29.40	20.13	(986.72)	(967.77)	(4,467.84)	(4,221.32)
Less: Tax Expenses	30.20	(263.17)	(2.13)	(316.21)	32.07	(49.63)
Net (loss) / profit	(0.80)	283.30	(984.59)	(651.56)	(4,499.91)	(4,171.69)
3 Capital Employed						
Segment Assets						
a. Leasing	61,195.66	63,590.60	62,566.19	61,195.66	62,566.19	62,776.78
b. Outright Sales	55,952.82	50,880.99	47,823.18	55,952.82	47,823.18	49,823.94
c. Unallocated	46,468.98	49,200.97	49,455.17	46,468.98	49,455.17	49,751.63
Total	1,63,617.46	1,63,672.56	1,59,844.54	1,63,617.46	1,59,844.54	1,62,352.35
Segment Liabilities						
a. Leasing	41,468.51	41,386.25	41,456.91	41,468.51	41,456.91	41,085.67
b. Outright Sales	35,681.91	34,897.92	32,044.43	35,681.91	32,044.43	34,410.90
c. Unallocated	8,274.69	9,196.20	9,019.90	8,274.69	9,019.90	8,853.19
Total	85,425.11	85,480.37	82,521.24	85,425.11	82,521.24	84,349.76
(Segment Assets - Segment Liabilities)						
a. Leasing	19,727.15	22,204.35	21,109.28	19,727.15	21,109.28	21,691.11
b. Outright Sales	20,270.91	15,983.07	15,778.75	20,270.91	15,778.75	15,413.04
Unallocated Capital Employed	38,194.29	40,004.77	40,435.27	38,194.29	40,435.27	40,898.44
Total	78,192.35	78,192.19	77,323.30	78,192.35	77,323.30	78,002.59

For and on behalf of the Board

NIKHIL
ANUPENDRA
CHATURVEDI

Nikhil Chaturvedi
Managing Director
DIN : 00004983

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