

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.
- 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 |
| <i>Adjustments for:</i> | | |
| 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

Nikhil Chaturvedi
Managing Director
DIN : 00004983



Date : 13 November 2019
Place : Mumbai

