

EMAAR

INDIA

November 11, 2019

To,

The General Manager
Department of Corporate Services
BSE Limited,
Floor 25, P J Towers,
Dalal Street, Mumbai – 400 001

Re: **Scrip Code: 948003 (ISIN - INE451H07332)**
 Scrip Code: 948005 (ISIN - INE451H07340)
 Scrip Code: 948012 (ISIN - INE451H07357)

Ref.: **Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Sub.: **Submission of Unaudited Financial Results of Emaar MGF Land Limited for the Half Year ended September 30, 2019**

Dear Sir,

With reference to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that the Audit Committee & the Board of Directors of the Company at its meeting held on November 11, 2019, have approved the unaudited financial results of the Company for the Half Year ended September 30, 2019.

We have enclosed the approved unaudited financial results along Limited Review Report of the Auditors for your reference and record.

You are requested to take note of the same.

Thanking you,

Yours faithfully,

For Emaar MGF Land Limited

Sd/-

Bharat Bhushan Garg
Company Secretary

Walker Chandiook & Co LLP

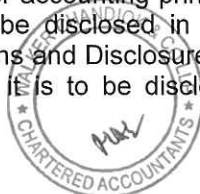
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Independent Auditor's Review Report on Unaudited Half-Yearly Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Emaar MGF Land Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Emaar MGF Land Limited ('the Company') for the half year ended 30 September 2019, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and as per the presentation requirements of the SEBI Circular CIR/IMD/DF1/69/2016 dated 10 August 2016 ('the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and as per the presentation requirements of the SEBI Circular, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.



Walker Chandiook & Co LLP

5. We draw attention to the following notes to the accompanying Statement:
- i. Note 4 in relation to investment made in and advances given to one of the subsidiary company, Emaar MGF Construction Private Limited, aggregating Rs. 362.78 million and Rs. 1,414.44 million respectively as at 30 September 2019. As described in the note, there are various significant ongoing litigations in the said subsidiary company relating to a project undertaken by it, the outcome of which is presently unascertainable.
 - ii. Note 5 which describes the uncertainty with respect to the outcome of various ongoing litigations involving the Company and its development partners with Andhra Pradesh Industrial Infrastructure Corporation (APIIC) and other parties alleging certain irregularities relating to a project in Hyderabad. The Company has outstanding assets and liabilities of Rs. 4,085.63 million and Rs. 3,291.85 million respectively with respect to this project as on 30 September 2019. The final outcome of these litigations is presently unascertainable.
 - iii. Note 9 which describes that the Company had raised various indemnity claims on MGF Developments Limited (MGF), as per the terms of indemnity agreement(s). During the half year, the Company together with its land owning subsidiaries has enforced action under the terms of indemnity agreement(s) by way of cancellation of development rights over certain land parcel(s) having fair market value of Rs. 2,250.00 million, which were earlier transferred to MGF pursuant to the Demerger order dated 16 July 2018. Accordingly, the Company has recognised inventory, payables and related claim income (which has been disclosed as exceptional items) of Rs. 2,250.00 million, INR 142.73 million and INR 2,107.27 million respectively. Subsequent to 30 September 2019, MGF has filed petition under Section 9 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Punjab and Haryana High Court, challenging such enforcement by the Company, which is currently pending.

Our conclusion is not modified in respect of these matters.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Manish
Manish Agrawal
Partner
Membership No. 507000
UDIN: 19507000AAAADB8618

Place: Gurugram
Date: 11 November 2019





Emaar MGF Land Limited

CIN-U45201DL2005PLC133161

Registered office:- 306-308, Square One, C-2, District Centre, Saket, New Delhi-110017

Email ID – company.secretary@emaarmgf.com

Website : www.emaar-india.com

UNAUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2019

(Rs. in million)

Particulars	As at 30 September 2019 (Unaudited)	As at 31 March 2019 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	691.08	665.39
Capital work-in-progress	18.97	31.95
Right-to-use assets	150.24	-
Intangible assets	2.41	4.19
Financial assets		
Investments	869.83	929.93
Loans	26.23	27.72
Other bank balances	602.19	419.85
Non-current tax assets (net)	200.02	165.40
Other non-current assets	2,163.78	2,833.16
Total non-current assets	4,724.75	5,077.59
Current assets		
Inventories	62,631.26	68,136.82
Financial assets		
Investments	1,251.16	559.37
Trade receivables	794.08	910.17
Cash and cash equivalents	584.27	900.95
Other bank balances	1,105.23	506.37
Loans	6,575.36	7,389.92
Other financial assets	369.85	454.36
Other current assets	37,631.79	37,837.23
Total current assets	110,943.00	116,695.19
Assets classified as held for sale (refer note 12)	449.62	-
Total assets	116,117.37	121,772.78
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,303.24	912.62
Other equity	(34,994.43)	(33,633.93)
Total equity	(33,691.19)	(32,721.31)
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	22,293.71	21,194.09
Lease liabilities	154.01	-
Provisions	95.69	82.98
Total non-current liabilities	22,543.41	21,277.07
Current liabilities		
Financial liabilities		
Borrowings	16,207.36	15,022.54
Lease liabilities	15.44	-
Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	9.05	31.73
-Total outstanding dues of other creditors other than micro enterprises and small enterprises	3,767.48	4,107.64
Other financial liabilities	39,149.23	35,957.67
Other current liabilities	61,498.80	72,617.22
Provisions	6,617.79	5,480.22
Total current liabilities	127,265.15	133,217.02
Total liabilities	149,808.56	154,494.09
Total equity and liabilities	116,117.37	121,772.78



UNAUDITED STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2019

(Rs. in million)

Particulars	Half year ended 30 September 2019	Half year ended 30 September 2018	Year ended 31 March 2019
	Unaudited	Unaudited	Audited
INCOME			
Revenue from operations	15,154.20	11,396.72	22,515.88
Other income	211.29	715.07	1,297.90
Total income	15,365.49	12,111.79	23,813.78
EXPENSES			
Cost of land, plots, constructed properties, development rights and others	11,471.11	9,074.10	17,348.53
Employee benefits expense	385.75	309.61	637.21
Finance costs	3,433.98	2,661.47	5,297.20
Depreciation and amortization expense	51.50	26.37	58.36
Other expenses	3,338.78	2,349.03	4,712.37
Total expenses	18,681.12	14,420.58	28,053.67
Loss before exceptional items and tax	(3,315.63)	(2,308.79)	(4,239.89)
Exceptional items (refer note 9)	2,107.27	-	-
Loss before tax	(1,208.36)	(2,308.79)	(4,239.89)
Current tax – earlier years	-	-	(50.09)
Loss for the period/year	(1,208.36)	(2,308.79)	(4,189.80)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plans	(0.44)	11.62	19.33
Other comprehensive income	(0.44)	11.62	19.33
Total comprehensive income for the period/year	(1,208.80)	(2,297.17)	(4,170.47)
Loss per share (in rupees) (Basic and diluted) (not annualised)	(9.15)	(3.39)	(10.30)
Equity			
Paid-up equity share capital (face value of Rs.10 per share)	1,303.24	912.62	912.62
Other equity (excluding debenture redemption reserve and capital redemption reserve)	(35,732.56)	(32,498.81)	(34,372.06)
Debenture redemption reserve	738.13	738.13	738.13
Capital redemption reserve	-	-	-
Net worth	(33,691.19)	(30,848.06)	(32,721.31)
Other additional information			
Paid up debt capital (long-term & short-term borrowings)	62,340.04	57,072.92	58,502.80
Debt equity ratio	(1.85)	(1.85)	(1.79)
Debt service coverage ratio	0.31	0.03	0.07
Interest service coverage ratio	0.66	0.14	0.21

Notes:

- 1) The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 11 November 2019. These financial results have been subjected to limited review by Statutory Auditors of the Company.
- 2) Ratios have been computed as follows:
 - (i) Debt Equity Ratio = Paid up debt capital/equity, where,
 - * Equity represents issued, subscribed and paid up equity share capital and other equity
 - * Paid up debt capital represents long-term and short-term borrowings excluding deferred payment liabilities and finance lease obligations.



- (ii) Debt Service Coverage ratio = Earnings before finance costs, tax and depreciation/[finance costs + principal repayment of paid debt capital during the period/year]
- (iii) Interest Service Coverage ratio = Earnings before finance costs, tax and depreciation/finance costs
- (iv) Net worth represents total equity
- (v) Paid up equity share capital represents issued, subscribed and paid up equity share capital.

Additional disclosures as per Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Credit Rating	Principal		Interest	
		Previous due date	Next due date	Previous due date	Next due date
22,600 (11.25%) Secured redeemable non-convertible debentures of Rs. 1,000,000 each	CARE BB [Double B] Under credit watch with negative implication	Not applicable	31 December 2019	30 September 2014 (paid)	31 December 2019

Notes:

- a. Due dates disclosed above are after considering extensions granted by the debenture holders.
 - b. The non-convertible debentures referred above are secured by an adequate asset cover.
 - c. Pursuant to the scheme of arrangement between the Company, MGF Developments Limited (the resulting company) and their respective shareholders and creditors which has been approved by the National Company Law Tribunal (NCLT) vide its order dated 16 July 2018, 30.79% of the face value of Rs. 1,000,000 of each debenture has been demerged and transferred to the resulting company. The above mentioned face value of Rs. 1,000,000 was before demerger.
- 3) The Company has made an internal assessment of the possible utilization of the Goods and Services Tax ('GST') Input Tax Credit lying in its books of accounts as at 30 September 2019 and based on the said assessment, the Company may not be able to fully utilise its GST input tax credit. Hence, as an abundant caution, the Company has recorded a provision of Rs. 469.53 million in its books of accounts.
 - 4) One of the subsidiaries of the Company, Emaar MGF Construction Private Limited (the "Subsidiary") is undergoing certain litigations/disputes in relation to the Commonwealth Games Village Project, 2010 developed by it where the Company expects favorable outcomes. The Company has investments in the equity share capital of the said Subsidiary aggregating to Rs. 362.78 million (31 March 2019 - Rs. 362.78 million) and has advances recoverable aggregating to Rs. 1,414.44 million (31 March 2019 - Rs. 1,495.31 million) from the Subsidiary. The Company has also given commitment to the Subsidiary for support in case of unfavorable outcome in respect of any of the litigations/disputes. The auditors have expressed an emphasis of matter on the same.
 - 5) The Company, vide a Development Agreement dated 3 November 2006 (subsequently amended by the agreement dated 25 July 2007) entered into with Emaar Hills Township Private Limited ("EHTPL"), had undertaken the development of land in Hyderabad, which was sold to EHTPL by Andhra Pradesh Industrial Infrastructure Corporation through a duly registered Conveyance Deed dated 28 December 2005. The Company also, vide Assignment Deed dated 3 November 2006 entered into with Boulder Hills Leisure Private Limited ("BHLPL"), had undertaken the development and operation of a 'Golf Course' in Hyderabad. The Company, EHTPL and BHLPL have been subjected to litigations relating to the allegations of irregularities in allotment of project land, notice for termination of project, notice for termination of development agreement by one of the shareholders of the development partner, stoppage of registration of properties in the project, etc. Further, in one of the matters mentioned herein, Central Bureau of Investigation has filed charge sheets against various persons, including the Company, its former Managing Director and certain officers of the Company. Under the said matter, the Company has also received an attachment order of its certain properties from Directorate of Enforcement. The Company has assets and liabilities of Rs. 4,085.63 million (31 March 2019 - Rs. 4,087.25 million) and Rs. 3,291.85 million (31 March 2019 - Rs. 3,323.45 million) respectively. The matters mentioned herein are pending with judicial authorities at various levels. Based on the legal advices received and internal assessments, the management believes that the allegations/matters raised above are untenable and contrary to the factual position. The auditors have expressed an emphasis of matter on the same.
 - 6) As at 30 September 2019, the Company has borrowings of Rs. 27,251.88 million which are due for repayment in the next one year. As per the present business plans, the Company will be able to meet its financial obligations



in the next one year. As at 30 September 2019, the Company's net worth has been completely eroded. The management also has considered the fact that the Company has significant asset base, including land inventories or land development rights, which can yield values in excess of their book values on development and can hence be used for raising additional capital, if and when required. Further, the Emaar Properties PJSC, ultimate holding company has agreed that it shall continue to provide support to the Company in arranging for funds to enable the Company to meet its operational and project requirements. Hence, these financial results have been prepared on a going concern basis.

- 7) As per section 71(4) of the Companies Act, 2013, a company shall create a debenture redemption reserve for the redemption of debenture to which adequate amount shall be created out of its profits every year until such debentures are redeemed. In the absence of adequate profits, there is no further requirement for creation of debenture redemption reserve.
- 8) Effective 01 April 2019, the Company adopted Ind AS – 116 'Leases' applied to all contracts having lease components existing on 01 April 2019 using the modified retrospective method. Accordingly, the Company has not restated comparative information. The Company has measured the lease liability at present value of remaining lease payments discounted using the incremental borrowing rate at the date of initial application and right of use assets is measured at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. On date of initial application, the adoption of new standard resulted in recognition of right of use asset of Rs. 154.47 million and a lease liability of Rs. 168.77 million. The effect of this adoption is insignificant on the loss for the half year and earnings per share.
- 9) The Company, its ultimate holding company (Emaar Properties PJSC), MGF Developments Limited (MGF) and other parties had entered into certain indemnity agreement(s), which entitled the Company to raise indemnity claims on MGF, Mr. Shravan Gupta and their group companies in respect of certain expenses/losses incurred by the Company. As per the terms of indemnity agreement(s), if MGF does not settle such indemnity claims within ten days from the date of receipt, the Company or its land owning subsidiaries may unilaterally settled such claims by, inter-alia, terminating the development rights of certain land parcel(s) which were earlier transferred to MGF pursuant to the Demerger order dated 16 July 2018. Pursuant to the above, the Company had raised various claims, which MGF had failed to settle. In view of the same, on 17 September 2019, the Company and its land owning subsidiaries has enforced some of such indemnity claims during the current period, by way of cancellation of development rights over certain land parcel(s), having a value of Rs. 2,250 million. In terms of the indemnity agreements, the development rights of such land parcel(s) now vest with the Company. An income of Rs. 2,107.27 million and payable of Rs. 142.73 million was accounted in books of the Company. On 04 November 2019, MGF has filed petition, under Section 9 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Punjab and Haryana High Court. Proceedings under the said section 9 are limited to grant of temporary / interim reliefs (in nature of preservatory measures) in aid of arbitration, only to secure any property in dispute. There is no final determination of rights and obligations of the parties in the said Section 9 proceeding. No request for arbitration has been submitted by MGF. The auditors have expressed an emphasis of matter on the same.
- 10) The National Company Law Tribunal (NCLT) vide its order dated 16 July 2018 had approved the scheme of arrangement (Demerger) between the Company and MGF Developments Limited (MGF) and the same was filed with the Registrar of Companies on 31 July 2018. The said Scheme is effective from the appointed date of 30 September 2015. On 3 June 2019, MGF has filed an application before the NCLT under Section 231 of the Companies Act, 2013 for enforcement of the Scheme. Such application, inter-alia seeks directions of NCLT to ask the Company to execute/perform various steps for implementation of Scheme and to appoint an officer of Court to supervise/assist in the implementation of Scheme. The matter is currently sub-judice.
- 11) The Hon'ble Supreme Court had, vide its judgment dated 9 August 2019 disposed of the bunch of writ petitions and has upheld the constitutional validity of provisions inserted by the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018 ("Code"). As a result, the homebuyers will continue to be considered as financial creditor for the purposes of the said Code. Vide same judgment, the Hon'ble Supreme Court has also given certain safeguards to the companies e.g. that the companies can take various defenses before the NCLT and the NCLT has to consider such defenses before admitting any application filed u/s 7 of the Code by a homebuyer. During the period, various applications had been filed by the homebuyers against the Company u/s 7 of the Code. While various such matters have been disposed of by NCLT, the Company is also taking appropriate steps for resolution of disputes with its customers. The matters are now listed for 25 November 2019 before NCLT. Based on the developments on various cases and legal advice received, management is confident that no material liability will devolve on the Company in respect of these cases.



- 12) During the half year ended 30 September 2019, the Company has signed a term sheet with Mountainia Developers and Hospitality Private Limited for sale of hospitality business running through its wholly owned subsidiary "Multitude Infrastructure Private Limited". Accordingly, in accordance with Ind AS – 105 " Non-current Assets held for Sale and Discontinued Operations", investment in equity shares and loan outstanding as at 30 September 2019 have been classified and presented separately as "Assets classified as held for sale" and are being carried at the lower of carrying value and fair value, resulting into recognition of provision for impairment loss amounting to Rs. 332.70 million in the Statement of Profit and Loss.
- 13) During the half year ended 30 September 2019, the Company has allotted 3,90,62,500 number of equity shares to "The Address Dubai Marina, Dubai" pursuant to early conversion of compulsorily convertible debentures.
- 14) The financial results are prepared in accordance with the recognition and measurement principles of Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013.

**For and on behalf of the Board of Directors
Emaar MGF Land Limited**

Sd/-
Hadi Mohd Taher Badri
Director

Sd/-
Ajay Munot
Chief Executive Officer

Sd/-
Samit Guha
Chief Financial Officer

Place: Gurugram
Date: 11 November 2019

Sd/-
Bharat Bhushan Garg
Company Secretary