



Emaar MGF Land Limited

CIN-U45201DL2005PLC133161

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

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Website : www.emaar-india.com

UNAUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2018

(Rs. in million)

Particulars	As at 30 September 2018	As at 31 March 2018
ASSETS		
Non-current assets		
Property, plant and equipment	650.09	638.00
Capital work-in-progress	27.83	26.16
Intangible assets	5.98	7.78
Financial assets		
Investments	929.93	869.83
Other bank balances	11.91	3.51
Loans	29.57	28.89
Non-current tax assets (net)	90.42	252.25
Other non-current assets	2,143.89	2,139.98
Total non-current assets	3,889.62	3,966.40
Current assets		
Inventories	69,836.79	39,350.46
Financial assets		
Investments	840.96	236.41
Loans	7,583.74	7,796.12
Trade receivables	992.24	2,838.06
Cash and cash equivalents	448.05	519.34
Other bank balances	1,036.99	586.43
Other financial assets	330.25	693.38
Other current assets	40,489.63	37,683.22
Total current assets	121,558.65	89,703.42
Assets classified as held for distribution (refer note 7)	-	37,518.52
Total assets	125,448.27	131,188.34
EQUITY AND LIABILITIES		
Equity		
Equity share capital	912.62	9,126.20
Other equity	(31,760.68)	3,207.28
Total equity	(30,848.06)	12,333.48
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	39,978.36	37,926.62
Other financial liabilities	8,621.26	7,739.41
Provisions	79.98	108.64
Current liabilities		
Financial liabilities		
Borrowings	13,088.77	9,794.19
Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	-	-
-Total outstanding dues of other creditors other than micro enterprises and small enterprises	3,883.04	4,054.43
Other financial liabilities	7,070.28	8,468.21
Other current liabilities	79,382.24	33,782.01
Provisions	4,192.40	3,586.94
Total liabilities	156,296.33	105,460.45
Liabilities associated with the assets classified as held for distribution (refer note 7)	-	13,394.41
Total equity and liabilities	125,448.27	131,188.34



UNAUDITED STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2018

(Rs. in million)

Particulars	Half year ended 30September 2018	Half year ended 30September 2017(restated*)	Year ended 31 March 2018
	Unaudited (Refer note 10)	Unaudited (Refer note 10)	Audited
INCOME			
Revenue from operations	11,396.72	6,193.78	13,294.84
Other income	715.07	246.14	343.48
Total income	12,111.79	6,439.92	13,638.32
EXPENSES			
Cost of land, constructed properties, development rights and others	9,074.10	4,949.66	10,632.79
Employee benefits expense	309.61	219.16	464.59
Depreciation and amortization expense	26.37	13.65	34.24
Finance costs	2,661.47	2,703.65	5,520.37
Other expenses	2,349.03	1,948.11	4,227.34
Total expenses	14,420.58	9,834.23	20,879.33
Loss before tax	(2,308.79)	(3,394.31)	(7,241.01)
Tax expense	-	-	-
Loss for the period / year	(2,308.79)	(3,394.31)	(7,241.01)
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years	-	-	-
Re-measurement gains (losses) on defined benefit plans	11.62	(3.91)	9.40
Other comprehensive income for the period / year, net of tax	11.62	(3.91)	9.40
Total comprehensive income for the period/ year, net of tax	(2,297.17)	(3,398.22)	(7,231.61)
Paid-up equity share capital (face value of Rs.10 per share)	912.62	9,126.20	9,126.20
Debenture redemption reserve	738.13	738.13	738.13
Capital redemption reserve	-	8,610.25	8,610.25
Other equity (excluding debenture redemption reserve and capital redemption reserve)	(32,498.81)	(2,307.68)	(6,141.09)
Net worth	(30,848.06)	16,166.90	12,333.49
Paid up debt capital	57,072.92	57,913.59	60,056.63
Loss per share (in rupees) (Basic and diluted) (not annualised)	(3.37)	(3.72)	(7.93)
Debt equity ratio	(1.85)	3.58	4.87
Debt service coverage ratio	0.07	(0.25)	(0.31)
Interest service coverage ratio	0.14	(0.25)	(0.31)

*Previous period figures have been regrouped/reclassified, wherever considered necessary to make them comparable with those of the current period.



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 14 November 2018.

2) Ratios have been computed as follows:

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

3) 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 stable [Double B; Outlook : stable]	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 (**Refer note 7**), 30.79% of the face value of Rs. 1,000,000 of each debenture is being demerged and transferred to the resulting company. The above mentioned face value of Rs. 1,000,000 is before demerger.
- 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 2018 - Rs. 603.53 million) and has advances recoverable aggregating to Rs. 1,487.62 million (31 March 2018 - Rs. 2,274.11 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. 4,106.59 million (31 March 2018- Rs. 3,071.21 million) and Rs. 3,416.67 million (31 March 2018- Rs. 2,093.35 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 2018, the Company has term loans of Rs. 4,955.61 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 2018, 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 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) a) The National Company Law Tribunal (NCLT) vide its order dated 16 July 2018 approved the arrangement as embodied in the Scheme of arrangement between the Company, MGF Developments Limited (the resulting company) and their respective shareholders and creditors ("Scheme") and the same has been filed with the Registrar of Companies on 31 July 2018. The Scheme is effective from the appointed date of 30 September 2015 ("the appointed date). Accordingly, all the assets, rights, powers, liabilities and duties of the demerged undertaking were demerged from the Company from the appointed date.
- b) Pursuant to the Scheme, the Company de-recognised the assets and liabilities of the demerged undertaking at the respective book values as appearing in the books at the close of the day immediately preceding the appointed date. The details of assets and liabilities demerged are as follows:

As on 30 September 2015	Rs million
Tangible assets	4,159.06
Capital work in progress	976.60
Non-current investments	1,124.15
Long-term loans and advances	229.92
Inventories	7,487.63
Trade receivables	175.09
Cash and bank balances	387.31
Short-term loans and advances	19,740.88
Other current assets	355.32
Total assets (A)	34,635.96
Short-term borrowings	619.66
Trade payables	452.50
Other liabilities	8,136.05
Short-term provisions	8.85
Total liabilities (B)	9,217.06
Net assets (A-B)	25,418.90

- c) The excess of assets over liabilities as on 30 September 2015 has been adjusted in the following manner:
- Capital reserve- Rs. 2,892.78 million
 - Capital redemption reserve- Rs. 8,610.20 million
 - Securities premium account- Rs. 5,702.34 million
 - Amount of capital reduced- Rs. 8,213.58million
- d) The accounting treatment as prescribed in Scheme is not in-line with Appendix A to Indian Accounting Standards (Ind AS) 10 according to which the Company should have de-recognised the assets and liabilities of the demerged undertaking at the respective fair values on the day it is approved by relevant authority i.e. NCLT. But pursuant to the clarifications released by Ind AS Transition Facilitation Group (ITFG) the accounting treatment required under an order of a court or tribunal (or other similar authority) overrides the accounting treatment that would otherwise be required to be followed in respect of the transaction and it is mandatory for the Company concerned to follow the treatment as per the order of the court/tribunal. Considering the facts as stated above, the Company has accounted this transaction in accordance with scheme approved by NCLT. The auditors have expressed an emphasis of matter on the same.



- 8) Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018, replaces existing revenue recognition requirements. As per the transition provision of IndAS 115, the Company has applied the modified retrospective approach to contracts that were not completed as of 1 April 2018 and has given impact of Ind AS 115 application by debit to retained earnings as at the said date by Rs. 14,399.95million pertaining to recognition of revenue based on satisfaction of performance obligation at a point in time. Accordingly, the figures for the comparative previous periods have not been restated and hence the current period figures are not comparable with previous period figures. Due to the application of Ind AS 115 for the period ended 30 September 2018, revenue from operations is higher by Rs. 9,547.43 million and net loss after tax is lower by Rs. 2,554.86 million, than what it would have been if revised standards were not applied. Similarly, the basic EPS for the current period is lower by Rs. 3.77 per share and diluted EPS for the period is lower by Rs. 3.77 per share.
- 9) 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, Debenture Redemption Reserve to the extent of Rs. 2,521.57 million (31 March 2018- Rs. 3,606.45 million) has not been created.
- 10) The unaudited published year to date figures upto 30 September 2018 and 30 September 2017 respectively, being the end of the first half year of the respective financial years, were subjected to a Limited Review.

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

Sd/-
Hadi Mohd Taher Badri
Managing Director

Sd/-
Prashant Gupta
Chief Executive Officer

Sd/-
Samit Guha
Chief Financial Officer

Date: 14 November 2018

Sd/-
Bharat Bhushan Garg
Company Secretary