

**Independent Auditor's Review Report on unaudited quarterly and period to date financial results of Emaar India Limited pursuant to the Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to  
The Board of Directors of Emaar India Limited  
Emaar India Limited**

1. We have reviewed the accompanying statement of unaudited financial results of **Emaar India Limited** ('the Company') for the quarter ended September 30, 2022 and the period to-date results for the period from April 01, 2022 to September 30, 2022 ('the Statement' or 'the financial results') attached herewith. The statement is being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations'). Attention is drawn to the fact that the figures for the corresponding quarter ended September 30, 2021, and the corresponding period-to-date from April 1, 2021 to September 30, 2021, as reported in the Statement has been approved by the Company's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of 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 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India and in compliance with the Regulations. 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 Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. 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 Standards on Auditing 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 stated in paragraph 3 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 Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the accompanying Statement with regards to the following:
  - a) Note No. 5 to the financial results which describes the petition filed by Emaar Holding II, shareholders and promoters of the Company under Section 241 of the Companies Act, 2013 before the National Company Law Tribunal, New Delhi ("NCLT") seeking relief against former shareholder, managing director, director and their connected entities (collectively referred as 'MGF Group') where the Company has also been named as a respondent party. Under this petition, Emaar Holding II has, inter-alia, prayed to NCLT to direct MGF Group to compensate the company and Emaar Holding II to the extent of loss caused due to their certain acts and transactions that occurred between the years 2006 to 2016, along with interest, from the date of respective loss. The company has also filed criminal complaints against MGF Group and its associates, in respect of certain matters referred to in the said petition filed by Emaar Holding II. As the matter is currently



# MSKA & Associates

## Chartered Accountants

sub-judice, any impact of the same on the financial statements is not ascertainable at this stage and accordingly, the impact if any shall be accounted for once the matter is concluded.

- b) Note No. 6 to the financial results in relation to investment made in and advances given by company to one of the subsidiary company, Emaar MGF Construction Private Limited, aggregating Rs. 362.78 million and Rs. 793.60 million respectively as at September 30, 2022. As described in the note, there are various significant ongoing litigations in the said subsidiary company relating to a project undertaken by it, As the matters are currently sub-judice, the final outcome of which is presently unascertainable.
- c) Note No. 7 to the financial results, in relation to 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. 4,278.06 million and Rs. 1,290.19 million respectively with respect to this project as at September 30, 2022. As the matters are currently sub-judice, the final outcome of these litigations is presently unascertainable.
- d) Note No. 10 to the financial results which describes the uncertainty with respect to the outcome of various ongoing litigations involving the Company and MGF Developments Limited ('MGF'), pending before NCLT under Section 231 of the Companies Act, 2013 and the arbitration proceeding pending before International Court of Arbitration, International Chambers of Commerce ('ICC'), London. The disputes, inter-alia, pertains to various demerger related arrangements between the parties, including the indemnity arrangements, which entitled the Company to raise indemnity claims on MGF in respect of certain expenses/losses incurred by the Company. Subsequent to the initiation of arbitration, the Arbitral Tribunal constituted by ICC has confirmed that, not only the Company may unilaterally settle such indemnity claims by, inter-alia, terminating the development rights of certain land parcel(s) which were earlier transferred to MGF pursuant to demerger, but also confirmed that there should be no restraint alienation of the development rights in those land parcel(s). As the matters are currently sub-judice, the final outcome of these litigations is presently unascertainable.

Our conclusion is not modified in respect of the above matter.

6. The financial results for the quarter ended June 30, 2022 and for the quarter and period ended September 30, 2021, were reviewed by another firm of chartered accountants, whose reports dated August 8, 2022 and November 10, 2021 respectively, expressed an unmodified conclusion on those financial results. The financial results for year ended March 31, 2022, was audited by another firm of chartered accountants, whose report dated May 30, 2022, expressed an unmodified opinion on those results.

Our conclusion is not modified in respect of the above matter.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No.105047W

  
Naresh Anand  
Partner  
Membership No.: \_503662  
UDIN: 22503662BDALLT9437



Place: Gurugram, India  
Date: November 14, 2022



## Emaar India Limited

CIN-U45201DL2005PLC133161

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

Email ID – bharat.garg@emaar.ac

Website : [www.emaar-india.com](http://www.emaar-india.com)

### STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2022

(Rs. in million)

Particulars	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	848.09	856.39
Capital work-in-progress	192.12	113.94
Intangible assets	5.37	7.43
Right of use assets	90.16	98.93
Financial assets		
Investments	869.83	869.93
Other bank balances	405.09	371.03
Other financial assets	25.62	27.13
Non-current tax assets (net)	479.49	408.18
Other non-current assets	2,188.07	2,136.22
<b>Total non-current assets</b>	<b>5,103.84</b>	<b>4,889.18</b>
<b>Current assets</b>		
Inventories	44,269.64	42,542.07
Financial assets		
Investments	362.78	100.13
Trade receivables	783.55	1,695.03
Cash and cash equivalents	1,781.00	1,293.88
Other bank balances	3,117.06	3,314.43
Loans	4,130.12	4,652.41
Other financial assets	672.00	566.90
Other current assets	34,832.14	36,034.90
<b>Total current assets</b>	<b>89,948.29</b>	<b>90,199.75</b>
<b>Total assets</b>	<b>95,052.13</b>	<b>95,088.93</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,693.87	1,693.87
Other equity	(37,598.00)	(35,651.22)
<b>Total equity</b>	<b>(35,904.13)</b>	<b>(33,957.35)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	59,779.22	32,528.83
Lease liabilities	101.04	110.74
Provisions	82.79	84.22
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	20,368.90	34,253.71
Lease liabilities	22.71	20.94
Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	286.99	218.72
-Total outstanding dues of creditors other than micro enterprises and small enterprises	7,470.74	8,417.11
Other financial liabilities	4,349.28	20,077.91
Other current liabilities	34,635.31	29,263.56
Provisions	3,859.28	4,070.54
<b>Total liabilities</b>	<b>130,956.26</b>	<b>129,046.28</b>
<b>Total equity and liabilities</b>	<b>95,052.13</b>	<b>95,088.93</b>



*Handwritten signature*



STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2022

(Rs.in million)

Particulars	Quarter ended			Half year ended		Year ended
	30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
	Unaudited (Refer Note 14)	Unaudited	Unaudited	Unaudited (Refer Note 14)	Unaudited	Audited
<b>INCOME</b>						
Revenue from operations	3,427.61	2,480.24	3,077.37	5,907.85	7,755.72	24,340.94
Other income	298.35	275.87	153.76	574.22	381.16	1,145.71
<b>Total income</b>	<b>3,725.96</b>	<b>2,756.11</b>	<b>3,231.13</b>	<b>6,482.07</b>	<b>8,136.88</b>	<b>25,486.65</b>
<b>EXPENSES</b>						
Cost of revenue						
Cost incurred during the year	3,768.89	1,017.87	1,082.01	4,786.76	2,281.77	5,089.00
Decrease/(Increase) in inventories of plots, real estate properties and development rights	(1,903.79)	176.22	727.86	(1,727.57)	2,374.87	9,754.79
Employee benefits expense	210.70	204.52	212.09	415.22	428.17	701.54
Finance costs	1,730.05	1,631.04	1,584.01	3,361.09	3,186.50	6,254.19
Depreciation and amortization expense	16.35	18.72	20.38	35.07	42.75	89.57
Other expenses	914.35	644.30	435.57	1,558.65	911.72	1,703.09
<b>Total expenses</b>	<b>4,736.55</b>	<b>3,692.67</b>	<b>4,061.92</b>	<b>8,429.22</b>	<b>9,225.78</b>	<b>23,592.18</b>
<b>Profit/(loss) before exceptional items and tax</b>	<b>(1,010.59)</b>	<b>(936.56)</b>	<b>(830.79)</b>	<b>(1,947.15)</b>	<b>(1,088.90)</b>	<b>1,894.47</b>
Exceptional items (net)	-	-	-	-	-	-
<b>Profit/(loss) before tax</b>	<b>(1,010.59)</b>	<b>(936.56)</b>	<b>(830.79)</b>	<b>(1,947.15)</b>	<b>(1,088.90)</b>	<b>1,894.47</b>
Tax expense	-	-	-	-	-	-
<b>Profit/(loss) for the period/year</b>	<b>(1,010.59)</b>	<b>(936.56)</b>	<b>(830.79)</b>	<b>(1,947.15)</b>	<b>(1,088.90)</b>	<b>1,894.47</b>
<b>Other comprehensive income</b>						
Items that will not be reclassified to profit or loss						
Re-measurement gains on defined benefit plans	0.48	(0.11)	0.35	0.37	4.55	13.46
<b>Other comprehensive income for the period/year, net of tax</b>	<b>0.48</b>	<b>(0.11)</b>	<b>0.35</b>	<b>0.37</b>	<b>4.55</b>	<b>13.46</b>
<b>Total comprehensive income for the period/year, net of tax</b>	<b>(1,010.11)</b>	<b>(936.67)</b>	<b>(830.44)</b>	<b>(1,946.78)</b>	<b>(1,084.35)</b>	<b>1,907.93</b>
Earnings per share (in rupees) (Basic and diluted) *	(5.97)	(5.53)	(4.90)	(11.50)	(6.42)	11.18
Paid-up equity share capital (Face value of Rs. 10 per share)	1,693.87	1,693.87	1,693.87	1,693.87	1,693.87	1,693.87
Other equity (Excluding debenture redemption reserve)	(38,336.13)	(37,326.02)	(39,381.63)	(38,336.13)	(39,381.63)	(36,389.35)
Debenture redemption reserve	738.13	738.13	738.13	738.13	738.13	738.13
<b>Net worth</b>	<b>(35,904.13)</b>	<b>(34,894.02)</b>	<b>(36,949.63)</b>	<b>(35,904.13)</b>	<b>(36,949.63)</b>	<b>(33,957.35)</b>

\* Not annualised, except for the year ended 31 March 2022.







Note 1: Cash flow statement for the half year ended 30 September 2022

(Rs. in million)

Particulars	Half year ended	Half year ended
	30 September 2022	30 September 2021
	Unaudited	Unaudited
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(1,947.15)	(1,088.90)
<b>Adjustments for:</b>		
Depreciation and amortization expense	35.07	42.75
Unrealised foreign exchange (gain)/loss (net)	2.06	0.40
Net loss/(gain) on disposal of property, plant and equipment (net)	0.96	(0.52)
Net gain on sale of current investment (including impact of fair valuation)	(0.58)	(0.40)
Interest income	(100.64)	(72.21)
Gain on exchange of land (net)	(104.40)	(785.72)
Finance costs excluding interest on lease liabilities	3,354.51	3,179.46
Interest on lease liabilities	6.58	7.04
Impairment/(reversal) of loans and provision for doubtful advances (net)	384.62	(105.93)
Amounts written off	227.21	61.74
Income from forfeiture of customer advances	(0.87)	(12.38)
Claim income	(34.27)	-
Provision for doubtful balances with statutory authorities	-	47.98
Unclaimed balances and excess provisions written back	(132.44)	(7.55)
<b>Operating profit before working capital changes</b>	<b>1,690.66</b>	<b>1,265.76</b>
<b>Adjustments for:</b>		
Trade payables and other financial liabilities	(1,310.78)	(722.66)
Other current liabilities	5,372.62	408.86
Provisions	(212.32)	(777.97)
Inventories	(1,525.54)	3,190.49
Trade receivables	911.48	(377.60)
Other financial assets and other assets	797.54	85.85
<b>Cash flows from operating activities after working capital changes</b>	<b>5,723.66</b>	<b>3,072.73</b>
Direct taxes paid (net)	(71.31)	30.44
<b>Net cash flows from/(used in) operating activities (A)</b>	<b>5,652.35</b>	<b>3,103.17</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(95.71)	(73.44)
Proceeds from sale of property, plant and equipment	0.88	6.82
Sale of non-current investments in subsidiaries	0.10	-
Purchase of current investments (net)	(256.74)	(166.25)
Movement in bank deposits with maturity more than three months (net)	132.70	(899.93)
Loans given to subsidiaries	(98.02)	(72.86)
Loans received back from subsidiaries	228.22	726.26
Interest received	255.55	156.09
<b>Net cash flows from/(used in) investing activities (B)</b>	<b>166.98</b>	<b>(323.31)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from non-current borrowings	41,572.00	4,350.00
Repayments of non-current borrowings	(32,146.27)	(4,953.96)





Cash flow statement for the half year ended 30 September 2022 (Cont'd)		(Rs. in million)	
Particulars	Half year ended	Half year ended	
	30 September 2022 Unaudited	30 September 2021 Unaudited	
Movement in current borrowings (net)	2,838.07	144.82	
Finance costs paid	(18,141.59)	(2,206.88)	
Payment of lease liabilities	(10.43)	(10.17)	
Interest on lease liabilities	(6.58)	(7.04)	
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>(5,894.80)</b>	<b>(2,683.23)</b>	
<b>Increase in cash and cash equivalents (A+B+C)</b>	<b>(75.47)</b>	<b>96.623</b>	
Cash and cash equivalents as at beginning of the year	473.74	(484.37)	
<b>Cash and cash equivalents as at end of the period (refer note below)</b>	<b>398.27</b>	<b>(387.74)</b>	

**Note:**

For the purpose of cash flow statement, cash and cash equivalents comprises the following:

Particulars	(Rs. in million)	
	Half year ended	Half year ended
	30 September 2022 Unaudited	30 September 2021 Unaudited
Cash on hand	2.78	2.83
Cheques in hand	2.90	19.71
Balance with banks in current accounts	1,372.30	801.69
Bank deposits with original maturity of less than 3 months	403.02	0.50
<b>Cash and cash equivalents</b>	<b>1,781.00</b>	<b>824.73</b>
Less : Bank overdraft	(1,382.73)	(1,212.47)
<b>Cash and cash equivalents for cash flow statement</b>	<b>398.27</b>	<b>(387.74)</b>



BA

-----This space has been intentionally left blank-----



- 2) 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 2022. These financial results have been subjected to limited review by the Statutory Auditors of the Company.
- 3) Additional disclosure as per Regulation 52(4) and 54 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) on financial results for the quarter ended 30 September 2022:

S. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
		Unaudited (Refer Note 14)	Unaudited	Unaudited	Unaudited (Refer Note 14)	Unaudited	Audited
1	<b>Debt service coverage ratio (in times)</b> <i>Definition: EBITDA/(finance costs + scheduled principal repayments (excluding prepayments) during the period for long-term debts)</i> <i>{EBITDA: Profit/(loss) before tax + depreciation and amortisation expense + finance costs}</i>	0.13	0.03	0.23	0.04	0.26	0.54
2	<b>Interest service coverage ratio (in times)</b> <i>Definition: EBITDA/finance costs</i>	0.43	0.44	0.49	0.43	0.67	1.32
3	<b>Bad debts to account receivable ratio (%)</b> <i>Definition: Bad debts/average of opening and closing trade receivables</i> <i>{Bad debts: Impairment balance as per statements of profit and loss}</i> <i>{Accounts receivables: Trade receivables as per balance sheet}</i>	0%	0%	0%	0%	0%	0%
4	<b>Debtors turnover (in times)</b> <i>Definition: Revenue from operations/average of opening and closing trade receivables</i>	4.37	2.00	1.77	4.77	4.99	15.91
5	<b>Inventory turnover (in times)</b> <i>Definition: Cost of revenue /average of opening and closing inventories</i>	0.04	0.03	0.04	0.07	0.09	0.31



*Handwritten signature*





S. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
		Unaudited (Refer Note 14)	Unaudited	Unaudited	Unaudited (Refer Note 14)	Unaudited	Audited
6	<b>Operating margin (%)</b> <i>Definition: Operating profit/revenue from operations {Operating profit: Revenue from operations - cost of revenue - employee benefits expense - other expenses - depreciation and amortisation expense}</i>	12.29%	16.88%	19.48%	14.21%	22.13%	28.77%
7	<b>Net profit margin (%)</b> <i>Definition: Profit/(loss) for the period/total income</i>	-27.11%	-33.99%	-25.70%	-30.03%	-13.33%	7.49%
8	<b>Debt equity ratio (in times)</b> <i>Definition: Net debts/net worth {Net debts: Long-term borrowings + short-term borrowings - cash and cash equivalents - other bank balances}</i>	(2.08)	(2.22)	(1.77)	(2.08)	(1.77)	(1.82)
9	<b>Current ratio (in times)</b> <i>Definition: Current assets/current liabilities</i>	1.27	1.32	0.89	1.27	0.89	0.94
10	<b>Long term debt to working capital (in times)</b> <i>Definition: Long-term debt/working capital {Long term debt: Long-term borrowings (including current maturities) {Working capital: Current assets - current liabilities}</i>	3.48	3.03	(4.73)	3.48	(4.73)	(9.01)
11	<b>Current liabilities ratio (in times)</b> <i>Definition: Current liabilities/total liabilities</i>	0.54	0.52	0.78	0.54	0.78	0.75
12	<b>Total debts to total assets (in times)</b> <i>Definition: Total debts/total assets {Total debts: Long-term borrowings + short-term borrowings}</i>	0.84	0.88	0.69	0.84	0.69	0.70



*Handwritten signature*







4) Additional disclosures as per Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 on financial results for the quarter ended 30 September 2022:

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 ("NCDs")	(Refer Note 4(e))	20 May 2022 (Refer Note 4(e))	Not applicable	20 May 2022 (Refer Note 4(e))	Not applicable

Notes:

- Due dates disclosed above are after considering extensions granted by the debenture holders.
  - The NCDs are secured by way of charge on the following:
    - Non-agricultural freehold land admeasuring 397.28 square meters forming part of the land parcel located at Mauje Maharajpura of Kadi Taluka, Ahmedabad, Gujarat; and
    - All the collection accounts, distribution accounts, receivables and any amount to be deposited in these accounts with respect to the 'Project Emerald Hills Extension', a township project on 95.25 acres in Sector 62 and 66, Gurgaon, and 'Project Marbella' on 109.069 acres in Sector 65 and 66, Gurgaon being developed by the Company, including first and exclusive mortgage by way of deposit of title deeds of such land parcels owned by the land-owning subsidiary companies.
  - The Company is maintaining security cover of more than one hundred percent in respect of these NCDs.
  - The above-mentioned face value of Rs. 1,000,000 was before demerger. Pursuant to the scheme of arrangement (demerger) between the Company, MGF Developments Limited (MGF) 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 (i.e., Rs 307,876 per debenture) has been demerged and transferred to MGF Developments Limited ("MGF NCDs"). Accordingly, the face value of debentures with Emaar India Limited was reduced to Rs. 692,124 per debenture ("Emaar NCDs").
  - On 10 May 2022, the Company has repaid the outstanding principal, interest and redemption premium on Emaar NCDs and liabilities towards such face value of NCDs stands repaid. MGF NCDs are still outstanding to be repaid. Therefore, these NCD's are still to be delisted from the Bombay Stock Exchange (BSE) and accordingly, the Company has complied with Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, to the extent applicable.
  - CARE Ratings Limited vide its letter dated 19 May 2022 has informed that since Emaar India Limited has repaid the Emaar NCDs and balance MGF NCDs were already transferred to MGF Developments Limited pursuant to the demerger scheme approved by NCLT, the rating for aforesaid debentures stands withdrawn, with immediate effect.
- In November 2019, Emaar Holding II, shareholder and promoter of the Company, filed a petition under Section 241 of the Companies Act, 2013, before the Hon'ble National Company Law Tribunal ("NCLT"), New Delhi, seeking relief against MGF Developments Limited, Mr. Shravan Gupta, Ms. Shilpa Gupta and its connected entities (MGF Group). Emaar Holding II has, inter-alia, prayed to direct MGF Group to compensate the Company and Emaar Holding II to the extent of loss caused due to their certain acts and transactions along with interest, from the date of respective loss. The Company has also filed criminal complaints against MGF and its associates, in respect of certain matters referred to in Section 241 petition filed by Emaar Holding II. As the matters are currently sub-judice, any impact of the same on the Company's financial results is not ascertainable at this stage. The auditors have expressed an emphasis of matter on the said matter.
  - 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 whereby the Company has obtained legal advice and expects favorable outcomes. The Company has investments in the equity share capital of the said Subsidiary aggregating to Rs. 362.78 million (31 March 2022 - Rs. 362.78 million) and has advances recoverable aggregating to Rs. 793.60 million (31 March 2022 - Rs. 788.50 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 said matter.
  - (a) 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



3/8





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. The Company is carrying assets and liabilities of Rs. 4,278.06 million and Rs. 1,290.19 million respectively in its books of accounts. The matters mentioned herein filed by APIIC are now being defended by Telangana State Industrial Infrastructure Corporation ("TSIIC") and are pending with judicial authorities at various levels. Based on the legal advice received and internal assessments, the management believes that the allegations/matters raised above are untenable and contrary to the factual position.

(b) TSIIC has filed a Petition before National Company Law Tribunal, Hyderabad Bench ('NCLT') against EHTPL and certain other parties under Section 241 and 242 of the Companies Act 2013 ('the Act'). The Company has also been made respondent in the said proceedings. The said Petition has been challenged by EHTPL on the ground that TSIIC has no locus standi to file the petition against EHTPL as it is not a recorded shareholder and APIIC continues to be named as shareholder in the Statutory Register of Members of EHTPL as maintained in terms of the provisions of the Act. Management believes that since the factual position with respect to demerger proceedings between State of Andhra Pradesh and State of Telangana and consequent apportionment of assets and liabilities between APIIC and TSIIC has not been completed and are still pending, therefore TSIIC has no locus standi to file the petition. Accordingly, the management believes that the petition filed by TSIIC is not tenable. However, vide order dated 25 July 2022, the maintainability issue has been decided by NCLT in favour of TSIIC and further NCLT has restrained EHTPL's majority shareholders and their representatives from dealing with the assets and properties of EHTPL. Further, on the appeal filed against NCLT order dated 25 July 2022, the Hon'ble National Company Law Appellate Tribunal, Chennai ("NCLAT") vide its Judgement dated 10 October 2022 has upheld NCLT order dated 25 July 2022 on maintainability and restraining order. However, the other relief granted by NCLT regarding compensation for financial losses incurred by Government of Telangana / TSIIC, till date has been set-aside. The matter is now sub-judice before NCLT and further pleadings are to be filed. Based on the legal advice received and internal assessments, the management believes that the above Judgment passed by the NCLAT and the NCLT order is contrary to the factual position and further necessary appeals shall be filed before the Hon'ble Supreme Court of India in due course.

The auditors have expressed an emphasis of matter on the said matter.

- 8) The Covid-19 pandemic has severely impacted the businesses and economic activities around the world including India. The business operations of the Company has returned to normalcy and the Company has made an impact assessment of the possible effects on the carrying amounts assets and liabilities based on various internal and external factors upto the date of approval of company's financial results. Basis the above, the management has estimated that it sees no major change in medium to long term financial performance of the Company as estimated prior to pandemic impact and hence, the Company believes that no adjustment is considered necessary in the company's financial results in this regard.
- 9) As of 30 September 2022, the Company has term loans of Rs. 6,127.65 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 of 30 September 2022, the Company's net worth has been completely eroded (primarily due to Demerger happened in the financial year 2018-19). The Management has also 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 hence, can be used for raising additional capital, as 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, the financial results has been prepared on a going concern basis.
- 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 had filed an application before the NCLT under Section 231 of the Companies Act, 2013 for enforcement of the Scheme. NCLT vide its order dated 19 November 2019, directed the Company and MGF to mediate the matter before former Supreme Court Judge, Justice D.K. Jain ("Mediator"), and for the Mediator to suggest ways and means for implementation of Scheme by the parties. Pursuant to such appointment of Mediator, the NCLT disposed-off the said Section 231 application filed by MGF. During the mediation process, the Company informed the Mediator that MGF has invoked arbitration proceedings raising various disputes under demerger arrangement before the International Court of Arbitration, International Chamber of Commerce ('ICC'), London. The Company further informed the Mediator that there will be an overlap of arbitration proceedings and the mediation process, hence, the mediation proceedings be terminated. In view of the same, the Mediator vide its order dated 27 January 2020 closed the mediation



*[Handwritten Signature]*





proceedings, with liberty to the parties to revive the same, as and when considered necessary. Thereafter, MGF again filed an application under section 231 of the Companies Act, 2013 for implementation of the Scheme and the matter is currently sub-judice before NCLT.

Further, as part of demerger related arrangement between the parties, the Holding 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 Holding Company to raise indemnity claims on MGF, Mr. Shraavan Gupta and their group companies in respect of certain expenses/losses incurred by the Holding 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 Holding Company or its land-owning subsidiaries may unilaterally settle 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 Holding Company had raised various claims, which MGF had failed to settle. In view of the same, the Holding Company has enforced some of such indemnity claims.

During the previous years, MGF has disputed certain indemnity claims/enforcement and filed the Request for Arbitration ('RFA') on 22 December 2019 to the International Court of Arbitration, International Chamber of Commerce ('ICC'), London. The RFA, inter-alia, also requested for resolution of disputes by arbitration over various matters pertaining to demerger arrangement between the parties, including the said indemnity agreements. The Arbitral Tribunal was constituted and on 21 April 2020, MGF also filed an Application for Temporary Restraining Order & Interim Measures ('TRO') before the Arbitral Tribunal against the Holding Company's unilateral settlement of certain indemnity claims. After hearing both the parties, vide its order dated 15 May 2020, the Arbitral Tribunal dismissed MGF's TRO application and ordered that the Holding Company should be free to exercise their contractual rights to enforce the security provided by MGF, by way of termination of development rights over certain land parcels, on the basis that damages will be an adequate remedy if the Holding Company does so, in case of breach of said indemnity agreements. The Arbitral Tribunal further confirmed that, not only the Holding Company may unilaterally settle indemnity claims, but also confirmed that there should be no restraint on alienation of the development rights in those assets. Thereafter, the parties have filed their claims and counter claims under the ongoing arbitration proceedings before ICC and the matters are currently sub-judice before the Arbitral Tribunal.

The auditors have expressed an emphasis of matter on the said matter.

- 11) The Hon'ble Supreme Court had, vide its judgment dated 9 August 2019 disposed off 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 continued to be considered as financial creditor for the purposes of the said Code. However, pursuant to the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019 promulgated on 28 December 2019, the said Code was amended to provide minimum thresholds in case of real estate projects, that if an allottee wants to initiate the insolvency process, the application should be filed jointly by at least 100 allottees of the same real estate project, or 10% of the total allottees under that project, whichever is less. After promulgation of the Ordinance and thereafter the notification of Insolvency and Bankruptcy Code (Amendment) Act, 2020, a number of homebuyers had approached the Hon'ble Supreme Court by filing writ petitions challenging the said provisions of Ordinance to be ultra vires the Constitution of India and in violation of Articles 14 and 21 (Fundamental Rights). The Hon'ble Supreme Court had, in the matter titled 'Manish Kumar V. Union of India & Anr.' and other tagged matters vide its judgment dated 19 January 2021, upheld the constitutional validity of Insolvency and Bankruptcy Code (Amendment) Act, 2020. As a result, the homebuyers continued to be considered as financial creditor for the purposes of the said Code, however, now the homebuyers must meet the minimum thresholds. Based on the judgment of the Hon'ble Supreme Court, all the matters pending at NCLT, which did not meet requirements of the Code have been adjourned sine die. Based on the developments and legal advice received, management is confident that no material liability will devolve in respect of Company matters pending before NCLT. Further, in the month of May 2021, 62 allottees of project "Imperial Garden" (580 residential units + 103 EWS units) had approached NCLT. The petition has been filed post offer of possession. Out of 62 allottees, some allottees have already received possession and executed conveyance deeds. Moreover, lately the view of the NCLT/NCLAT is CIRP should be Project based and be confined to the subject Project only, which in present case is a completed project. We have already filed a maintainability application before NCLT to challenge the very maintainability of this application, which is pending to be heard, although based on the recent developments and legal advice received, no material liability should devolve in respect of matters pending before NCLT.
- 12) National Anti-Profitteering Authority ('NAA') passed orders alleging that the Company had undertaken profiteering activities on two projects, namely, Emerald Estate and Emerald Hills amounting to Rs. 133.57 million and Rs. 192.30 million respectively and therefore is liable to pass on such amount to its flat buyers together with interest thereon. The matter was contested on multiple grounds before the NAA including but not limited to, inconsistencies in calculation of profiteering by Director General of Anti-profiteering ('DGAP'), non-consideration of actual benefit passed on to customers etc. but was rejected by NAA. The Company has already passed benefit of Rs. 75.11 million and Rs 110.42



2/2








million to various flats buyers in Emerald Estate and Emerald Hills respectively, however this fact was rejected by NAA while passing the above orders. Further, NAA has directed the DGAP to investigate the issue of passing on the benefit of additional input tax credit in respect of 24 other projects of the Company. Subsequently, the Company has filed writ petition against this said order before the Hon'ble High Court and is hopeful of a favorable outcome based on the legal advice.


- 13) On 15 April 2022, MGF Developments Limited, Mr. Shравan Gupta and Ms. Shilpa Gupta have filed a petition under Sections 59, 241, 242 along with Section 213 read with 210 and other applicable provisions of Companies Act, 2013, before NCLT, New Delhi, seeking relief against the Company and certain other parties, alleging oppression and mismanagement by Emaar Properties PJSC, its associates and group companies. Based on the legal advice received and internal assessments, the management believes that the allegations/matters raised in the petition are untenable and contrary to the agreements and are governed by arbitration arrangement between the parties. The matter is currently sub-judice and accordingly, in management's assessment, no adjustment is required to be made in the books of accounts.
- 14) The financial results of the Company for the quarter and half year ended 30 September 2022 have been subjected to limited review by the statutory auditors.
- 15) 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.
- 16) Previous period numbers have been regrouped/reclassified, wherever considered necessary to make them comparable to the current period numbers.


**For and on behalf of the Board of Directors  
Emaar India Limited**

  
**Jamal Majed Khalfan Bin Theniyah**  
Director

**Place:** Gurugram  
**Date:** 14 November 2022

  
**Kalyan Chakrabarti Yanmendra**  
Chief Executive Officer

  
**Bharat Bhushan Garg**  
Company Secretary

  
**Sumil Mathur**  
Chief Financial Officer

