DLF LIMITED
DLF Gateway Tower, R Block,
DLF City Phase-III, Gurugram-122 002,
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Tel. : +91-124-4769000

DLF
BUILDING INDIA

13th August, 2018

To,	To,
The General Manager Dept. of Corporate Services **BSE Limited** P.J. Tower, Dalal Street, Mumbai – 400 001	The Vice-President **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai – 400 051

Dear Sir,

Sub: Analyst Presentation Q1 FY 2019

We are forwarding herewith DLF - Analysts Presentation for your kind information and record please.

Thanking you,

Yours faithfully,
For **DLF Limited**

Subhash Setia
Company Secretary

Encl: As above

For Stock Exchange's clarifications, please contact:-
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Q1FY19 Analyst Presentation

August 10, 2018

SAFE HARBOUR

This presentation contains certain forward looking statements concerning DLF's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition , economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc., interest and other fiscal cost generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time on behalf of the company.

Impact of Ind AS 115

- A new accounting standard, Revenue from Contracts with Customers (AS-115), for revenue recognition is effective from April 1, 2018

- The new standard focusses on recognizing revenues when the obligations of the Company have essentially been completed, risks have been nearly eliminated for the organization and control over the property has deemed to be passed over to the buyer.

- The standard has to be applied on modified retrospective basis on properties where the control and risk has not passed on to the customer. As a result, revenues and profits recognized, under PoCM accounting method till now, on open contracts as of April 1, 2018, shall be reversed and impact has been taken on opening Reserves of April 1, 2018. **The amount reversed, in the opening balance sheet, is Rs. 5383 crore (net of tax).**

- The company has achieved completions in most of the projects and significant property deliveries are underway. It is anticipated that most of the accounting reversals shall accrue back within next couple of years.

Impact of Ind AS 115 – Policy adopted by DLF

- The Company has laid out the following policy for recognizing revenue for different verticals of the business:
  - Built-up Projects (Residential/Commercial) :
    - Receipt of Occupation Certificate / Partial Occupation Certificate **and**
    - Possession letters / Fit-out letters have been issued
  - Plotted developments:
    - Receipt of Completion/Part completion Certificate **and**
    - Possession letter has been issued

- The below table summarizes the reversals :

Location	**Gross Margin (in Rs crore)**
DLF5	5,640
ROG	950
National Devco	1,450
Impact in Retained Earning	8,040
Tax Impact	(2,656)
Net Impact	5,383

Business Update

DLF Limited - Summary Consolidated Financial Results

- ICRA has upgraded the long term credit rating of Company's debt facilities from A (stable) to A+ (positive outlook)
- Adopted new accounting standard, Revenue from Contracts with Customers (AS115) as the basis of Revenue Recognition from April 1, 2018. Total margin reversed from the opening Reserves stood at Rs. 5,383 crore (net of tax).
- EBITDA for the quarter for DLF(ex-DCCDL) stood at Rs. 459 crore while DCCDL EBITDA stood at Rs. 920 crore
- PAT stood at Rs. 185 crore including 66.67% share in Profits of DCCDL.
- The Company continued to invest in the future, thereby incurring capex and invest in new projects (HSIIDC) and MRC acquisition amounting to Rs 750 crore, resulting in increase in Net Debt by Rs. 750 crore.
- Achieved Net New Sales bookings of Rs. 600 crore during the quarter;
- Given the current sales momentum, the Company maintains its guidance for fresh sales at Rs. 2,000 -2,250 crore for FY19

The quarter saw the company achieving a breakeven cashflow from operations. The company anticipates the cashflows from operations to steadily grow as more project completions are achieved with a better sales momentum.

DLF 2.0 – New Business Model .....

DLF Limited

- In order to remove any uncertainty regarding costs & project timelines, the Company shall:
  - Sell only completed product, once Occupancy Certificate is received; costs of enhanced working capital cycle is marginal on a psf basis
  - Build over next 3-4 years, fresh inventory of completed product
  - During the next 5-6 years, whilst it builds out new inventory, it shall sell down the existing completed inventory which is valued ~Rs. 13,500 crore.

Incidentally, both RERA & Ind AS 115 support evolution of this business model

- Target is to achieve Zero Net Debt in development business over the near term. Improved capital structure to provide flexibility in the business model
  - Sale of residential products to retail customers
  - Build commercial products for sale either sale to retail customers (B2C) or to DCCDL as investment properties (B2B); also have the flexibility to hold the property as investment property earning lease rentals

- Implement a business model where 50% of free cash is targeted to be reinvested in projects with returns in the range of ~20% plus on development costs and balance 50% of free cash to build up cash reserves for potential special dividend payouts, share buybacks, acquisitions etc..

DCCDL (JV with GIC)

- DCCDL shall act as a 'Business Trust' – not only will it build its own investment properties (~25 msf potential embedded in the JV) but shall also have the ability to purchase investment properties, at FMV, being developed by DLF or third parties.

Industry Update

Industry

- The sector continues to be in the phase of stabilization and consolidation post the structural transformation of the landscape owing to legislations like RERA, GST and demonetization. Markets indicating a clear shift in favor of Tier-1 developers.

- According to recent reports, the sector is witnessing turnaround with increased number of launches across geographies. The sector is expected to reach $180 billion by 2020 with contribution of the housing sector to the nation's GDP rising up to 11%.

- Commercial sector continues to clock in robust growth and is witnessing unparalleled demand from long term institutional capital.

- Uncertainty around domestic inflation resulted in further increase of Repo rate by 25 bps, which may result in slight muting of demand. However, the economy is still expected to grow at over 7.5% per annum resulting in improved demand for quality homes and offices.

- The real estate markets are witnessing a healthy rise in number of launches and sales absorption is albeit at a slow pace. Gurugram market contributed almost 47% share in overall launches in NCR market. Quarters-to-Sell (QTS) for Gurugram inventory came down 13 quarters from 19 previously.

Operating Metrics

DLF - Q1FY19 Business Performance

Q1FY19

- Achieved Gross sales of ~ Rs 667 crore, net new sales of ~ Rs. 600 crore during the Quarter;
- Possession letters(“PL”) issued for 1.20 msf properties . Details are summarized below:

DLF5	0.28	80 PL
ROG	0.20	122 PL
National Devco	0.72	448 PL

- Annuity Income(ex DCCDL) stood at Rs 140 crore
- Net debt at the end of quarter stood at Rs. 7,120 crore
- 6 msf of Project under construction
- Chennai SEZ :
  - 0.47 msf already handed over
  - Balance 1.15 msf scheduled to be handed over to DAPL by ***Q4FY19.***

Financial Highlights

DLF-Q1FY19 Consolidated, excluding DCCDL
Financial Highlights – P&L

Rs Crore

		Q1 FY19 (Reviewed) Ind AS - 115		Q4 FY18 (Audited) Ind AS		Q1 FY18 (Reviewed) Ind AS		Year Ended March 31, 2018 Ind AS	
Sl.No.	Consolidated Financials	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue	Rs. Crs.	Percentage of Total Revenue
A)									
1	Sales and Other Receipts	1,507		1,378		2,048		6,707	
	Other Income	150		468		164		957	
	Total Income(A1+A2)	1,658	100%	1,846	100%	2,211	100%	7,664	100%
B)	**Total Expenditure(B1+B2+B3)**	1,199	72	1,391	75	1,145	52	4,329	56
1	Construction Cost	945	57	1,136	62	864	39	3,115	41
2	Staff cost	79	5	78	4	78	4	344	4
3	Other Expenditure	175	11	177	10	203	9	870	11
C)	**EBITDA (D/A1)** *	459	28	454	25	1,067	48	3,334	44
D)	**EBIDTA (Margin)**		**28%**		**25%**		**48%**		**44%**
E)	Financial charges	498	30	517	28	783	35	2,951	39
F)	Depreciation	56	3	62	3	145	7	534	7
G)	**Profit/loss before exceptional items**	**(95)**	-6	**(125)**	-7	**139**	6	**(150)**	-2
H)	Exceptional items - (net)	-	0	196	11	-	0	8,765	114
I)	**Profit/loss before taxes and after exceptional ite**	**(95)**	-6	**71**	4	**139**	6	**8,615**	112
J)	Taxes expense	(26)	-2	33	2	18	1	4,323	56
K)	Extraordinary Items	-	0	-	0	-	0	-	0
L)	**Net Profit after Taxes before Minority Interest**	**(69)**	**-4**	**38**	**2**	**121**	**5**	**4,292**	**56**
M)	Minority Interest	0	0	4	0	2	0	(13)	0
N)	Profit/(losss) of Associates	241	15	205	11	(12)	-1	184	2
O)	**Net Profit**	**173**	10	**248**	13	**111**	5	**4,464**	58
P)	Other Comprehensive income /(loss) (net of tax)	13	1	(4)	0	1	0	12	0
Q)	**Total Comprehensive income**	**185**	**11**	**244**	**13**	**112**	**5**	**4,476**	**58**

**** DCCDL EBITDA is not included here. For detailed DCCDL financials refer Slide # 24***
*****Previous periods have not been restated as per IndAS115***

DLF-Q1FY19 Consolidated Financial Highlights – Balance Sheet

Rs Crore

	As on June 30, 2018 (Unaudited)	As on March 31, 2018 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment/Investment Property/ Capital work in progress	7,436	7,047
Goodwill	1,009	1,009
Other intangible assets	162	164
Investments accounted for using the equity method and other investment in joint ventures/associates	20,036	19,721
Financial assets		
Investments	110	111
Loans	305	280
Other financial assets	273	190
Deferred tax assets (net)	2,238	-
Non-current tax assets (net)	1,164	1,128
Other non-current assets	1,448	1,481
	34,183	**31,130**
Current assets		
Inventories	24,533	19,753
Financial assets		
Investments	1,025	1,000
Trade receivables	900	1,286
Cash and cash equivalents	484	1,356
Other bank balances	635	922
Loans	1,628	1,298
Other financial assets	540	2,201
Other current assets	1,585	1,139
Assets held for sale	574	500
	31,904	**29,455**
	66,087	**60,585**

DLF-Q1FY19 Consolidated Financial Highlights – Balance Sheet

Rs Crore

EQUITY AND LIABILITIES		
Equity		
Equity share capital	357	357
Warrant	750	750
Other equity	29,043	34,204
Equity attributable to owners of Holding Company	**30,150**	**35,310**
Non-controlling interests	48	49
Total equity	**30,198**	**35,359**
Non-current liabilities		
Financial liabilities		
Borrowings	5,737	6,239
Trade payables	795	796
Other financial liabilities	487	477
Provisions	41	41
Deferred tax liabilities (net)	-	438
Other non-current liabilities	143	148
	7,202	**8,139**
Current liabilities		
Financial liabilities		
Borrowings	8,724	8,808
Trade payables	1,199	1,218
Other financial liabilities	4,656	3,865
Other current liabilities	14,036	3,096
Provisions	47	42
Liabilities related to assets held for sale	25	57
	28,688	**17,086**
	66,087	**60,585**

DLF-Q1FY19 Consolidated excluding DCCDL Financial Highlights – Cash Flow (Abridged)

Rs crore

Cash Flow	Q1FY19
Inflow	
Receivables(inflow from sales till 31.03.18)	572
Collection-New Sales	238
Rentals	135
Sub-Total	**944**
Outflow	
Construction	395
Finance cost (net)	222
Government/Land Charges	154
Tax	60
Overheads/CSR	140
Sub-Total	**971**
Operating Cash Flow	-27
Capex Outflow	-723
Net Surplus/(Shortfall)	**-750**

DLF – Net Debt Statement

Rs crore

Net Debt Position	Q1 FY19	Q4 FY18
Gross Opening Debt as per Balance Sheet	9493	12377
Less : Debt Repaid during Qtr.	-561	-3729
Add : New Borrowing during Qtr.	202	805
Gross Debt Position	9134	9453
Less : Cash in Hand	-2109	-3228
Ind AS Adjustment	95	40
Net Debt Position	**7120**	**6265**
~ Rs 8500 crs (net of advances) inter company payable by DLF Group to DCCDL through Assets Transfer		

It is anticipated that inter-company payables shall be settled by 2020, largely by transfer of certain identified assets of DLF Limited.

DLF – Debt Management

DLF is targeting to bring down net debt to zero in near term. Following actions will lead to successfully achieving the objective:

- Promoter infusion of balance consideration for warrants; Rs 2,250 crore in current fiscal.
- Capital raise from QIP; Approximately 17.3 crore shares shall be issued.
- Cash collections from receivables of sales booked in previous periods will cover all residual construction and other payment obligations of the Development business.
- The Company remain focussed to monetize its finished inventory of approx. Rs 13,500 crore over a period of time, resulting in surplus cash flows which shall primarily be utilised for debt reduction and the balance is targeted to be reinvestment in projects and to build up cash reserves.

DLF (ex-DCCDL) – Development Potential

Area in msf

CITIES	DEVELOPMENT BUSINESS	LEASE BUSINESS	TOTAL
Gurgaon	91	18*	109
Delhi Metropolitan region	13	3	16
Chennai	13	6	19
Hyderabad	14	1	14
Chandigarh Tri-City	16	0	16
Kolkata	0	2	2
Other Cites	28	9	36
TOTAL	175	38	213

** Development potential of DCCDL is not included here. Kindly refer Slide # 28*

- "The Development Potential is the Best estimate as per the Current Zoning plans on Land owned by the company/Group companies, or lands for which the Company has entered into arrangements with third parties including Joint Development/Joint Venture Agreements/Other Arrangements for Economic Development of said lands owned by such third parties. Some of these arrangements include making residual payments to the Land Owners before the development potential can be fully exploited"
- The above development potential does not include TOD potential. Increased potential shall be reflected as and when relevant applications are made.

DLF Group (Ex-DCCDL) – Key Identified Project Pipeline

Project	Details
DLF Urban Private Limited *DLF Midtown private Limited* *(Joint Venture – Central Delhi)*	➢ Development Potential : 7 msf ➢ Excavation work under progress for first phase
HSIIDC-11.76 acres, Gurugram	➢ Development Potential : ~2.5 msf ➢ Currently in dialogue with a Private Equity fund for up to 50% stake. Discussions at advanced stage.
Commercial – Garden City , *Gurugram*	➢ Development Potential : 2 msf ➢ Development Horizon : 3 years ➢ License status: Nil ➢ Transaction Status: Nil
Taramani Offices, Chennai	➢ Development Potential : 5.5 msf ➢ Development Horizon : 5 years

DCCDL*
Investment Property Business
(JV with GIC Singapore)

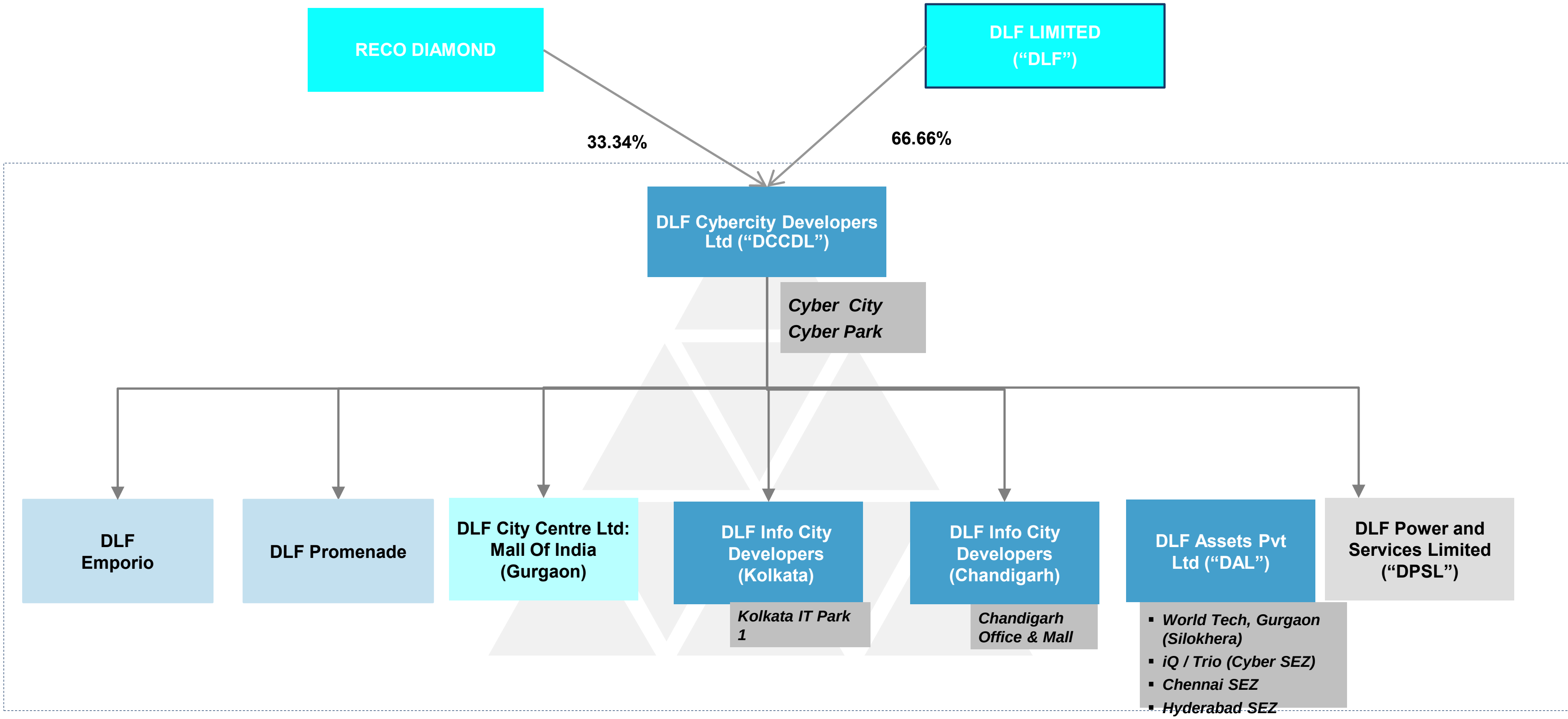
*DLF Cyber City Developers Ltd.

DCCDL – Business Update …

Financial Results

- Total Consolidated Income for Q1FY19 at Rs. 1,227 crore
- Total Consolidated PAT for Q1FY19 at Rs. 363 crore
- Gross Leasing - 0.91 msf in Q1FY19
- Upgradation – 0.77 msf in Q1FY19
- Net Leasing – 0.14 msf in Q1FY19
- Projects under Construction : 3.7 msf
- With just the development of embedded land bank, contractual growth of rentals and rent reversions, the EBITDA of DCCDL is expected to grow annually in mid-teens over next 10 years
- The JV is expected to generate substantial cash flow for new capex, net debt reduction and dividend flows to both the shareholders

DCCDL Holding Structure



DCCDL Structure includes CARAF & Richmond Park Property Management Service Ltd as subsidiary [CARAF is under merger with DCCDL w.e.f 1st April 2017]

DCCDL-Q1 FY19 Consolidated Financial Highlights – P & L

DLF Cyber City Developers Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

(` in Cr)

Particulars	Quarter June 30, 2018 (Reviewed)	Quarter Mar 31, 2018 (Reviewed)	Quarter June 30, 2017 (Reviewed)	Year Ended March 31, 2018 (Audited)
Income				
Revenue from operations	987	963	1,061	3,924
Other income	240	281	226	1,006
	1,227	**1,244**	**1,287**	**4,930**
Expenses				
Cost of land, plots, constructed properties and development rights	247	231	335	1,047
Employee benefits expense	23	24	21	95
Finance costs	400	394	418	1,683
Depreciation and amortisation expense	105	105	102	417
Other expenses	37	105	43	265
	812	**859**	**919**	**3,507**
Profit before exceptional and extraordinary items and tax	**415**	**385**	**368**	**1,423**
Exceptional items	-	-	-	(238)
Profit from continuing operations before tax	**415**	**385**	**368**	**1,661**
Tax expense	52	62	48	238
Profit after tax	**363**	**323**	**320**	**1,423**
Minority interest & Share of profit in associates-net	**-**	**-**	**(13)**	**(3)**
Profit for the year (PAT)	**363**	**323**	**307**	**1,420**
Other Comprehensive Income for the year	0	0	(0)	1
Total Comprehensive Income for the year	**363**	**323**	**307**	**1,421**

Note: Previous year figures has been regrouped/ reclassified, where necessary, to confirm to this year's classification.

DCCDL-Q1 FY19 Consolidated Financial Highlights – Balance Sheet (Abridged)

Rs crore

Balance Sheet(Abstract)	**Q1FY19**	**FY18**
Non-Current Assets	18,594	18,525
Current Assets	9,938	9,736
TOTAL	**28,532**	**28,261**
Equity	8,114	7,752
Non-Current Liabilities	18,148	18,201
Current Liabilities	2,270	2,308
TOTAL	**28,532**	**28,261**

DCCDL – Net Debt Statement

Rs crore

DCCDL GROUP	Q1 FY19	Q4 FY18
Gross Opening Debt as per Balance Sheet	16927	16561
Less : Debt Repaid during Qtr.	-199	-204
Add : New Borrowing during Qtr.	53	557
Gross Debt Position	16781	16914
Less : Cash in Hand	-632	-667
Less : Ind AS Impact	13	13
Net Debt Position	**16162**	**16260**
~ Rs 8500 crore inter-company payable by DLF Group to DCCDL		
LRD Loans of ~ Rs. 14,570 crore; Average maturity of 7.5 years; Average coupon: 8.72% (LRD Multiplier of 8.5x)		
CMBS of Rs. 887 crore; Coupon of 10.9% Other Loans: Rs. 1094 crore; Coupon of 9.16%		

It is anticipated that inter-company payables shall be settled by 2020, largely by transfer of certain identified assets of DLF Limited.

DCCDL – Q1FY19 Update – Investment properties

DCCDL Group			
Cities/Projects		Leasable Area (msf)	% leased
Rent Yielding Building			
Gurgaon			
DLF Cyber City Developers	Office	10.56	96.10
DAL (SEZS)	Office	13.42	93.60
Kolkata/Chandigarh	Office	1.94	83.69
Malls			
Delhi	Retail	0.77	99.70
Chandigarh	Retail	0.19	82.17
Under Construction Building			
DLF Cyber City Developers	Office	2.59	50.86
DAL (SEZ) - Chennai	Office	1.62	46.07

DCCDL Group – Growth Potential

Location	*Potential (Msf)*	*Development Horizon*	*Remarks*
Gurgaon	19*	10 years	Embedded potential
Chennai & Hyderabad	~5	5 years	Acquisitions by DAL from DLF

*** Inclusive of TOD potential**

DCCDL Group currently owns and operates a Pan-India portfolio approximately 27msf. With the above mentioned growth potential, under construction project viz. Cyber Park(2.5msf) and other potential acquisitions from DLF, this portfolio is slated to grow more than double in the next 10 years.

Thank You