



May 15, 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 Audited Financial Results of Emaar MGF Land Limited for the Financial Year ended March 31, 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 May 14, 2019, have approved the annual audited financial results of the Company for the Financial Year ended March 31, 2019.

We have enclosed the approved audited annual financial results along Auditors Report and applicable Declaration in relation with unmodified opinion of the Auditors.

You are requested to take note of the same.

Thanking you,

Yours faithfully,

**For Emaar MGF Land Limited**

**Sd/-**

**Bharat Bhushan Garg**  
**Company Secretary**

**Emaar MGF Land Limited**

Emaar Business Park, MG Road, Sikanderpur, Sector 28, Gurugram 122002. Haryana. Tel.: +91 124 442 1155 | Fax: +91 124 479 3401

**Registered Office:** 306-308, Square One, C-2, District Centre, Saket, New Delhi – 110 017. Tel.: +91 11 4152 1155, 4948 3100

Fax: +91 11 4152 4619 | CIN: U45201DL2005PLC133161 | Email: enquiries@emaar-india.com

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
21st Floor, DLF Square  
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## **Independent Auditor's Report on Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To the Board of Directors of Emaar MGF Land Limited**

1. We have audited the financial results of Emaar MGF Land Limited ("the Company") for the year ended 31 March 2019, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 12 to the financial results which states that the figures for the half year ended 31 March 2019 as reported in these financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures for the half year ended 30 September 2018. Also, the figures for the half year ended 30 September 2018 had only been reviewed and not subjected to audit. These financial results are based on the financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 ("the Act") and published year to date figures for the half year ended 30 September 2018 prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circular CIR/IMD/DF1/69/2016 dated 10 August 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the financial statements for the year ended 31 March 2019 and our review of financial results for the half year ended 30 September 2018.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



# Walker Chandiook & Co LLP


3. In our opinion and to the best of our information and according to the explanations given to us, the financial results:
- i. are presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/TMD/DF1/69/2016 dated 10 August 2016, in this regard; and
  - ii. give a true and fair view on net loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2019.
4. We draw attention to the following notes to the accompanying financial results:
- (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. 1,495.31 million respectively as at 31 March 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. 4,087.25 million and Rs. 3,323.45 million respectively with respect to this project. The final outcome of these litigations is presently unascertainable.
  - (iii) Note 7 in relation to accounting for the demerged undertaking of the Company to MGF Developments Limited, being the resultant company is in accordance with scheme of arrangement approved by the National Company Law Tribunal on 16 July 2018. This accounting treatment is different from that prescribed under Appendix A to Ind AS 10- Events after the Reporting Period as is more fully described in the aforesaid note.

Our report is not modified in respect of these matters.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

  
**Neeraj Sharma**  
Partner  
Membership No. 502103



**Place:** Gurugram  
**Date:** 14 May 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](http://www.emaar-india.com)

### AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2019

(Rs. in million)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	665.39	638.00
Capital work-in-progress	31.95	26.16
Intangible assets	4.19	7.78
Financial assets		
Investments	929.93	869.83
Loans	27.72	28.89
Other bank balances	419.85	3.51
Non-current tax assets (net)	165.40	252.25
Other non-current assets	2,833.16	2,139.98
<b>Total non-current assets</b>	<b>5,077.59</b>	<b>3,966.40</b>
<b>Current assets</b>		
Inventories	68,136.82	39,350.46
Financial assets		
Investments	559.37	236.41
Loans	7,389.92	7,796.12
Trade receivables	910.17	2,838.06
Cash and cash equivalents	900.95	519.34
Other bank balances	506.37	586.43
Other financial assets	454.36	693.38
Other current assets	37,837.23	37,683.22
<b>Total current assets</b>	<b>116,695.19</b>	<b>89,703.42</b>
<b>Assets classified as held for distribution (refer note7)</b>	<b>-</b>	<b>37,518.52</b>
<b>Total assets</b>	<b>121,772.78</b>	<b>131,188.34</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	912.62	9,126.20
Other equity	(33,633.93)	3,207.28
<b>Total equity</b>	<b>(32,721.31)</b>	<b>12,333.48</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	21,194.09	37,926.62
Other financial liabilities	-	7,739.41
Provisions	82.98	108.64
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	15,022.54	9,794.19
Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	31.73	-
-Total outstanding dues of other creditors other than micro enterprises and small enterprises	4,107.64	4,054.43
Other financial liabilities (refer note 11)	35,957.67	8,468.21
Other current liabilities	72,617.22	33,782.01
Provisions	5,480.22	3,586.94
<b>Total liabilities</b>	<b>154,494.09</b>	<b>105,460.45</b>
<b>Liabilities associated with the assets classified as held for distribution (refer note 7)</b>	<b>-</b>	<b>13,394.41</b>
<b>Total equity and liabilities</b>	<b>121,772.78</b>	<b>131,188.34</b>



**AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019**

(Rs. in million)

Particulars	Half year ended 31 March 2019	Half year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
	Unaudited (Refer note 12)	Unaudited (Refer note 12)	Audited	Audited
<b>INCOME</b>				
Revenue from operations	11,119.16	7,101.06	22,515.88	13,294.84
Other income	582.83	97.34	1,297.90	343.48
<b>Total income</b>	<b>11,701.99</b>	<b>7,198.40</b>	<b>23,813.78</b>	<b>13,638.32</b>
<b>EXPENSES</b>				
Cost of land, constructed properties, development rights and others	8,274.43	5,683.12	17,348.53	10,632.79
Employee benefits expense	327.60	245.44	637.21	464.59
Depreciation and amortization expense	31.99	20.59	58.36	34.24
Finance costs	2,635.73	2,816.72	5,297.20	5,520.37
Other expenses	2,363.34	2,279.23	4,712.37	4,227.34
<b>Total expenses</b>	<b>13,633.09</b>	<b>11,045.10</b>	<b>28,053.67</b>	<b>20,879.33</b>
<b>Loss before tax</b>	<b>(1,931.10)</b>	<b>(3,846.70)</b>	<b>(4,239.89)</b>	<b>(7,241.01)</b>
<b>Tax expense</b>	<b>(50.09)</b>	<b>-</b>	<b>(50.09)</b>	<b>-</b>
<b>Loss for the period / year</b>	<b>(1,881.01)</b>	<b>(3,846.70)</b>	<b>(4,189.80)</b>	<b>(7,241.01)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss in subsequent years				
Re-measurement gains on defined benefit plans	7.71	13.31	19.33	9.40
<b>Other comprehensive income for the period / year, net of tax</b>	<b>7.71</b>	<b>13.31</b>	<b>19.33</b>	<b>9.40</b>
<b>Total comprehensive income for the period/ year, net of tax</b>	<b>(1,873.30)</b>	<b>(3,833.39)</b>	<b>(4,170.47)</b>	<b>(7,231.61)</b>
Paid-up equity share capital (face value of Rs.10 per share)	912.62	9,126.20	912.62	9,126.20
Debenture redemption reserve	738.13	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)	(34,372.06)	(6,141.10)	(34,372.06)	(6,141.10)
<b>Net worth</b>	<b>(32,721.31)</b>	<b>12,333.48</b>	<b>(32,721.31)</b>	<b>12,333.48</b>
Paid up debt capital	58,502.80	60,056.63	58,502.80	60,056.63
Loss per share (in rupees) (Basic and diluted) (not annualised)	(5.17)	(4.22)	(11.52)	(7.93)
Debt equity ratio	(1.79)	4.87	(1.79)	4.87
Debt service coverage ratio	0.28	(0.36)	0.16	(0.31)
Interest service coverage ratio	0.28	(0.36)	0.21	(0.31)

**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 May 2019.
- 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 [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 (**Refer note 7**), 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.
- 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. 1,495.31 million (31 March 2018 - Rs. 2,274.64 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. 4,087.25 million (31 March 2018-Rs. 3,071.21 million) and Rs. 3,323.45 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 31 March 2019, the Company has borrowings of Rs. 25,353.39 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 31 March 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) 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:

<b>As on 30 September 2015</b>	<b>Rs. million</b>
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
<b>Total assets (A)</b>	<b>34,635.96</b>
Short-term borrowings	619.66
Trade payables	452.50
Other liabilities	8,136.05
Short-term provisions	8.85
<b>Total liabilities (B)</b>	<b>9,217.06</b>
<b>Net assets (A-B)</b>	<b>25,418.90</b>

- 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. 8,213.58 million
- 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 Ind AS 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. 14,399.95 million 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/year figures are not comparable with previous period/year figures. Due to the application of Ind AS 115 for the year ended 31 March 2019, revenue from operations is higher by Rs. 8,436.44 million and net loss after tax is lower by Rs. 2,985.70 million, than what it would have been if revised standards were not applied. Similarly, the basic EPS for the current year is lower by Rs. 8.21 per share and diluted EPS for the year is lower by Rs. 8.21 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. 2,778.06 million (31 March 2018- Rs. 3,606.45 million) has not been created.
- 10) Pursuant to an application filed by a project customer seeking refund of the amount paid, a corporate insolvency resolution process (“CIRP”) was initiated against the Company vide an order of the Principal Bench of National Company Law Tribunal (“NCLT”) dated 24 January 2019 under the provisions of the Insolvency and Bankruptcy Code, 2016 (“Code”). Pursuant to the order, an Interim Resolution Professional (“IRP”) was appointed by the NCLT and powers of the board of directors was exercisable by such IRP. The Company had thereafter settled the matter with the said customer applicant and necessary appeal to quash the NCLT Order was filed before National Company Law Appellate Tribunal (“NCLAT”) and the said insolvency proceedings were stayed by the NCLAT. Aggrieved by the said NCLAT order, another project customer filed an appeal before the Hon’ble Supreme Court. Vide its order dated 29 March 2019, the Hon’ble Supreme Court has set aside the Insolvency Proceedings initiated by NCLT against the Company and pursuant to the said order, the CIRP also stands terminated on 29 March 2019.

Further, in separate Writ Petition filed before the Hon’ble Supreme Court challenging the constitutional validity of provisions inserted by the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018, pursuant to its order dated 29 March 2019, the Hon’ble Supreme Court has also directed that there shall be stay of any other insolvency proceedings before the NCLT against the Company. This Writ Petition will be heard in due course.

- 11) During the year, pursuant to the insolvency proceedings initiated by NCLT against the Company, IDFC First Bank Limited (“IDFC Bank”) recalled the Working Capital Demand Loan facility of Rs. 1,000 million granted to the Company, stating that such initiation of insolvency proceedings by NCLT has led to material adverse effect under the financing documents/agreements. Consequent to this, IDFC Bank invoked the SBLC provided by Abu Dhabi Commercial Bank (ADCB) as security for the said Working Capital Demand Loan facility, which had counter guarantee from the ultimate holding company. As a result, the amount aggregating to Rs. 1,001.74 million is now payable on demand by the Company to its ultimate holding company and carries no interest provision.
- 12) The figures for the half year ended 31 March 2019 and 31 March 2018 are the balancing figures between audited figures in respect of full financial year ended 31 March 2018 and 31 March 2019 respectively and the unaudited published year to date figures up to 30 September 2018 and 30 September 2017 respectively, being the end of the first half year of the respective financial years, which were subjected to a Limited Review.

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

Sd/-

**Hadi Mohd Taher Badri**  
Director

Sd/-

**Prashant Gupta**  
Chief Executive Officer

Sd/-

**Samit Guha**  
Chief Financial Officer

Sd/-

Place: Gurugram  
Date: 14 May 2019

**Bharat Bhushan Garg**  
Company Secretary





May 15, 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(3)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Sub.:**            **Declaration under Regulation 52(3)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Madam,

With reference to Regulation 52(3)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is hereby declared that the Auditors of the Company has submitted the unmodified opinion on the Financials pertaining to Financial Year ended March 31, 2019.

Submitted for your information and record.

Thanking you,

Yours faithfully,

**For Emaar MGF Land Limited**

**Sd/-**

**Bharat Bhushan Garg**  
**Company Secretary**

**Emaar MGF Land Limited**

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