

# EMAAR

INDIA

Date : August 10, 2023

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)**

**Sub.:**            **Outcome of Board Meeting**

Dear Sir,

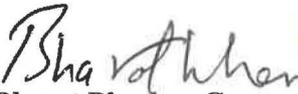
Further to our communication dated August 03, 2023, the Board of Directors of the Company at its meeting held today has considered and approved the Un-audited Standalone Financial Results for the quarter ended June 30, 2023. A copy of the said results along with Limited Review Report are enclosed, in compliance with Regulation 52 and 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This is for your kind information and record please.

Thanking you

Yours faithfully,

For Emaar India Limited

  
**Bharat Bhushan Garg**  
Company Secretary



EMAAR INDIA LIMITED

(Formerly known as 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

CIN: U45201DL2005PLC133161 | EMAIL: ENQUIRIES@EMAAR.AE | WWW.IN.EMAAR.COM

**Independent Auditor's Review Report on unaudited quarterly financial results of Emaar India Limited pursuant to the Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**To The Board of Directors of Emaar India Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Emaar India Limited ('the Company') for the quarter ended June 30, 2023 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (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 June 30, 2022, as reported in the Statement, has been approved by the Company's Board of Directors, but have not been subjected to review by us.
2. This Statement, which is the responsibility of Company's Management and has been 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' prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS 34'), and other recognised accounting principles generally accepted in India and is 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. 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 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. 3 to the Statement which describes the petition filed by Emaar Holding ll, 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'). Under this petition, Emaar Holding ll has, inter-alia, prayed to the Hon'ble NCLT to direct MGF Group to



# MSKA & Associates

## Chartered Accountants

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

- b) Note No. 4 to the Statement 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 (March 31, 2023: Rs. 362.78 million) and Rs. 817.20 million (March 31, 2023: Rs. 810.69 million) respectively as at June 30, 2023. As described in the note, there are various significant ongoing litigations in the said Subsidiary Company relating to a project undertaken by it are pending for decision with the arbitration tribunal. As the matters are currently sub-judice, the final outcome of which is presently unascertainable.
- c) Note No. 5 to the Statement 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. 4,322.00 million (March 31, 2023 - Rs. 4,292.68 million) and Rs. 1,254.12 million (March 31, 2023 - Rs. 1,261.90 million) respectively, with respect to this project as at June 30, 2023. As the matters are currently sub-judice, the final outcome of these litigations is presently unascertainable.
- d) Note No. 7 (b) to the Statement 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).

The Arbitral Tribunal has passed a Partial Award on November 16, 2022, wherein it has rejected the claim raised by MGF for loss of profits against the Company. Further, the Tribunal has also concluded on certain other claims and counter claims of both the parties and accordingly, the probable impact of the said award of Rs. 1283.85 million has been recorded in the books of the Company for the period ended December 31, 2022 as an exceptional item.

However, Arbitral Tribunal has reserved the right to conclude on the pending claims in the next phase which is expected to be concluded in December 2023. 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 matters.



# MSKA & Associates

Chartered Accountants

6. The Statement for the quarter ended June 30, 2022 was reviewed by another auditor, they had modified their report dated August 08, 2022 with respect to Note 3 to the accompanying Statement.

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: 23503662BGXWSU9323



Place: Gurugram, India  
Date: August 10, 2023

# EMAAR

INDIA

## STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE QUARTER ENDED 30 JUNE 2023

(Rs. in million)

S. No.	Particulars	Quarter ended			Year ended
		30 June 2023	31 March 2023	30 June 2022	31 March 2023
		Unaudited (Refer Note 13)	Unaudited (Refer Note 13)	Unaudited (Refer Note 13)	Audited
<b>1</b>	<b>INCOME</b>				
a	Revenue from operations	10,119.15	4,153.32	2,480.24	16,703.38
b	Other income	153.52	207.24	275.87	954.24
	<b>Total income</b>	<b>10,272.67</b>	<b>4,360.56</b>	<b>2,756.11</b>	<b>17,657.62</b>
<b>2</b>	<b>EXPENSES</b>				
a	Cost of revenue				
	Cost incurred during the year	2,049.86	922.29	1,017.87	7,393.13
	Decrease/(Increase) in inventories of plots, real estate properties and development rights	4,608.57	580.44	176.22	(155.14)
b	Employee benefits expense	257.04	231.39	204.52	857.27
c	Finance costs	1,642.68	1,632.87	1,631.04	6,635.63
d	Depreciation and amortization expense	23.08	23.38	18.72	78.98
e	Other expenses	1,006.44	296.96	644.30	2,750.68
	<b>Total expenses</b>	<b>9,587.67</b>	<b>3,687.33</b>	<b>3,692.67</b>	<b>17,560.55</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>685.00</b>	<b>673.23</b>	<b>(936.56)</b>	<b>97.07</b>
<b>4</b>	Exceptional items (net) (refer note 7)	-	-	-	(1,283.85)
<b>5</b>	<b>Profit/(loss) before tax (3+4)</b>	<b>685.00</b>	<b>673.23</b>	<b>(936.56)</b>	<b>(1,186.78)</b>
<b>6</b>	Tax expense	-	-	-	-
<b>7</b>	<b>Profit/(loss) for the period/year (5-6)</b>	<b>685.00</b>	<b>673.23</b>	<b>(936.56)</b>	<b>(1,186.78)</b>
<b>8</b>	<b>Other comprehensive income</b>				
	Items that will not be reclassified to profit or loss				
	Re-measurement gains on defined benefit plans	7.80	0.94	(0.11)	7.80
	<b>Other comprehensive income for the period/year, net of tax</b>	<b>7.80</b>	<b>0.94</b>	<b>(0.11)</b>	<b>7.80</b>
<b>9</b>	<b>Total comprehensive income/(loss) for the period/year, net of tax (7+8)</b>	<b>692.80</b>	<b>674.17</b>	<b>(936.67)</b>	<b>(1,178.98)</b>
<b>10</b>	Earnings per share (in rupees) (Basic and diluted) *	4.04	3.97	(5.53)	(7.01)
<b>11</b>	Paid-up equity share capital (Face value of Rs. 10 per share)	1,693.87	1,693.87	1,693.87	1,693.87
<b>12</b>	Other equity (Excluding debenture redemption reserve)	(36,875.53)	(37,568.33)	(37,326.02)	(37,568.33)
<b>13</b>	Debenture redemption reserve	738.13	738.13	738.13	738.13
<b>14</b>	<b>Net worth</b>	<b>(34,443.53)</b>	<b>(35,136.33)</b>	<b>(34,894.02)</b>	<b>(35,136.33)</b>
<b>15</b>	<b>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). Also refer note 12 below</b>				
a	Debt service coverage ratio (in times)	0.28	1.07	0.03	0.12
b	Interest service coverage ratio (in times)	1.43	1.43	0.44	0.83
c	Bad debts to account receivable ratio (%)	-	-	-	-
d	Debtors turnover (in times)	12.90	5.23	2.00	13.48
e	Inventory turnover (in times)	0.16	0.03	0.03	0.17
f	Operating margin (%)	21.49%	50.53%	16.88%	34.59%
g	Net profit margin (%)	6.74%	15.46%	(33.99)%	(6.68)%
h	Debt equity ratio (in times)	(2.10)	(2.06)	(2.22)	(2.06)
i	Current ratio (in times)	1.22	1.22	1.32	1.22
j	Long term debt to working capital (in times)	4.48	4.12	3.03	4.12
k	Current liabilities ratio (in times)	0.56	0.56	0.52	0.56
l	Total debts to total assets (in times)	0.88	0.84	0.88	0.84

\* Not annualized, except for the year ended 31 March 2023.



**Notes:**

- 1) The above unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on 10 August 2023. These unaudited standalone financial results have been subjected to limited review by the Statutory Auditors of the Company.
- 2) **Additional disclosures as per Regulation 54 and 55 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 on financial results for the quarter ended 30 June 2023:**

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"), bearing ISIN INE451H07332, INE451H07340 and INE451H07357	(Refer Note 2(e) and 2(f))	20 May 2022 (Refer Note 2(e))	Not applicable	20 May 2022 (Refer Note 2(e))	Not applicable

**Notes:**

- a. Due dates disclosed above are after considering extensions granted by the debenture holders.
  - b. 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.
  - c. The Company is maintaining security cover of more than one hundred percent in respect of these NCDs.
  - d. 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").
  - e. 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. As the maturity date of the aforesaid ISINs have already occurred, the same have been suspended by the Stock Exchange.
  - f. 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.
- 3) On November 19, 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 (hereinafter collectively referred to as "MGF Group"). 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 along with interest, from the date of respective loss. MGF Group has also filed its reply and thereafter both parties have filed rejoinders. 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 matter is currently sub-judice, any impact of the same on the standalone financial results is not ascertainable at this stage. The auditors have expressed an emphasis of matter on the said matter.



- 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. The Company has made investments in the equity share capital of the Subsidiary aggregating to Rs. 362.78 million (31 March 2023 - Rs. 362.78 million) and has advances recoverable aggregating to Rs. 817.20 million (31 March 2023 - Rs. 810.69 million) from the Subsidiary. The Company has also committed to the Subsidiary to provide necessary support in case of any unfavorable outcome in respect of the ongoing litigations/disputes. Based on the legal advice received and internal assessments, management believes that the matters raised are untenable and contrary to the factual position. However, as the matter is currently sub-judice, any impact of the same on the Company’s standalone financial results is not ascertainable at this stage. The auditors have expressed an emphasis of matter on the said matter.
- 5) (a) The Company, vide a Development Agreement dated November 3, 2006 (subsequently amended by the agreement dated July 25, 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 December 28, 2005. The Company also, vide Assignment Deed dated November 3, 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 assignment of development rights in the 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. Based on the investigation of Central Bureau of Investigation, Directorate of Enforcement registered ECIR No.08/HZO/2011 dated 30.08.2011. The Directorate of Enforcement subsequently filed a complaint/charge sheet before the Special Judge for CBI cases against several persons/ corporate bodies, including the Company and its certain officers. Under the said Directorate of Enforcement matter, certain properties of the Company have been attached by the Directorate of Enforcement. The Company has assets and liabilities of Rs. 4,322.00 million (31 March 2023 - Rs 4,292.68 million) and Rs. 1,254.12 million (31 March 2023 - Rs 1,261.90 million) respectively. 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) Telangana State Industrial Infrastructure Corporation (“TSIIC”) has filed a Petition before the National Company Law Tribunal, Hyderabad Bench (‘NCLT’) against EHTPL and certain other parties under Sections 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 preliminary ground that TSIIC has no locus standi to file the petition against EHTPL as it is not a recorded shareholder and Andhra Pradesh Industrial Infrastructure Corporation (“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 July 25, 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 July 25, 2022, the Hon’ble National Company Law Appellate Tribunal, Chennai (“NCLAT”) vide its Judgement dated October 10, 2022 has upheld NCLT order dated July 25, 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 said Judgment dated October 10, 2022 passed by the NCLAT was challenged before the Supreme Court, which vide its Order dated November 28, 2022 held that it is not inclined to interfere with the Judgment dated October 10, 2022 and the party aggrieved may challenge the preliminary issues already decided in the first instance before the Supreme Court once the entire case is heard and decided on merits. The TSIIC Petition under Sections 241 and 242 of the Act is now sub-judice before the NCLT and counters are filed. Based on the legal advice received and internal assessments, EHTPL has moved a separate application under Section 8 of the Arbitration & Conciliation Act, 1996 in the pending matter before the NCLT on the grounds that the grievances raised by TSIIC are alleged violations of certain contractual clauses contained in the Shareholders Agreement and/or the said Collaboration Agreement which have an agreed mechanism of redressal of disputes by way of arbitration, therefore, the present dispute ought to be referred to arbitration. This application is pending for hearing and TSIIC is yet to file its counter.

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



- 6) As of 30 June 2023, the Company has term loans of Rs. 13,757.65 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 June 2023, the Company's net worth has been completely eroded (primarily due to Demerger that 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 can hence 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 Company's standalone financial results has been prepared on a going concern basis.
- 7) (a) 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 03 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 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.

(b) The Company, its Ultimate Holding Company ('Emaar Properties PJSC'), MGF Developments Limited ('MGF') and other parties had entered into certain indemnity agreement(s), which entitled the Company to raise indemnity claims on MGF, Mr. Shravan Gupta and their Group companies in respect of certain expenses/losses incurred by the Company. As per the terms of indemnity agreement(s), if MGF does not settle such indemnity claims within ten days from the date of receipt, the Company or its land-owning subsidiaries may unilaterally 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 Company had raised various claims, which MGF had failed to settle. In view of the same, the Company has enforced some of such indemnity claims.

During the previous years, MGF had disputed indemnity claims / enforcement and filed the Request for Arbitration ('RFA') on 22 December 2019, to the International Court of Arbitration, International Chambers 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 on 21 April 2020, MGF also filed an Application for Temporary Restraining Order & Interim Measures ("TRO") before the Arbitral Tribunal against the Company's unilateral settlement of various indemnity claims. After hearing both the parties, vide its order dated 15 May 2020, the Arbitral Tribunal dismissed MGFs TRO application and ordered that the 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 Company does so, in case of breach of said indemnity agreements. The Arbitral Tribunal further confirmed that, not only the Company may unilaterally settle indemnity claims, but also confirmed that there should be no restraint 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.

The Arbitral Tribunal passed a Partial Award on November 16, 2022, wherein it has rejected the claim raised by MGF for loss of profits against the Company. Further, the Tribunal has also concluded on certain other claims and counter claims of both the parties and accordingly, the probable impact of the said award of Rs. 1,283.85 Mn was recorded in the books of the Company for the period ended December 31, 2022 as an exceptional item.



All pending and new claims and counterclaims filed by the parties in the arbitration are to be determined in the next phase of arbitration proceedings, which is expected to be concluded in December 2023. As the matter is currently sub-judice, any impact of the same on the standalone financial results is not ascertainable at this stage and accordingly, the impact if any shall be accounted for once the matter is concluded. The auditors have expressed an emphasis of matter on the said matter.

- 8) The Hon'ble Supreme Court had, vide its judgment dated 09 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.

In the interim all the matters filed by allottees pending at NCLT, which did not potentially meet the requirements of the Code had 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, 78 applicants in relation to 62 units 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, 53 allottees have settled/taken possession/transferred their units post conveyance deed execution and remaining 9 allottees have been approached by the Company for settlement. The Company has also received further enquiries from the remaining customers seeking possession and/or refund. 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 is expected to devolve in respect of matters pending before NCLT."

- 9) 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-profitteering ('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 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. The Company has deposited Rs. 44.1 million on 25 April 2022 as pre-deposit on the direction from Delhi High Court.
- 10) On 15 April 2022, MGF Developments Limited, Mr. Shravan Gupta and Ms. Shilpa Gupta have filed a petition (including interim application filed on January 28, 2023) 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.



11) During the year 2009, the Haryana Government had initiated land acquisition proceedings for approx. 1400 acres in various villages of District Gurugram, which was ultimately reduced to 87 acres. The erstwhile landowners filed cases alleging conspiracy between Government officials and private developers in the land acquisition process, however, the Supreme Court dismissed these appeals. Under directions from Supreme Court, CBI initiated investigation against all the alleged developers during 2018-19 and 2019-20, the Enforcement Directorate also initiated parallel investigation under the Prevention of Money Laundering Act. The Company has fully co-operated with all investigations conducted by the authorities and provided requisite information and documents as and when required. The subject matter is sub-judice in Courts and the Company believes that it has not violated any legal provisions.

12) Formulae for computation of ratios are as follows:

S. No.	Ratios	Formulae
A	Debt service coverage Ratio	EBITDA/{finance costs + scheduled principal repayments (excluding prepayments) during the period for long-term debts} {EBITDA: Loss before tax + depreciation and amortisation expense + finance costs + exceptional items}
B	Interest service coverage Ratio	EBITDA/finance costs
C	Bad debts to account receivable ratio	Bad debts/average of opening and closing trade receivables {Bad debts: Impairment balance as per statements of profit and loss} {Accounts receivables: Trade receivables as per balance sheet}
D	Debtor's turnover ratio	Revenue from operations/average of opening and closing trade receivables
E	Inventory turnover ratio	Cost of revenue/average of opening and closing inventories
F	Operating margin ratio	Operating profit/revenue from operations {Operating profit: Revenue from operations - cost of revenue - employee benefits expense - other expenses - depreciation and amortisation expense}
G	Net profit margin ratio	Net profit for the period/total income
H	Debt equity ratio	Secured Rated Listed Non-Convertible Debentures (Gross of debt initiation cost)
I	Current ratio	Current assets/current liabilities
J	Long term debt to working capital ratio	Long term debt/working capital {Long term debt: Long term borrowings (including current maturities) {working capital: Current assets - current liabilities}
K	Current liabilities ratio	Current liabilities/total liabilities
L	Total debts to total assets ratio	Total debts/total assets {Total debts: Long-term borrowings + short-term borrowings}

13) The standalone financial results of the Company for the for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of full financial year ended March 31, 2023 and the unaudited published year to date figures upto December 31, 2022, being the date of end of the third quarter of the relevant financial year, which were subjected to limited review.

14) The Standalone 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.



# EMAAR

INDIA

- 15) The Company's business activities which are primarily construction and development, and related activities falls within a single reportable segment as the management of the Company views the entire business activities as construction and development. Accordingly, there are no additional disclosures to be furnished in accordance with the requirement of Ind AS 108 – 'Operating Segments' with respect to single reportable segment. Further, the operations of the Company are domiciled in India and therefore there are no reportable geographical segment.
- 16) Previous period/year 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** Digitally signed by  
**KHALFAN BIN** JAMAL MAJED KHALFAN  
**THENIYAH** BIN THENIYAH  
Date: 2023.08.10  
18:26:32 +05'30'

**Jamal Majed Khalfan Bin Theniyah**  
Director



**Kalyan Chakrabarti Yanmendra**  
Chief Executive Officer



**Sumil Mathur**  
Chief Financial Officer



**Bharat Bhushan Garg**  
Company Secretary

**Place: Gurugram**  
**Date: 10 August 2023**



To,  
The Board of Directors,  
Emaar India Limited

**Independent Auditor's Report pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI LODR') (as amended) and Regulation 15(1)(t)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993 (as amended)**

1. This report is issued in accordance with the terms of our engagement letter dated October 12, 2022 and addendum to the engagement letter dated February 14, 2023.
2. The accompanying statement containing details of listed Non-Convertible Debentures ('NCDs') of the Company outstanding as at June 30, 2023 along with security cover maintained against such NCDs (Section I), related receivables secured against NCDs of the Company (Section II), and the Company's compliance with financial covenants as per the terms of debenture trust deed (Section III) (collectively referred to as "the Statement") has been prepared by the Company's management for the purpose of submission of the Statement along with this report to Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited) (the "Debenture Trustee"), as per the terms of the offer document/ Information memorandum and/ or Debenture Trust Deed as at June 30, 2023, in accordance with terms of Securities and Exchange Board of India (the "SEBI") SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2022/67 dated May 19, 2022 (hereinafter referred as the "SEBI Circular") and in accordance with terms of regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as the "SEBI Regulations") and pursuant to the requirements of Regulation 15(1)(t)(ii)(a) of SEBI (Debenture Trustee) Regulations, 1993 (as amended) (collectively referred to as 'the SEBI Regulations'). We have initialed the Statement for identification purposes only.

#### **Management's Responsibility**

3. The Management of the Company is responsible for the maintenance of the security cover, related receivables secured against NCDs and compliance with the covenants of debt securities, including the preparation of Statement and preparation and maintenance of all accounting and other records and documents supporting such compliance. This responsibility includes the design, implement, and maintenance of internal control relevant to such compliance with the SEBI Regulation and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for preparation and maintenance of covenants list and compliance with such covenants on a continuous basis as per the debenture trust deed and to ensure compliance with the requirements of Debenture Trust Deed and provide all relevant information to the debenture trustees.
5. The Management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, SEBI Regulations and other relevant circulars, guidelines and regulations as applicable to the Company and for providing all relevant information to the SEBI.

#### **Auditor's Responsibility**

6. Pursuant to the requirements as referred to in paragraph 2 above, it is our responsibility to provide limited assurance in the form of a conclusion as to whether anything has come to our attention that causes us to believe that the:



- a) Details included in Section I and Section III of the accompanying Statement regarding maintenance of hundred percent asset cover and compliance with financial covenants as stated in the debenture trust deeds of listed NCDs of the Company outstanding as at June 30, 2023, are not in agreement with the financial results/statements of the Company, underlying books of account and other relevant records and documents maintained by the Company for the three months period ended June 30, 2023, or that the calculation thereof is arithmetically inaccurate; and
  - b) Details included in Section II of the accompanying Statement regarding related receivables secured against NCDs of the Company outstanding as at June 30, 2023, are not in agreement with the financial results/statements of the Company, underlying books of account and other relevant records and documents maintained by the Company for the three months period ended June 30, 2023, or that the calculation thereof is arithmetically inaccurate; and
7. For the purposes of our report, we have performed the following procedures in relation to Section I, Section II and Section III of the accompanying Statement:
- a) Obtained the details of asset cover, related receivables and financial covenants criteria from the debenture trust deed in respect of the listed NCDs outstanding as at June 30, 2023.
  - b) Enquired and understood management's assessment of compliance with details of asset cover, related receivables and all the financial covenants as obtained in point (a) above and corroborated the responses from the understanding obtained by us during the review of the financial results/statements as referred to in paragraph 6 above, and such further inspection of supporting and other documents as deemed necessary.
  - c) Traced the value of assets forming part of the asset cover and related receivables details from the financial results/statements, underlying books of account and other relevant records and documents maintained by the Company for the three months period ended June 30, 2023.
  - d) Recomputed the asset coverage ratio based on the information as obtained in point (a) to (c) above.
  - e) Recomputed the financial covenant in relation to 'net borrowings to tangible net worth ratio' as mentioned in the Section III of the Statement as on June 30, 2023 ensured that it is in accordance with the basis of computation given in the debenture trust deed, and the amounts used in such computation have been accurately extracted from the financial results/statements, underlying books of accounts and other relevant records and documents maintained by the Company for the three months period ended June 30, 2023.
  - f) Verified the arithmetical accuracy of the Statement.
  - g) Obtained necessary representations from the Management.
8. The books and records referred to in paragraph 6 above are subject to audit pursuant to the requirements of the Companies Act, 2013.
9. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India (the "ICAI") (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.



11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Conclusion

12. Based on our examination and the procedures performed as above, evidences obtained and the information and explanations given to us, along with the representations provided by the Management, nothing has come to our attention that cause us to believe that the details included in Section I, Section II and Section III of the accompanying Statement regarding maintenance of hundred percent asset cover, Statement regarding value of related receivables secured against the listed NCDs of the Company and compliance with financial covenants as stated in the debenture trust deeds of listed NCDs of the Company as at June 30, 2023, are not in agreement with the financial results/statements, its underlying books of accounts and other relevant records and documents maintained by the Company for the three months period ended June 30, 2023, or the calculation thereof is arithmetically inaccurate.

#### Restriction on Use

13. This report is addressed to the Board of Directors of the Company, pursuant to our obligations under the Engagement Letter for onward submission of this report to the Debenture Trustees as per the SEBI Regulation and SEBI Circular and should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.
14. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration Number: 105047W

  
Naresh Anand  
Partner  
Membership Number: 503662  
UDIN:23503662BGXWSV5426



Place: Gurugram  
Date: August 10, 2023

Section I  
Security Cover Certificate as on 30 June 2023

(Rs. In million)

Column A Particulars	Column B Description of asset for which this certificate relate	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L to P Related to only those items covered by this certificate				
		Exclusive Charge	Exclusive Charge	Exclusive Charge	Pari Passu Charge	Pari Passu Charge	Pari Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to I)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable	Total Value (=L+M+N+O)
		Debt for which this certificate being issued	Other Secured Debt	Debt not backed by any assets offered as security	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu)	Other assets on which there is pari-Passu charge (excluding items covered in column H)								
		Book Value	Book Value	Book Value	Yes/No	Book Value	Book Value							Relating to Column G	
<b>Asset</b>															
Property, plant and equipment		-	21.93	-	-	-	-	863.37	-	885.30	-	-	-	-	
Capital work-in-progress		-	-	-	-	-	-	234.60	-	234.60	-	-	-	-	
Right of use assets		-	-	-	-	-	-	97.55	-	97.55	-	-	-	-	
Goodwill		-	-	-	-	-	-	-	-	-	-	-	-	-	
Intangible assets		-	-	-	-	-	-	59.92	-	59.92	-	-	-	-	
Intangible assets under development		-	-	-	-	-	-	-	-	-	-	-	-	-	
Investments		-	-	-	-	-	-	1,401.02	-	1,401.02	-	-	-	-	
Loans		-	-	-	-	-	-	353.41	-	353.41	-	-	-	-	
Inventories		6,785.17	-	-	-	-	-	31,303.47	-	38,088.63	41,088.40	-	-	41,088.40	
Trade receivables		-	-	-	-	-	-	785.01	-	785.01	-	-	-	-	
Cash and cash equivalents		-	-	-	-	-	-	1,135.13	-	1,135.13	-	-	-	-	
Bank balances (other than Cash and cash equivalents)		-	547.75	-	-	-	-	3,612.03	-	4,159.78	-	-	-	-	
Others		-	-	-	-	-	-	40,566.39	-	40,566.39	-	-	-	-	
<b>Total</b>		<b>6,785.17</b>	<b>569.68</b>					<b>80,411.91</b>		<b>87,766.76</b>	<b>41,088.40</b>			<b>41,088.40</b>	

LIABILITIES														
Borrowings	-	569.68	40,549.10	-	-	-	-	-	-	41,118.78	-	-	-	-
Debt securities	-	-	36,524.87	-	-	-	-	-	-	36,524.87	-	-	-	-
Trade payables	-	-	-	-	-	-	-	7,401.92	-	7,401.92	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	131.38	-	131.38	-	-	-	-
Provisions	-	-	-	-	-	-	-	4,678.49	-	4,678.49	-	-	-	-
Others	-	-	723.48	-	-	-	-	(2,812.17)	-	(2,088.69)	-	-	-	-
<b>Total</b>	-	<b>569.68</b>	<b>77,797.45</b>	-	-	-	-	<b>9,399.62</b>	-	<b>87,766.75</b>				
Cover on Book Value														
Cover on Market Value														
		Exclusive Security Cover Ratio	NA			Pari-Passu Security Cover Ratio	NA							

- Fair valuation of inventory as disclosed in the table above is considered from the valuation report as at 31 December 2022. These valuations are based on valuations performed by an accredited independent valuers.
- The Statement has been prepared on the basis of financial results/statements of Emaar India Limited ('the Company') for the quarter ended 30 June 2023 prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') specified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- The Company had issued 22,600 NCDs of Rs. 10,00,000 each. 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. Hence, the asset cover ratio for the Company is not applicable as on 30 June 2023, as Emaar NCDs already stands repaid. The existing security cover continues on the balance outstanding of MGF NCDs.
- Asset coverage ratio has been calculated based on total assets extracted from the financial results/statements of the Company.
- The listed NCDs are secured by way of charge on the following:
  - Non-Agricultural freehold land admeasuring 397.28 sq.mtrs forming part of the land parcel located at Mauje Maharajpura of Kadi Taluka, Ahmedabad, Gujarat.
  - 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 & 66, Gurgaon, and 'Project Marbella' on 109.069 acres in Sector 65 & 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.

For Emaar India Limited

Authorised Signatory



**MSKA & Associates**  
Initialed for  
Identification  
purposes only

**Emaar India Limited**

**Section-II - Value of receivables/book debts kept as security against listed Non-Convertible Debentures ('NCDs') as on 30 June 2023**

<b>Particulars</b>	<b>(Rs. in million)</b>
<b>Assets</b>	
Receivables for EHE project	-
Receivables for Marbella project	-
<b>Total receivables (refer note 2)</b>	-

**Notes to statement:**

1. The Statement has been prepared on the basis of standalone financial results/statements of Emaar India Limited ('the Company') for the quarter ended 30 June 2023 prepared in accordance with Indian Accounting Standards (hereinafter referred to as the Ind AS) specified under the Companies (Indian Accounting Standards) Rules 2015, as amended.
2. The Company recognises revenue in accordance with Ind AS 115 at a point in time whereby, revenue from sale of properties is recognised when control over the property has been transferred i.e. offer for possession of properties have been issued to the customers and substantial sales consideration is received from the customers, due to which trade receivables are minimal.

For Emaar India Limited



Authorised Signatory



**Emaar India Limited**

**Section III - Compliance with financial covenant**

**Computation of net borrowings to tangible net worth ratio as on 30 June 2023**

Particulars	(Rs. in million)
Net borrowings (refer table A)	75,443.34
Tangible net worth (refer table B)	(34,443.53)
<b>Net borrowings to tangible net worth ratio</b>	<b>(2.19)</b>

**Table A**

Particulars	(Rs. in million)
Long-term borrowings	54,188.28
Current maturities of long-term borrowings	13,757.65
Short-term borrowings	9,697.72
Less: deferred payment liabilities	(1,065.18)
Less: cash and cash equivalents	(1,135.13)
<b>Net borrowings</b>	<b>75,443.34</b>

**Table B**

Particulars	(Rs. in million)
Equity share capital	1,693.87
Other equity	(36,137.40)
<b>Tangible net worth</b>	<b>(34,443.53)</b>

**Notes to statement:**

1. The Statement has been prepared based on the basis of standalone financial results/statement of Emaar India Limited for the quarter ended 30 June 2023 prepared in accordance with Indian Accounting Standards (hereinafter referred to as the Ind AS) specified under the Companies (Indian Accounting Standards) Rules 2015, as amended.

For Emaar India Limited



**MSKA & Associates**  
**Initialed for**  
**Identification**  
**purposes only**

Authorised Signatory