

# Walker Chandok & Co LLP

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## Independent Auditor's Report

### To the Members of Emaar MGF Land Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Emaar MGF Land Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Emphasis of matter

4. We draw attention to note 30(b)(xiii.) to the accompanying standalone financial statements 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. Our opinion is not modified in respect to this matter.
5. We draw attention to note 30(b) (xii.) to the accompanying standalone financial statements 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. Our opinion is not modified in respect to this matter.

## Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
7. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Accounting for demerger between the Company, MGF Development Limited and Shareholders</b></p> <p>As described in note 41 to the standalone financial statements, National Company Law Tribunal ("NCLT") approved the scheme of arrangement (the "Scheme") filed by the Company to demerge a business undertaking to MGF Development Limited on 16 July 2018.</p> <p>Refer note 41 to the standalone financial statements for the impact of demerger on financial statements. De-recognition of assets and liabilities as per the Scheme and determining appropriateness of the accounting treatment, presentation and disclosure in the financial statements was a</p>	<p>Our audit procedures to assess the appropriateness of the accounting treatment of the Scheme, included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process for review and implementation of the scheme of arrangement;</li> <li>• Evaluated the design and tested the operating effectiveness of the key controls around the above process.</li> <li>• Obtained and read the scheme of arrangement and final order passed by National Company Law Tribunal (NCLT);</li> </ul>





Key audit matter	How our audit addressed the key audit matter
<p>complex exercise for the management on account of the significance of the assets and liabilities of the business undertaking and the terms of the approved Scheme.</p> <p>The matter has been considered to be of the most significance to our audit considering its pervasive impact on the financial statements, and the complexities involved in the accounting treatment. Hence, this matter was considered to be a key audit matter in the current year audit.</p> <p><b>Emphasis of Matter:</b></p> <p>The above 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.</p>	<ul style="list-style-type: none"> <li>Understood from the management, the accounting treatment prescribed in the approved Scheme of arrangement including the determination of effective date;</li> <li>Evaluated whether the accounting principles prescribed by the scheme as applied by the management in preparation of the financial statements are in accordance with the principles of Ind AS;</li> <li>Tested the management working for balances of assets and liabilities of the demerged undertaking as per the approved Scheme of arrangement;</li> <li>Evaluated the appropriateness of the disclosures made with respect to the accounting of the demerger transaction under the Scheme in note 41 to the financial statements.</li> </ul>
<p><b>Provision for compensation to customers payable on delay of projects</b></p> <p>We refer to the note 18 to the financial statements of the Company for the year ended 31 March 2019 disclosures relating to the provision for compensation amounting to Rs. 5322.68 million in respect of litigations filed by the customers due to delay in handing over the properties. The recognition of provision for compensation requires the management to individually assess such cases and determine the possibility of paying compensation to the customers for delay basis the assessment of the contracts with the customers and applicable real estate governance laws such as Real Estate (Regulation and Development) Act 2016 (RERA) and related RERA policy of the respective State.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets,</p>	<p>Our audit procedures in relation to the provisions for compensation to customers payable on delay of projects, included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>Obtained the understanding of the management process to estimate the provision for compensation payable to customers for delay in projects.</li> <li>Evaluated the design and tested the operating effectiveness of the internal controls related to completeness of customer litigation cases and management's assessment of the possible outcome of the cases.</li> <li>Evaluated the percentage of interest used by management to create provision for compensation basis the trends in earlier years from similar contracts/projects and applicable RERA laws and regulations.</li> <li>For samples selected from compensation cases outstanding during the year, inspected, evaluated management's assessment of likely outcome of such cases by inspection of underlying supporting documents such as court orders, notices, settlement agreements etc.</li> </ul>



<p>in order to determine the amount to be recorded as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.</p> <p>Considering the significant judgement involved in determining the possible outcome of the cases, and the materiality of the amounts involved, this matter was determined to be a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• Tested the arithmetical accuracy of the calculation for provision amount outstanding as on 31 March 2019;</li> <li>• Evaluated appropriateness of the disclosures made with respect to the provision for compensation for delay in projects payable to customers as at 31 March 2019 in note 18 to the financial statements.</li> </ul>
<p><b>Revenue recognition under Ind AS 115, Revenue from Contracts with Customers</b></p> <p>Revenue for the Company consists primarily of sale of real estate properties recognized as per the accounting policy described in Note 3 to the accompanying standalone financial statements. Refer Note 22 for details of revenue recognized during the year.</p> <p>Ind AS 115, Revenue from Contracts with Customers, (Ind AS 115) adopted by the Company with effect from 1 April 2018 requires management to make certain key judgements relating to identifying contracts with customers, performance obligations involved in contracts, determining transaction price, allocation of the transaction price to such performance obligations and satisfaction of performance obligations.</p> <p>Basis the assessment done by the management of its contracts with customers and the principles of Ind AS 115, along with other relevant laws and regulations, revenue from sale of residential/commercial properties is recognized when the performance obligations of the Company are essentially completed. This has led to a reversal of revenue recognized over time in earlier years under the erstwhile revenue accounting standard, as disclosed in Note 42 to the financial statements.</p>	<p>Our audit procedures relating to revenue recognition included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Understood the revenue and receivable business process relating to sale of real estate properties, including for implementation of the new revenue accounting standard Ind AS 115 in the current year.</li> <li>• Evaluated design and tested the operating effectiveness of the key controls around revenue recognition including controls around customer sales, issuance of intimation of possession letters and the recording of customer receipts;</li> <li>• Evaluated the appropriateness of accounting policy determined by the management in accordance with the new revenue accounting standard, Ind AS 115.</li> <li>• Obtained management working for impact of adoption of the new revenue accounting standard, and tested the mathematical accuracy of such working.</li> <li>• For samples selected from revenue transactions recorded during the year, and revenue transactions included in the transition impact working obtained as above, inspected contracts with customers, intimation of possession letters issued to the customers along with the proof of delivery, and traced the corresponding customer receipts to the statement of accounts.</li> <li>• For samples selected from period before and after year end, tested revenue transactions with supporting documents as mentioned above, to determine that such transactions were recorded in the correct period.</li> </ul>





Key audit matter	How our audit addressed the key audit matter
<p>The matter has been considered to be one of the most significance to our audit considering the change in accounting policy in the current year on adoption of new accounting standard, its significant impact on the financial statements and significant management judgement involved in determining satisfaction of performance obligations. Considering the above factors, revenue recognition was identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>Performed substantive analytical procedures on revenue recognized during the year which included project-wise variance analysis, margin analysis and budgeted cost variance analysis to find any anomalies.</li> <li>Evaluated the appropriateness of the disclosures made in the financial statements for revenue recognised during the year and the impact of change in accounting policy;</li> </ul>
<p><b>Assessment of provision for doubtful advances</b></p> <p>The Company has given advances amounting to Rs. 3805.82 million (included in advances for acquisition of land under agreement to sell and memorandum of understanding, refer note 8) as at 31 March 2019.</p> <p>The Company's policies on the impairment assessment of the advances is set out in note 3 to the standalone financial statements.</p> <p>Such advances are long standing and expected to be settled once the transfer of title to such land parcels are completed as per the respective agreements to sell and as per regulatory requirements. Assessment of any impairment provision requires the management to individually determine the stage of such transaction and the possibility of non-recoverability of such advances.</p> <p>Considering the significant judgement involved leading to high estimation uncertainty, and the materiality of the amounts involved, the matter is considered as a key audit matter.</p>	<p>Our audit in relation to management's assessment for impairment of advances included, but were not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>Obtained the understanding of the management process to estimate the recoverable value of the advances outstanding as at period end.</li> <li>Evaluated the design and tested the operating effectiveness of the internal controls related to completeness of the list of advances and identifying impairment indicators and measuring the impairment provision required in respect of such advances.</li> <li>For the significant additions during the year, underlying supporting documents like development agreements entered between the parties, agreement to sell and memorandum of understanding were verified.</li> <li>For all significant advances outstanding as at 31 March 2019, we reviewed the agreements, discussed the status of transaction with the Company's management and legal team, reviewed the recent correspondence with the party, obtained balance confirmations, obtained legal opinion where the matter is under litigation and tested subsequent settlement of such advances for transactions completed post year end.</li> <li>Evaluated appropriateness of disclosure made with respect to the advances outstanding as at 31 March 2019 in note 8 to the financial statements.</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of going concern</b></p> <p>The Company has incurred a loss of Rs. 4,170.47 million during the year ended 31 March 2019. The Company is continuously incurring cash losses over the years. The Company's net worth is completely eroded as at 31 March 2019. Further, Company has borrowings amounting to Rs. 25,353.39 million (Refer note 46 to the standalone financial statements) which are due for repayment in the next one year.</p> <p>Management has prepared a cash flow forecast and undertaken sensitivity analysis of the key assumptions to verify whether the Company can operate as a going concern for at least 12 months from the date the financial statements are approved.</p> <p>Further, the Ultimate Holding Company has provided financial support to the Company to meet its financial obligations falling due in the aforesaid period.</p> <p>Basis the above factors, the going concern basis of accounting has been considered as appropriate in preparation of accompanying financial statements.</p> <p>The matter has been considered to be one of the most significance to our audit considering its pervasive impact on the financial statements and significant judgements and estimates involved in preparing the cash flow projections, and concluding that no material uncertainty exists in respect of the company's ability to continue as a going concern.</p>	<p>Our audit in relation to management's assessment of going concern included, but were not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>• Tested the cash flow projections prepared by the management for the period of 12 months from the date of the financial statements, by: <ul style="list-style-type: none"> <li>a) reconciling the input data used in the cash flow projections to budgets approved by Board of Directors, and considering reasonableness of those budgets.</li> <li>b) comparing the cash flow forecasts for prior periods to actual outcomes.</li> <li>c) evaluating the reasonableness of key assumptions such as growth rates, discount rate, expected saving in costs, etc, based on our knowledge of the business and industry.</li> <li>d) performing sensitivity analysis which included assessing the effect of reasonably possible variations in the above key assumptions.</li> <li>e) testing the arithmetical accuracy of the calculations.</li> </ul> </li> <li>• Obtained the financial support assistance agreement with the Ultimate Holding Company. Further, assessed the ability of the Ultimate Holding Company to provide such financial assistance from its latest available published financial information.</li> </ul>





## Information other than the Standalone Financial Statements and Auditor's Report thereon

9. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
12. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.





14. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





## Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
19. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
20. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) Mr. Shravan Gupta and Ms. Shilpa Gupta, the directors of the Company as on 31 March 2019, have not produced a written representation as to whether any Company in which they are directors as on 31 March 2019, had not defaulted in terms of sub-section (2) of the section 164 of the Act. Mr. Shravan Gupta and Ms. Shilpa Gupta ceased to be directors of the Company on 7 May 2019. In the absence of this representation, we are unable to comment whether they are disqualified from being appointed as a director under sub-section (2) of section 164 of the Act. As far as other directors are concerned, on the basis of the written representations received from such directors and taken on record by the Board of Directors, we report that none of the remaining directors are disqualified as on 31 March 2019 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
  - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 14 May 2019 as per Annexure B expressed an unmodified opinion; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company, as detailed in note 30(b) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and




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- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

  
**Neeraj Sharma**

Partner

Membership No.: 502103



Place: Gurugram

Date: 14 May 2019



Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of going concern</b></p> <p>The Company has incurred a loss of Rs. 4,170.47 million during the year ended 31 March 2019. The Company is continuously incurring cash losses over the years. The Company's net worth is completely eroded as at 31 March 2019. Further, Company has borrowings amounting to Rs. 25,353.39 million (Refer note 46 to the standalone financial statements) which are due for repayment in the next one year.</p> <p>Management has prepared a cash flow forecast and undertaken sensitivity analysis of the key assumptions to verify whether the Company can operate as a going concern for at least 12 months from the date the financial statements are approved.</p> <p>Further, the Ultimate Holding Company has provided financial support to the Company to meet its financial obligations falling due in the aforesaid period.</p> <p>Basis the above factors, the going concern basis of accounting has been considered as appropriate in preparation of accompanying financial statements.</p> <p>The matter has been considered to be one of the most significance to our audit considering its pervasive impact on the financial statements and significant judgements and estimates involved in preparing the cash flow projections, and concluding that no material uncertainty exists in respect of the company's ability to continue as a going concern.</p>	<p>Our audit in relation to management's assessment of going concern included, but were not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>• Tested the cash flow projections prepared by the management for the period of 12 months from the date of the financial statements, by: <ul style="list-style-type: none"> <li>a) reconciling the input data used in the cash flow projections to budgets approved by Board of Directors, and considering reasonableness of those budgets.</li> <li>b) comparing the cash flow forecasts for prior periods to actual outcomes.</li> <li>c) evaluating the reasonableness of key assumptions such as growth rates, discount rate, expected saving in costs, etc, based on our knowledge of the business and industry.</li> <li>d) performing sensitivity analysis which included assessing the effect of reasonably possible variations in the above key assumptions.</li> <li>e) testing the arithmetical accuracy of the calculations.</li> </ul> </li> <li>• Obtained the financial support assistance agreement with the Ultimate Holding Company. Further, assessed the ability of the Ultimate Holding Company to provide such financial assistance from its latest available published financial information.</li> </ul>



## Annexure A to the Independent Auditor's Report of even date to the members of Emaar MGF Land Limited, on the standalone financial statements for the year ended 31 March 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment and capital work-in-progress under which assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:





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Annexure A to the Independent Auditor's Report of even date to the members of Emaar MGF Land Limited, on the standalone financial statements for the year ended 31 March 2019

## Statement of disputed dues

Name of the statute	Nature of dues	Amount (Rs.) in million	Amount paid under protest (Rs.) in million	Period to which the amount relates	Forum where dispute is pending	Remarks
Income tax Act, 1961	Demand under section 147/143(1)	7.15	-	Assessment Year 2006-07	Assessing officer	Appeal restored back to Assessing Officer by Income Tax Appellate Tribunal (ITAT) during the year
Income tax Act, 1961	Demand under section 147/143(1)	63.64	-	Assessment Year 2010-11	ITAT	Partially favorable order received from Commissioner of Income Tax (Appeals) in earlier years
Income tax Act, 1961	Penalty under section 271(1)(c)	5.74	-	Assessment Year 2013-14	Assessing officer	
The Finance Act, 1994 and Service Tax Rules	Demand of service tax on property transfer charges received from customers	11.82	11.82	1 April 2006 to 30 September 2008	The Principal Commissioner, CGST, Delhi-South	
The Finance Act, 1994 and Service Tax Rules	Demand of service tax on property transfer charges received from customers	0.47	0.47	1 October 2008 to 31 March 2009	The Principal Commissioner, CGST, Delhi-South	
The Finance Act, 1994 and Service Tax Rules	Demand of service tax on property transfer charges received from customer	1.18	1.18	1 April 2009 to 31 March 2010	The Principal Commissioner, CGST, Delhi-South	



## Annexure A to the Independent Auditor's Report of even date to the members of Emaar MGF Land Limited, on the standalone financial statements for the year ended 31 March 2019

Name of the statute	Nature of dues	Amount (Rs.) in million	Amount paid under protest (Rs.) in million	Period to which the amount relates	Forum where dispute is pending	Remarks
The Finance Act, 1994 and Service Tax Rules	Demand of service tax on property transfer charges received from customers	3.68	3.68	1 April 2010 to 31 March 2011	The Principal Commissioner, CGST, Delhi-South	
The Finance Act, 1994 and Service Tax Rules	Demand of service tax on property transfer charges received from customers	5.02	5.02	1 April 2011 to 31 March 2012	The Principal Commissioner, CGST, Delhi-South	
The Finance Act, 1994 and Service Tax Rules	Demand of service tax on property transfer charges received from customers	2.56	2.56	1 April 2012 to 30 June 2012	The Principal Commissioner, CGST, Delhi-South	
The Finance Act, 1994 and Service Tax Rules	Denial of service tax input credit	24.45	24.45	Assessment Year 2008-09 to 2010-11	Customs Excise and Service Tax Appellate Tribunal, Delhi	
The Finance Act, 1994 and Service Tax Rules	Demand of service tax on transfer of development rights	68.70	42.20	July 2012 to June 2017	Additional Director General (Adjudication), DGGSTI, New Delhi	The Company is in the process of filing its reply to the adjudicating authority.
The Finance Act, 1994 and Service Tax Rules	Demand of service tax	505.51	-	Assessment Year 2013-14 to 2016-17	The Principal Commissioner, CGST, Delhi-South	The Company is in the process of filing its reply to the adjudicating authority.
Haryana Value Added Tax, 2003	Demand under Section 15(3)	1,010.75	41.83	Assessment Year 2015-16	Hon'ble Punjab & Haryana High Court	





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Name of the statute	Nature of dues	Amount (Rs.) in million	Amount paid under protest (Rs.) in million	Period to which the amount relates	Forum where dispute is pending	Remarks
Haryana Value Added Tax, 2003	Demand under Section 15(3)	464.03	12.52	Assessment Year 2016-17	Hon'ble Punjab & Haryana High Court	

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid/provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

  
**Neeraj Sharma**  
 Partner  
 Membership No.: 502103



**Place:** Gurugram

**Date:** 14 May 2019

Annexure B to the Independent Auditor's Report of even date to the members of Emaar MGF Land Limited, on the standalone financial statements for the year ended 31 March 2019

## Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Emaar MGF Land Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with





## Annexure B to the Independent Auditor's Report of even date to the members of Emaar MGF Land Limited, on the standalone financial statements for the year ended 31 March 2019

generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

  
Neeraj Sharma  
Partner  
Membership No.: 502103



Place: Gurugram

Date: 14 May 2019

EMAAR MGF LAND LIMITED  
 Standalone Balance Sheet as at 31 March 2019  
 (Amount in Rupees million, unless otherwise stated)

	Note	31 March 2019	31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	661.39	658.00
Capital work-in-progress	4	31.95	26.16
Intangible assets	5	4.19	7.78
<b>Financial assets</b>			
Investments	6	929.93	887.83
Loans	7	27.32	28.89
Other bank balances	13	419.85	331
Non-current tax assets (net)		166.40	235.25
Other non-current assets	8	2,835.16	2,839.98
		<b>5,077.59</b>	<b>3,966.40</b>
<b>Current assets</b>			
Inventory	9	68,136.82	39,350.46
<b>Financial assets</b>			
Investments	10	539.37	236.41
Loans	11	7,389.92	7,796.13
Trade receivables	12	916.17	2,834.06
Cash and cash equivalents	13	908.93	519.34
Other bank balances	13	306.37	586.43
Other financial assets	14	454.36	693.38
Other current assets	8	37,837.23	37,681.22
		<b>116,695.19</b>	<b>89,793.42</b>
Assets included in disposal group classified as held for distribution	41	-	37,518.52
		<b>121,772.78</b>	<b>131,188.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	15	912.62	9,126.39
Other equity		(33,633.96)	3,207.38
		<b>(32,721.34)</b>	<b>12,333.44</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	16	21,194.08	37,926.82
Other financial liabilities	17	-	7,739.41
Provisions	18	82.98	108.64
		<b>21,277.07</b>	<b>45,774.67</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	15,622.54	9,794.19
Trade payables	20	-	-
-total outstanding dues of micro and small enterprises		31.75	-
-total outstanding dues other than micro and small enterprises		4,107.64	4,054.43
Other financial liabilities	17	35,957.67	8,468.21
Other current liabilities	21	72,617.22	33,782.01
Provisions	18	5,480.22	3,586.94
		<b>133,219.62</b>	<b>59,685.78</b>
Liabilities included in disposal group classified as held for distribution	41	-	13,394.41
		<b>121,772.78</b>	<b>131,188.34</b>

Summary of significant accounting policies

The accompanying notes are an integral part of the Standalone Financial Statements

This is the Balance Sheet referred to in our report of even date.

For Walker Chandok & Co LLP  
 Chartered Accountants  
 Firm's Registration No.: 001076N/N500013


  
 Neeraj Sharma  
 Partner  
 Membership No.: 502103



Place: Gurgaon  
 Date: 14 May 2019



For and on behalf of the Board of Directors

  
 Haroon Saeed Siddiqui  
 Director  
 DIN-05256916

  
 Hani Badi  
 Director  
 DIN-08101869

  
 Prashant Gupta  
 Chief Executive Officer

  
 Samit Gaba  
 Chief Financial Officer

  
 Bhavani Bhushan Garg  
 Company Secretary



**EMAAR MGF LAND LIMITED**

Standalone Statement of Profit and Loss for the year ended 31 March 2019  
(Amount in Rupees million, unless otherwise stated)

	Note	31 March 2019	31 March 2018
<b>Income</b>			
Revenue from operations	22	22,515.88	15,294.84
Other income	23	1,297.80	343.48
		<u>23,813.78</u>	<u>15,638.32</u>
<b>Expenses</b>			
Cost of land, constructed properties, development rights and others	24	17,348.53	10,652.78
Employee benefits expense	25	637.21	464.58
Finance costs	26	5,297.20	5,320.57
Depreciation and amortization expense	27	58.36	34.24
Other expenses	28	4,712.37	4,227.34
		<u>28,053.67</u>	<u>20,699.51</u>
Loss before tax		(4,239.89)	(7,241.01)
Tax expense - earlier years		(50.08)	-
Loss for the year		<u>(4,189.80)</u>	<u>(7,241.01)</u>
<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		19.33	9.40
Other comprehensive income for the year		<u>19.33</u>	<u>9.40</u>
<b>Total comprehensive income for the year</b>		<u>(4,170.47)</u>	<u>(7,231.61)</u>
<b>Earnings per equity share</b>	29		
Basic (Rs.)		(11.52)	(7.93)
Diluted (Rs.)		(11.52)	(7.93)

Summary of significant accounting policies

3

The accompanying notes are an integral part of the Standalone Financial Statements

This is the statement of profit and loss referred to in our report of even date.

For Walker Chandok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/NS60013

  
Neeraj Sharma  
Partner  
Membership No.: 502103



Place: Gurugram  
Date: 14 May 2019

For and on behalf of the Board of Directors

  
Haroon Saeed Siddiqui  
Director  
DIN-05250916

  
Hadi Badri  
Director  
DIN-08101869

  
Prashant Gupta  
Chief Executive Officer

  
Samit Gulra  
Chief Financial Officer

  
Bhavni Bhushan Garg  
Company Secretary



**EMAAR MGF LAND LIMITED**

Standalone Cash Flow Statement for the year ended 31 March 2019  
(Amount in Rupees million, unless otherwise stated)

	31 March 2019	31 March 2018
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(4,239.89)	(7,241.00)
Adjustments for:		
Depreciation and amortisation expense	58.36	34.24
Unrealised foreign exchange gain (net)	2.43	(0.22)
Loss/(gain) on sale of property, plant and equipment (net)	2.50	(0.71)
Net gain on sale of current investment	-	(14.93)
Interest income	(98.68)	(146.54)
Interest and finance charges	5,297.20	5,320.37
Provision for doubtful advances (net)	269.58	657.94
Amount written off	158.07	488.71
Income from forfeiture of customer advances	(29.40)	(148.43)
Unclaimed balances and escrow provisions written back	(427.10)	(141.75)
Operating gain/(loss) before working capital changes	993.07	(992.33)
Adjustments for:		
Increase in trade payables and other financial liabilities	775.80	1,366.77
Decrease in other current liabilities	(13,034.31)	(5,965.54)
Increase in short-term provisions	1,751.92	1,605.90
Decrease in inventories	2,495.69	107.71
Decrease/(Increase) in trade receivables	291.03	(1,271.56)
(Increase)/decrease in other financial assets and other assets	(298.83)	91.27
Cash flow used in operating activities after working capital changes	(2,025.63)	(4,237.58)
Direct taxes refund (net)	136.94	54.71
Net cash flow used in operating activities (A)	(1,888.69)	(4,182.87)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments made for property, plant and equipment (including capital work-in-progress and capital advances)	(110.66)	(89.41)
Proceeds from sale of property, plant and equipment	15.92	0.83
Payments made for intangible assets	-	(7.06)
Purchase of non-current investments in subsidiaries	(60.09)	-
(Purchase)/proceeds from sale of current investments (net)	(238.11)	487.15
Proceeds from bank deposits matured with maturity more than three months	889.25	1,493.09
Investments in bank deposits with maturity of more than three months	(813.62)	(1,049.39)
Loan given to subsidiaries	(191.52)	(273.50)
Loan received back from subsidiaries	113.21	36.94
Interest received	623.04	190.05
Net cash flows from investing activities (B)	207.40	788.71
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from non-current borrowings	14,570.58	4,370.42
Repayments of non-current borrowings	(12,364.07)	(1,325.37)
Movement in current borrowings (net)	(953.36)	1,987.96
Interest and finance charges paid	(4,093.26)	(3,134.73)
Net cash (used in)/generated from financing activities (C)	(2,842.11)	1,898.29
Decrease in cash and cash equivalents (A+B+C)	(4,523.39)	(1,495.87)
Cash and cash equivalents as at beginning of the year	(1,980.87)	(485.00)
Cash and cash equivalents as at end of the year (refer note 13)	(6,504.26)	(1,980.87)

This is the cash flow statement referred to in our report of even date.

For Walker Chandok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/NS00013

Necaraj Sharma  
Partner  
Membership No.: 512113



Place: Gurgaon  
Date: 14 May 2019

For and on behalf of the Board of Directors

Haron Saeed Siddiqui  
Director  
DIN-05230916

Hadi Badri  
Director  
DIN-08101869

Prashant Gupta  
Chief Executive Officer

Samir Guha  
Chief Financial Officer

Bharat Bhushan Garg  
Company Secretary





**EMAR MGF LAND LIMITED**

Standalone Statement of Changes in Equity for the year ended 31 March 2019  
(Amount in Rupees million, unless otherwise stated)

**A. Equity share capital\***

Particulars	Number	Amount
As at 01 April 2017	912,619,845	8,126.30
Issued during the year	-	-
As at 31 March 2018	912,619,845	8,126.30
Issued during the year	-	-
Adjustment on account of demerger (refer note 41)	(821,557,860)	(8,211.38)
As at 31 March 2019	91,268,985	982.62

\*Refer note 13 for details

**B. Other equity\*\***

Particulars	Equity component of convertible debentures	Reserves and Surplus					Total
		Securities premium	Capital redemption reserve	Capital reserve	Debitum redemption reserve	Retained earnings	
Balance as at 01 April 2017	1,848.73	25,126.72	8,618.25	2,892.78	138.13	(28,771.74)	92,135.83
Loss for the year	-	-	-	-	-	(7,241.00)	(7,241.00)
Other comprehensive income for the year	-	-	-	-	-	9.40	9.40
Balance as at 31 March 2018	1,848.73	25,126.72	8,618.25	2,892.78	738.13	(37,009.35)	3,289.26
Loss for the year	-	-	-	-	-	(4,188.80)	(4,188.80)
Other comprehensive income for the year	-	-	-	-	-	19.33	19.33
Adjustment on implementation of IAS 433 (refer note 42)	-	-	-	-	-	(14,559.35)	(14,559.35)
Transfer from securities premium on account of demerger	-	(18,400.54)	-	-	-	18,400.54	-
Adjustment on account of demerger (refer note 43)*	-	(5,701.81)	(8,618.25)	(2,892.78)	-	(1,065.55)	(18,278.39)
Balance as at 31 March 2019	1,848.73	1,964.37	-	-	738.13	(48,385.37)	(33,633.99)

**\*\*Other equity comprises of:**

(a) Securities premium:

Securities premium reserve is created to record the premium on issue of equity shares. This can be utilized for certain limited purposes in accordance with provisions of the Companies Act, 2013.

(b) Capital redemption reserve:

This reserve can be utilized for certain limited purposes in accordance with provisions of the Companies Act, 2013.

(c) Capital reserve:

Capital reserve was created under the Previous GAAP out of the profit earned from a specific transaction of capital issue. Capital reserve is not available for the distribution to the equity shareholders.

(d) Debitum redemption reserve:

The Company had issued redeemable non-convertible debentures. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), requires the Company to create Debitum Redemption Reserve ("DRR") out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued and would be utilized for redeeming the said debentures. In the absence of adequate profits, DRR to the extent of Rs. 2,778.05 million (31 March 2018: 5,006.45 million) has not been created as at 31 March 2019.

\* Adjustment on account of demerger in retained earnings comprises of the profit on account of movement in damaged assets and liabilities for the period 01 October 2015 (following date to the appointed date i.e. 30 September 2015) till 31 July 2018 (effective date of demerger) and cash infusion from projects aggregating to Rs. 1,065.95 million transferred to the resulting company.

This is the statement of changes in equity referred to in our report of even date.

For Walker Chandick & Co LLP

Chartered Accountants

Firm's Registration No.: 001055N/N398013

  
Neeraj Sharma  
Partner  
Membership No.: 502100



Place: Gurgaon  
Date: 14 May 2019

For and on behalf of the Board of Directors

  
Haroon Saad Siddiqui  
Director  
DIN: 05258916

  
Anshu Gupta  
Chief Executive Officer

  
Sumit Gupta  
Chief Financial Officer

  
Bharat Bhushan Gang  
Company Secretary



## EMAAR MGF LAND LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

### 1. Corporate information

Emaar MGF Land Limited ('the Company') is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is 57.33% subsidiary of Emaar Holding II (Dubai, UAE). Its debentures are listed on Bombay stock exchange in India. The registered office of the Company is located at 306-308, Square One, C-2, District Centre, Saket, New Delhi- 110017. The principal place of business of the Company is located at Emaar Business Park, MG Road, Sikanderpur, Sector-28 Gurugram-122002, Haryana.

The Company is principally engaged in the business of promotion, construction, development and sale of integrated townships, residential and commercial multi-storied buildings, houses, flats, shopping malls, hotels, IT parks, etc.

The financial statements were authorised for issue in accordance with a resolution of the directors on 14 May 2019.

### 2. Recent accounting pronouncement

#### Ind AS 116, Leases

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

#### Amendment to Ind AS 12, Income taxes

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has notified Appendix C to Ind-AS 12 Income taxes - "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

#### Amendment to Ind AS 19, Employee benefits

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.





## EMAAR MGF LAND LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

### Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

### Amendment to Ind AS 109, Financial instruments

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

## 3. Summary of significant accounting policies

### 3.1 Basis of preparation

The standalone financial statements ("financial statements") of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 read with rule 4A of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (by "MCA") as amended and the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on going concern basis using a historical cost convention, except certain financial assets and financial liabilities which are measured at fair value as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

The financial statements are presented in INR which is assessed to be the functional currency of the Company in accordance with Ind AS. All values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

### 3.2 Significant accounting policies

#### a. Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

#### b. Property, plant and equipment

##### *Recognition and initial measurement*

Property, plant and equipment and capital work in progress are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) upto the date of acquisition/ installation], net of accumulated depreciation and accumulated impairment losses, if any.



**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

*Subsequent measurement (depreciation and useful lives)*

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets estimated by the management based on technical evaluation:

	Useful lives estimated by the management (years)
Buildings	60
Plant and equipment	5
Furniture and fixtures	6.67
Office equipment	5
Plant and equipment	5
Vehicles	5
Computers	3

The useful life of the assets is either lower or equal to those indicated in Schedule II to the Companies Act 2013.

Leasehold improvements are amortized on a straight line basis over the period of the lease of 1-3 years or the useful life of the asset, whichever is lower.

No amortisation is made for leasehold land which is under perpetual lease.

The useful lives, residual values and method of depreciation of property, plant and equipment are reviewed at each financial year end.

*De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

**c. Intangible assets***Recognition and initial measurement*

Intangible assets comprise of computer softwares which are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation.

*Subsequent measurement (amortisation)*

Intangible assets are amortised on a straight line basis over the useful economic life which is assessed to be between one to three years by the management.

**d. Disposal group classified as held for distribution**

Disposal groups are classified as held for distribution if the entity is committed to distribute the assets or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition. Management must be committed to distribute which should be expected to be completed within one year from the date of classification.

Non-current assets and disposal groups held for distribution to owners were measured at the lower of their carrying amount and the fair value less costs to distribute. Assets, liabilities and disposal group classified as held for distribution were presented separately in the balance sheet.

Property, plant and equipment once classified as held for distribution to owners were not depreciated.





## EMAAR MGF LAND LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

### e. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are charged to statement of profit and loss in the period in which they occur. Borrowing costs consist of interest and other borrowing costs that an entity incurs in connection with the borrowing of funds.

### f. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### g. Inventories

Inventory comprises of developed properties, real estate properties under development and merchandise stock.

- (i) Developed properties are valued at lower of cost and net realizable value. Cost includes cost of land/land development rights, materials, services, borrowing costs and other related overheads, incurred in bringing the inventories to their present location and condition.
- (ii) Real estate properties under development are valued at lower of cost and net realizable value. Cost includes land and cost of land / land development rights, materials, services, borrowing costs and other related overheads. Cost incurred/items made specifically for properties are taken as consumed as and when incurred/received.
- (iii) Merchandise stock is valued at lower of cost and net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

### h. Revenue Recognition

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

#### *Revenue from sale of properties and developed plots*

Revenue from sale of properties is recognized when the performance obligations are essentially complete and credit risks have been significantly eliminated. The performance obligations are considered to be complete when control over the property has been transferred to the buyer i.e. offer for possession (possession request letter) of properties have been issued to the customers and substantial sales consideration is received from the customers.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring property to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.



## EMAAR MGF LAND LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised by the Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

The costs estimates are reviewed periodically and effect of any change in such estimate is recognized in the period such changes are determined. However, when the total estimated cost exceeds total expected revenues from the contracts, the loss is recognized immediately.

### *Revenue from sale of land*

Gain/loss from sale of undeveloped unsuitable land is recognized in the financial year in which transfer is made by registration of sale deeds or otherwise in favour of the buyers and there exists no uncertainty in the ultimate collection of consideration from buyer.

### *Revenue from collaboration agreements*

Revenue from Collaboration Agreements is recognized as and when services are rendered, in accordance with the terms of the agreements entered with the collaborators, based on the percentage share of gross revenue of the collaborators.

### *Revenue from Joint Development Agreement (JDA) executed with land owners:*

JDAs entered into with land owners for the exchange of land against consideration in the form of property or development rights are treated as exchange of dissimilar goods and are accounted for at fair value. The revenue arising out of the same is measured at the fair value of the goods received. When the fair value of the goods received cannot be measured reliably, the revenue is measured at the fair value of the goods given up.

### *Income from compulsory acquisition of land*

Income in respect of compulsory acquisition (both original and enhanced compensation) of land by the Government is recognised upon receipt of compensation order from the Government or Court at an amount equivalent to gross amount received/ receivable, net of the cost of the land acquired by the Government.

### *Interest due on delayed payments and forfeiture income on cancelled units*

Revenue is recognised as and when due to the extent certainty of payments/realisation is established in relation to such income.

### *Revenue from hospitality and leisure activities*

Revenue is recognized as and when services are completely rendered and right to receive money has been established, except in cases where ultimate collection is considered doubtful.

### *Other interest income*

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR).

### *Dividend income*

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.





**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

**i. Foreign currency**

***Functional and presentation currency***

The financial statements are presented in Indian Rupee (Rs.) which is also the functional and presentation currency of the Company.

***Transactions and balances***

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss in the year in which they arise.

**j. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**k. Taxes**

***Current income tax***

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets is offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

***Deferred tax***

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**I. Retirement and other employee benefits**

***Defined contribution plan***

The Company's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of real estate properties under development, as the case may be. The Company's contributions towards provident fund are deposited with the regional provident fund commissioner under a defined contribution plan.

***Defined benefit plan***

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of profit or loss in subsequent periods.

***Other long-term employee benefits***

The Company also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the





## EMAAR MGF LAND LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

### *Short-term employee benefits*

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

## **m. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### *Company as a lessee*

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. However, rent expenses are not straight-lined, wherever the escalation in rentals is in line with expected inflationary cost.

## **n. Provisions, contingent liabilities and contingent assets**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.



## EMAAR MGF LAND LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

### **o. Earnings per share**

Basic earnings per equity share are computed by dividing net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares (including number of equity shares that are issuable on the conversion of mandatorily convertible instruments) outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **p. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

##### ***Initial recognition and measurement***

All financial assets are recognised initially at fair value and in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### ***Subsequent measurement***

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

#### **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of profit or loss. Losses arising from impairment are recognised in the statement of the profit and loss.

#### **Debt instrument at FVOCI**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent solely payments of principal and interest.





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(Amount in Rupees million, unless otherwise stated)

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

### *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### *Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investments in the equity instruments of subsidiaries, joint venture and associate companies are measured at cost in accordance with the principles of Ind AS 27- Separate Financial Statements.

### *De-recognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### *Impairment of financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- (a) Financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial assets that are debt instruments and are measured as at FVOCI
- (c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.



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(Amount in Rupees million, unless otherwise stated)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL, which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- *Financial assets measured at at amortised cost:* ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### Financial liabilities

#### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.





## EMAAR MGF LAND LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

### *Subsequent measurement*

The subsequent measurement of financial liabilities is as under:

#### **Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16 and 19.

Other financial liabilities such as trade payables, other liabilities, etc. are also subsequently measured at amortised cost.

### **3.3 Significant accounting judgments and estimates**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **a. Significant management judgements**

##### **Impairment of non-financial assets**

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

##### **Impairment of financial assets**

The Company estimates the recoverable amount of trade and other receivables where collection of the full amount is expected to be no longer probable. For individually significant amounts, this estimation is performed on an individual basis considering the length of time past due, financial condition of the counter-party, impending legal disputes, if any and other relevant factors.

##### **Cash flow projections**

The Company has prepared these financial statements on going concern basis assuming that it will be able to continue its operations for next one financial year. In making this assumption, the management has made certain projections relating to cash collections from various properties, fund requirements, asset base, etc. for the next one financial year.

##### **Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

##### **Provisions**

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.



## EMAAR MGF LAND LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

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### Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A tax provision is recognised when the Company has a present obligation as a result of a past event; it is probable that the Company will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

### b. Significant estimates

#### Revenue and inventories

The estimates around total budgeted cost i.e. outcomes of underlying construction and service contracts, which further require estimates to be made for changes in work scopes, claims (compensation, rebates, etc.), the cost of meeting other contractual obligations to the customers and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making these estimates, the Company used the available contractual and historical information and also its expectations of future costs. The estimates of the saleable area are also reviewed periodically and effect of any changes in such estimates is recognised in the period such changes are determined.

#### Assessment of operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle as sixty months for Construction and Development business and as twelve months for Leisure and Hospitality business, having regard to the nature of business being carried out by the Company. The same has been considered for classifying assets and liabilities as 'current' and 'non-current' while preparing the financial statements.

#### Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

#### Fair value measurement

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

#### Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.





**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

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**4. Property, plant and equipment**

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Office equipment	Computers	Furniture and fixtures	Vehicles	Subtotal	Capital work-in-progress	Total
<b>Gross Block</b>											
Balance as at 01 April 2017	525.30	45.00	46.48	46.87	47.38	137.92	208.99	42.84	1,100.48	47.17	1,147.65
Additions during the year	-	24.62	1.39	0.31	3.66	26.90	5.92	42.66	106.46	-	106.46
Add: Classified as held for distribution (refer note 41)	-	-	-	0.48	0.58	-	0.86	-	1.92	-	1.92
Less: Transfer to property, plant and equipment	-	-	-	-	-	-	-	-	-	21.01	21.01
Less: Disposals during the year	-	-	31.67	21.00	8.62	14.56	96.32	26.63	198.80	-	198.80
Balance as at 31 March 2018	525.30	69.62	16.20	26.66	43.09	150.26	120.45	58.87	1,010.05	26.16	1,036.21
Additions during the year	-	0.86	43.19	-	2.69	35.65	5.01	13.32	100.72	5.79	106.51
Less: Disposals during the year	-	17.57	8.43	0.82	3.55	23.23	4.32	17.68	75.59	-	75.59
Balance as at 31 March 2019	525.30	52.91	50.96	25.84	42.14	162.69	121.14	54.21	1,035.18	31.95	1,067.13
<b>Accumulated Depreciation</b>											
Balance as at 01 April 2017	-	42.01	40.95	45.98	45.40	118.88	202.25	42.43	537.90	-	537.90
Depreciation charge for the year (refer note iii below)	-	6.97	2.37	0.76	2.37	12.29	2.89	3.93	31.58	-	31.58
Add: Classified as held for distribution (refer note 41)	-	-	-	0.34	0.43	-	0.48	-	1.25	-	1.25
Less: Disposals during the year	-	-	31.67	20.93	8.60	14.56	96.29	26.63	198.68	-	198.68
Balance as at 31 March 2018	-	48.98	11.65	26.15	39.60	116.61	109.34	19.73	372.05	-	372.05
Depreciation charge for the year (refer note iii below)	-	8.42	12.41	0.25	1.62	20.77	3.60	7.84	54.91	-	54.91
Less: Disposals during the year	-	17.57	7.67	0.82	3.51	18.92	4.23	4.45	57.17	-	57.17
Balance as at 31 March 2019	-	39.83	16.39	25.58	37.71	118.46	108.71	23.12	369.79	-	369.79
<b>Net block as at 31 March 2018</b>	525.30	20.64	4.55	0.51	3.40	33.65	11.11	38.84	638.00	26.16	664.16
<b>Net block as at 31 March 2019</b>	525.30	13.08	34.57	0.26	4.43	44.23	12.43	31.09	665.39	31.95	697.34

**Notes:-**

i) Freehold land includes a small leasehold land, the value for which cannot be separately ascertained.

ii) For the details of property, plant and equipment mortgaged or subject to a charge or lien on company's borrowings, please refer note 16 and 19.

iii) During the year ended 31 March 2019, the depreciation of Rs. 0.14 million out of Rs. 54.91 million (31 March 2018: Rs. 0.19 million out of Rs. 31.58 million) has been inventorised as a part of real estate properties.

**Contractual obligation**

Refer note 30(a)(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**Capital work-in-progress**

Capital work in progress as at 31 March 2019 mainly comprises expenditure on construction and development related to hotel operations.



**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

**5. Intangible assets**

	Computer softwares
<b>Gross Block</b>	
Balance as at 01 April 2017	66.55
Additions during the year	7.05
Less: Disposals during the year	0.70
<b>Balance as at 31 March 2018</b>	<b>72.90</b>
Additions during the year	-
Less: Disposals during the year	0.27
<b>Balance as at 31 March 2019</b>	<b>72.63</b>
<b>Accumulated amortisation</b>	
Balance as at 01 April 2017	63.01
Amortisation charge for the year	2.81
Less: Disposals during the year	0.70
<b>Balance as at 31 March 2018</b>	<b>65.12</b>
Amortisation charge for the year	3.59
Less: Disposals during the year	0.27
<b>Balance as at 31 March 2019</b>	<b>68.44</b>
<b>Net block as at 31 March 2018</b>	<b>7.78</b>
<b>Net block as at 31 March 2019</b>	<b>4.19</b>

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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

	31 March 2019	31 March 2018
<b>6. Investments (non-current)</b>		
<b>(a) In equity shares (unquoted)*</b>		
<b>Investments in wholly owned subsidiaries</b>		
75,100 (31 March 2018: 75,100) Equity shares of Rs. 10 each fully paid up in Active Securities Limited	75.00	75.00
10,000 million (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Arma Builders Private Limited	0.30	0.10
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Armon Promoters Private Limited	0.30	0.10
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Avirensi Buildtech Private Limited (upto 31 July 2018)**	-	0.10
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Cascock Properties Private Limited (upto 31 July 2018)**	-	0.10
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Compact Projects Private Limited	0.10	0.10
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Chhavi Buildtech Private Limited (upto 31 July 2018)**	-	0.10
Nil (31 March 2018: 20,000) Equity shares of Rs. 10 each fully paid up in Haster Conbuild Private Limited (upto 31 July 2018)**	-	10.61
Nil (31 March 2018: 20,000) Equity shares of Rs. 10 each fully paid up in Ecstasy Conbuild Private Limited (upto 31 July 2018)**	-	10.61
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Edenic Propbuild Private Limited	0.10	0.10
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Ekdant Propbuild Private Limited	0.10	0.10
3,297,257 (31 March 2018: 5,485,339) Equity shares of Rs. 10 each fully paid up in Emaar MGF Construction Private Limited (upto 31 July 2018)**	362.78	605.55
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Emaar India Community Management Private Limited	0.10	0.10
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Emerald Propbuild Private Limited	0.10	0.10
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Eplonac Propbuild Private Limited	0.10	0.10
Nil (31 March 2018: 20,001) Equity shares of Rs. 10 each fully paid up in Ethnic Conbuild Private Limited (upto 31 July 2018)**	-	25.08
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Gait Propbuild Private Limited (upto 31 July 2018)**	-	0.10
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Glenque Propbuild Private Limited (upto 31 July 2018)**	-	0.10
Nil (31 March 2018: 20,000) Equity shares of Rs. 10 each fully paid up in Godson Propbuild Private Limited (upto 31 July 2018)**	-	19.57
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Gurukul Promoters Private Limited	0.10	0.10
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Glen Propbuild Private Limited	0.10	0.10
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Giza Propbuild Private Limited (upto 31 July 2018)**	-	0.10
Nil (31 March 2018: 20,000) Equity shares of Rs. 10 each fully paid up in Grapeahot Propbuild Private Limited (upto 31 July 2018)**	-	20.89
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Kados Propbuild Private Limited	0.10	0.10
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Lotus Technobuild Private Limited	0.10	0.10
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Lifeline Buildtech Private Limited (upto 31 July 2018)**	-	0.10
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Lotus Propbuild Private Limited (upto 31 July 2018)**	-	0.10
Nil (31 March 2018: 65,000) Equity shares of Rs. 10 each fully paid up in Mega City Promoters Private Limited (upto 31 July 2018)**	-	0.65
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in MG Colonizers Private Limited (upto 31 July 2018)**	-	23.99



**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

	31 March 2019	31 March 2018
4,307,760 (31 March 2018: Nil) Equity shares of Rs. 10 each fully paid up in Multitrade Infrastructures Private Limited \$	40.10	-
100,000 (31 March 2018: 100,000) Equity shares of Rs. 10 each fully paid up in Nandita Promoters Private Limited	1.00	1.00
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Pipalshery Estate Private Limited (upto 31 July 2018)^	-	0.10
100,000 (31 March 2018: 100,000) Equity shares of Rs. 10 each fully paid up in Pratham Promoters Private Limited	1.00	1.00
Nil (31 March 2018: 100,000) Equity shares of Rs. 10 each fully paid up in Prayas Builders Private Limited (upto 31 July 2018)^	-	1.00
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Rekha Builders Private Limited	0.10	0.10
70,00,000 (31 March 2018: 70,00,000) Equity shares of Rs. 10 each fully paid up in Shree Promoters Private Limited	389.90	389.90
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Spiritual Realities Private Limited (upto 31 July 2018)^	-	0.10
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Subhda Promoters Private Limited (upto 31 July 2018)^	-	0.10
Nil (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Tushar Projects Private Limited (upto 31 July 2018)^	-	0.10
10,000 (31 March 2018: 10,000) Equity shares of Rs. 10 each fully paid up in Vitality Construct Private Limited	0.10	0.10
100,000 (31 March 2018: 100,000) Equity shares of Rs. 10 each fully paid up in Wrenbley Estates Private Limited	1.00	1.00
<b>Subtotal (A)</b>	<b>896.08</b>	<b>1,188.33</b>
<b>In joint venture (unquoted), at cost*</b>		
9,683,550 (31 March 2018: 9,683,550) Equity shares of Rs.10 each fully paid up in Budget Hotels India Private Limited	95.84	95.84
Less: Impairment in the value of investment	(63.11)	(63.11)
<b>Subtotal (B)</b>	<b>33.73</b>	<b>33.73</b>
<b>In associate (unquoted), at cost*</b>		
Nil (31 March 2018: 164,380) Equity shares of Rs.10 each fully paid up in Aaravgo Builders Private Limited (upto 31 July 2018)^	-	772.00
<b>Subtotal (C)</b>	<b>-</b>	<b>772.00</b>
<b>In equity instruments of other companies**</b>		
1,500 (31 March 2018: 1,500) Equity shares of AED 1,000 each, fully paid up in Dubai Real Estate Institute FZ-LLC	16.65	16.65
Less: Impairment in the value of Investment	(16.65)	(16.65)
<b>Subtotal (D)</b>	<b>-</b>	<b>-</b>
<b>Subtotal (E = A+B+C+D)</b>	<b>929.81</b>	<b>1,993.96</b>
<b>(b) Government and trust securities (unquoted)***</b>		
National saving certificate#	0.02	0.02
<b>Subtotal (F)</b>	<b>0.02</b>	<b>0.02</b>
Less: Assets included in disposal group classified as held for distribution (refer note 4) (G)	-	(1,124.15)
<b>Total (E+F-G)</b>	<b>929.83</b>	<b>869.83</b>
<b>Aggregate value of unquoted investments</b>	<b>929.83</b>	<b>869.83</b>

\*All the investments in subsidiary, joint ventures and associates are stated at cost as per Ind AS 27 'Consolidated and Separate Financial Statements'.

\*\* These are measured at fair value through profit and loss.

\*\*\* These are measured at amortised cost.

^ Pursuant to the demerger scheme (refer note 41), 100% shares have been transferred to the resulting company.

^^ Pursuant to the demerger scheme (refer note 41), 99.89% shares have been transferred to the resulting company.

\$ During the year, the Company has purchased 100% shares of Multitrade Infrastructures Private Limited from wholly owned subsidiary, Sangrha Promoters Private Limited.

# Pledged with Sale Tax Authority for obtaining VAT Registration.

**7. Non-current financial assets - Loans, at amortised cost**
**Security deposits**

Unsecured, considered good

31 March 2019

31 March 2018

27.72

28.89

27.72

28.89

Note: The Company does not have any loans which are either credit impaired or where there is significant increase in credit risk.





**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

	Non-current 31 March 2019	Non-current 31 March 2018	Current 31 March 2019	Current 31 March 2018
<b>8. Other assets</b>				
<b>Capital advances</b>				
Unsecured, considered good	7.15	1.07	-	-
Doubtful (refer note 35)	846.44	846.44	-	-
	853.59	847.51	-	-
Less: Provision for doubtful capital advances	(846.44)	(846.44)	-	-
	7.15	1.07	-	-
<b>Security deposits</b>	-	-	757.75	702.42
<b>Compensation receivable*</b>	-	-	-	6.49
<b>Advances to related parties (refer note 35)</b>				
Unsecured, considered good	-	-	51,148.04	49,855.11
Doubtful	-	-	3,154.97	3,566.25
	-	-	54,303.01	53,421.36
Less: Provision for doubtful advances to related parties	-	-	(3,154.97)	(3,566.25)
	-	-	51,148.04	49,855.11
<b>Advances for land and land development rights**</b>				
Unsecured, considered good	2,859.74	2,674.74	1,746.08	2,334.38
Doubtful	-	-	437.33	445.30
	2,859.74	2,674.74	2,183.41	2,779.68
Less: Provision for doubtful advances for land and land development rights	-	-	(437.33)	(445.30)
	2,859.74	2,674.74	1,746.08	2,334.38
<b>Advances recoverable***</b>				
Unsecured, considered good	-	-	2,000.78	2,256.00
Doubtful	-	-	1.00	1.00
	-	-	2,000.78	2,257.00
Less: Provision for doubtful advances recoverable	-	-	(1.00)	(1.00)
	-	-	2,000.78	2,256.00
<b>Advances to employees</b>				
Unsecured, considered good	-	-	8.30	3.34
Doubtful	-	-	-	0.43
	-	-	8.30	3.77
Less: Provision for doubtful advances to employees	-	-	-	(0.43)
	-	-	8.30	3.34
<b>Other advances (Unsecured, considered good)</b>				
Prepaid expenses	-	-	1,430.04	867.48
Balance with statutory authorities	144.37	49.17	716.12	761.73
Deferred lease expense	-	-	1.12	1.75
	144.37	49.17	2,147.28	1,630.96
Less: Assets included in disposal group classified as held for distribution (refer note 41)	(2,633.48)	(2,228.98)	(37,837.23)	(57,654.88)
	2,633.48	2,179.00	37,837.23	37,683.30

**Notes:**

\* Compensation receivable represents amount receivable from State Government when land owned by the company was acquired by them.

\*\* Includes Rs. 2,000.05 million (31 March 2018: Rs. 2,344.05 million) representing partial payments made towards purchase of land and Rs. 2,254.00 million (31 March 2018 : Rs. 2,899.39 million) representing contribution towards joint development / collaboration rights.

\*\*\* Includes Rs. 207.01 million (31 March 2018: Rs. 438.51 million) towards license fee, for which applications have been withdrawn and refund/adjustments have been applied for.

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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees millions, unless otherwise stated)

	31 March 2019	31 March 2018
<b>9. Inventories (at lower of cost and net realisable value)**</b>		
<b>A. Real estate properties - under development (at cost)</b>		
Cost of land, licence fees, materials, construction cost and other overheads	122,540.86	47,909.47
Merchandise stock	-	0.08
	<u>122,540.86</u>	<u>47,909.55</u>
Less: Transferred to developed properties	(66,063.87)	-
	<u>56,476.99</u>	<u>47,909.55</u>
Less: Provision for estimated losses on real estate properties	-	(3.75)
<b>Subtotal (A)</b>	<u>56,476.99</u>	<u>47,905.80</u>
<b>B. Real estate properties - developed (at cost)</b>		
Cost of developed properties	66,063.87	-
Less: Cost of revenue recognized till date	(54,404.04)	-
<b>Subtotal (B)</b>	<u>11,659.83</u>	<u>-</u>
<b>Subtotal (C=A+B)</b>	<u>68,136.82</u>	<u>47,905.80</u>
Less: Assets included in disposal group classified as held for distribution (refer note 41) (D)	-	(8,555.34)
<b>Total (C-D)</b>	<u>68,136.82</u>	<u>39,350.46</u>

\* 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. Accordingly, the figures for the comparative previous periods have not been restated and hence the current year figures are not comparable with previous year figures. For further details refer note 42.

\*\*Inventories have been pledged as security for borrowings, refer note 16 and 19 for details

	31 March 2019	31 March 2018
<b>10. Investments</b>		
<b>Investments in mutual fund at fair value through profit and loss (quoted):</b>		
1,521,893 (31 March 2018: 276,520) units of Rs. 10 each in JM High Liquidity Fund Growth	77.52	13.10
530,660 (31 March 2018: 297,887) units of Rs. 1000 each in Pramerica Liquid Fund- Growth	80.02	67.02
16,742 (31 March 2018: Nil) units of Rs. 1000 each in Reliance Mutual Fund	75.99	-
30,000 (31 March 2018: Nil) units of Rs. 1000 each in Franklin Templeton Mutual Fund	83.64	-
21,633 (31 March 2018: Nil) units of Rs. 1000 each in L&T Mutual Fund	55.22	-
39,862 (31 March 2018: Nil) units of Rs. 1000 each in Mahindra MF Collection Pool	48.11	-
21,732 UTI Liquid Cash Plan (31 March 2018: Nil) units of Rs. 1000 each in UTI Liquid Cash Plan	66.28	-
36,480 IDBI Mutual Fund (31 March 2018: Nil) units of Rs. 1000 each in IDBI Mutual Fund	72.39	-
Nil (31 March 2018: 297,887) units of Rs. 1000 each in Invesco India Liquid Mutual Fund	-	77.32
Nil (31 March 2018: 32,457) units of Rs. 1000 each in Tata Mutual Fund- Growth	-	78.97
	<u>559.37</u>	<u>236.41</u>
<b>Aggregate book value of quoted investments</b>	<u>559.37</u>	<u>236.41</u>
<b>Aggregate market value of quoted investments</b>	<u>559.37</u>	<u>236.41</u>

	31 March 2019	31 March 2018
<b>11. Loans, at amortised cost</b>		
<b>Loans and advances to related parties (refer note 35)</b>		
Unsecured, considered good*	7,389.92	8,850.75
Doubtful	4,093.65	3,864.28
	<u>11,483.57</u>	<u>12,715.03</u>
Less: Provision for doubtful loans and advances	(4,093.65)	(3,864.28)
	<u>7,389.92</u>	<u>8,850.75</u>
Less: Assets included in disposal group classified as held for distribution (refer note 41)	-	(1,054.63)
	<u>7,389.92</u>	<u>7,796.12</u>

\* The company does not have any loans which are either credit impaired or where there is significant increase in credit risk.

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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

	31 March 2019	31 March 2018
12. Trade receivables at amortised cost <sup>a</sup>		
Trade receivables (unsecured, considered good)*	910.17	2,015.05
Unbilled receivables	-	1,300.68
	<u>910.17</u>	<u>3,315.73</u>
Less: Assets included in disposal group classified as held for distribution (refer note 41)	-	(477.67)
	<u>910.17</u>	<u>2,838.06</u>

<sup>a</sup>Trade receivables have been pledged as security for borrowings, refer note 16 and 19 for details.

\*Includes dues from subsidiaries or companies where directors or other officers are interested (refer note 35).

**Notes:**

1. The Company does not have any trade receivables which are either credit impaired or where there is significant increase in credit risk.
2. The average credit period on sales of goods is 30 days from the date of demand as per contract. No interest is charged on trade receivables for first 60 days from date of the demand.

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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

	Non-current 31 March 2019	Non-current 31 March 2018	Current 31 March 2019	Current 31 March 2018
<b>13. Cash and bank balances</b>				
Cash and cash equivalents				
Cash in hand	-	-	1.19	0.94
Cheques in hand	-	-	115.47	69.26
Balance with banks				
In current accounts	-	-	779.05	444.24
In bank deposits	-	-	5.24	4.90
	-	-	<b>900.95</b>	<b>519.34</b>
Other bank balances				
Restricted bank deposits	398.05	-	328.34	489.20
Marga money deposit (under loan)	19.49	20.48	143.69	425.51
Interest account on bank deposits	2.51	1.03	34.34	81.40
	<b>419.85</b>	<b>21.51</b>	<b>506.37</b>	<b>996.15</b>
Less: Assets included in disposal group classified as held for distribution (refer note 41)	-	(18.02)	-	(401.70)
	<b>419.85</b>	<b>3.49</b>	<b>506.37</b>	<b>594.45</b>
	<b>419.85</b>	<b>3.51</b>	<b>1,407.32</b>	<b>1,315.77</b>

**Notes:**

1. Restricted bank deposits includes:

a) Rs. 206.20 million (31 March 2018: Rs. 194.00 million) held in Escrow account under a development agreement, to be utilized for the payments of a project specified in the said agreement.

b) Rs. 490.00 million (31 March 2018: Rs. 505.20 million) kept as deposit from amounts received from customers as security deposit.

2. For the purpose of statement of cash flows, cash and cash equivalents comprises the following:

	31 March 2019	31 March 2018
Cash in hand	1.19	0.94
Cheques in hand	115.47	69.26
Balance with banks		
In current accounts	779.05	444.24
In bank deposits	5.24	4.90
	<b>900.95</b>	<b>519.34</b>
Less: Bank overdraft (refer note 19)	(7,405.21)	(2,500.21)
	<b>(6,504.26)</b>	<b>(1,980.87)</b>

(130: given has been overvalued by 1300)





**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

	31 March 2019	31 March 2018
<b>14. Other financial assets, at amortised cost</b>		
Advances recoverable in cash:		
Unsecured, considered good	13.80	83.80
Doubtful	-	(200.00)
	<b>13.80</b>	<b>283.80</b>
Less: Provision for doubtful advances	-	(200.00)
	<b>13.80</b>	<b>83.80</b>
VAT recoverable from customers *	257.74	297.20
Compensation recoverable from related parties**	-	294.00
Interest accrued on loans to related parties (refer note 35)	58.72	16.41
Recoverable from related parties (refer note 35)	124.10	1.97
	<b>454.36</b>	<b>693.38</b>

\* VAT recoverable from customer represents company's contractual rights to recover additional taxes levied by the government which are either secured against deposits received from customers or the Company intends to recover prior hand over of possession of the property.

\*\* Compensation recoverable from subsidiaries represents amount recoverable in relation to renunciation of development rights.

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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

	31 March 2019	31 March 2018
<b>15. Share capital</b>		
(i) Authorized share capital		
2,000,000,000 (31 March 2018: 2,000,000,000) equity shares of Rs. 10 each	20,000.00	20,000.00
3,000,000,000 (31 March 2018: 3,000,000,000) preference shares of Rs. 10 each	30,000.00	30,000.00
<b>Issued, subscribed and paid up equity share capital:</b>		
91,261,983 (31 March 2018: 91,261,983) equity shares of Rs. 30 each	9,126.20	9,126.20
	<u>9,126.20</u>	<u>9,126.20</u>

**A. Reconciliation of the shares outstanding at the beginning and at the end of the year**

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
At the beginning of the year	91,261,983	9,126.20	91,261,983	9,126.20
Issued during the year	-	-	-	-
Adjustment on account of demerger (refer note 4f)	821,357,866	8,213.38	-	-
<b>Outstanding at the end of the year</b>	<b>91,261,983</b>	<b>9,126.20</b>	<b>91,261,983</b>	<b>9,126.20</b>

**B. Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

**C. Shares held by holding company**

Name of shareholder	31 March 2019	31 March 2018
Emaar Holding II, the holding company 33,324,694 (31 March 2018: 33,324,694) equity shares of Rs. 10 each fully paid	33.32	333.29

**D. Details of shareholders holdings more than 5% shares**

Name of shareholder	31 March 2019		31 March 2018	
	Number of shares	% of holding in class	Number of shares	% of holding in class
Equity shares of Rs. 10 each fully paid up				
Emaar Holding II	33,324,694	37.53%	33,324,694	37.53%
3i6, Sijaya Capital	25,430,903	27.89%	25,430,903	27.89%
Sarfova Holding Limited	4,617,186	5.08%	4,617,186	5.08%

**(B) Convertibly Convertible Debentures (CCD)**
**A. Reconciliation of the equity shares to be issued on conversion of Convertibly Convertible Debentures outstanding at the beginning and at the end of the year:**

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Equity shares to be issued on conversion of Convertibly Convertible Debentures				
At the beginning of the year	39,062,988	390.63	39,062,988	390.63
Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>39,062,988</b>	<b>390.63</b>	<b>39,062,988</b>	<b>390.63</b>

# The liability component of the issued convertibly convertible debentures is reflected in financial liabilities.

**B. Terms of conversion of Convertibly Convertible Debentures (CCD)**

During the calendar year, the Company had issued 2,380 convertibly convertible debentures at par value of Rs. 1.00 million each. The subscriber of CCD has a right to convert CCD into equity shares @ Rs. 10 each anytime starting from 21 September 2012 till 20 March 2022. The debentures carry a interest of 5% per annum, payable annually on the last day of the month. The debentures rank ahead of the equity shares in the event of a liquidation.

C. CCDs are held by a fellow subsidiary namely "The Address Dubai Marina L.L.C., Dubai".

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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
(Amount in Rupees million, unless otherwise stated)

	Non-current 31 March 2019	Non-current 31 March 2018	Current 31 March 2019	Current 31 March 2018
<b>16. Borrowings, at amortised cost</b>				
<b>Secured</b>				
<b>Non convertible debentures (refer note 4)</b>				
22,600 (31 March 2018: 22,600) 11.25% Non Convertible Debentures of Rs. 1,00 million each redeemable at 10% premium	-	21,257.70	17,294.89	-
<b>Term loans</b>				
From banks	12,845.43	8,730.00	5,583.32	5,288.60
From financial institutions	1,191.50	1,498.15	258.63	752.52
<b>Vehicle loans</b>				
From banks	15.33	25.64	13.54	15.41
<b>Obligations under finance lease</b>	-	692.68	-	772.57
<b>Discounted</b>				
<b>Term loans</b>				
From banks	8,896.55	10,268.23	2,181.63	312.58
<b>Liability component of compound financial instrument (refer note 4)</b>				
Compulsorily convertible debentures	217.38	511.80	48.46	56.76
	<u>21,994.09</u>	<u>46,776.41</u>	<u>23,358.44</u>	<u>7,188.76</u>
<b>Less: Liabilities associated with the notes classified as held for distribution (refer note 4)</b>	-	(7,544.78)	-	(772.57)
	<u>21,994.09</u>	<u>37,526.62</u>	<u>23,358.44</u>	<u>6,409.19</u>
<b>Amount disclosed under the head "Other financial liabilities" as "Current maturities of non-current borrowings" (refer note 15)</b>	-	-	(25,358.44)	(7,181.76)
	<u>21,994.09</u>	<u>37,526.62</u>	<u>-</u>	<u>-</u>

**Note:**

(i) Pursuant to the demerger scheme (refer note 4), 80.79% 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.

**(ii) Compulsorily convertible debentures:**

During the earlier year, the Company had issued 10,025 million compulsorily convertible debentures at par value of Rs. 1.00 million each. The subscriber of CCDe has an option to convert CCDe into equity shares @ Rs. 54 each anytime starting 21 September 2012 till 31 March 2022. The debentures carry an interest of 3% per annum, payable annually on the last day.

The compulsorily convertible debentures contain two components: liability and equity elements. The equity element is presented in other equity under the heading of equity component of compulsorily convertible debentures. The effective interest rate of the liability element on initial recognition is 14.03%.

**A. Computation of equity and liability component of Compulsorily convertible debentures:**

	31 March 2019
Proceeds from issue of CCDe (A)	2,500.00
Liability component at the date of issue (B)	(631.29)
Equity component at the date of issue (A-B)	1,868.71
<b>Liability component (included in borrowings) as at 31 March 2019</b>	<b>187.36</b>

**B. Interest expenses on liability component of compulsorily convertible debentures:**

Interest expenses calculated on liability component at an effective rate of interest of 14.03%	90.64
Interest expenses calculated on CCDe amount at par the contractual rate added to liability component (C)	125.00
Interest paid at par contractual rate (D)	(116.73)
<b>Interest accrued as at 31 March 2019 (C-D)</b>	<b>18.27</b>

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**EMAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
(Amount in Rupees million, unless otherwise stated)

**Note 16 (cont'd)**

Type of borrowings	Amount outstanding (Rupees million)		Effective interest rate	Nature of borrowings	Security details	Repayment terms
	31 March 2019	31 March 2018				
Secured, Non-current debt	17,755.84	26,261.70	7.55%	Secured	Secured by equitable mortgage of certain immovable property, project land (including those shared in wholly owned subsidiaries) and construction thereupon along with charge over the said project receivables.	Balance outstanding as at 31 March 2019 is repayable in one instalment on 31 December 2019.
Term loan	4,200.00	5,000.00	75 basis points above Bank's 3 month margin cost of lending rate (Previously 8.65% to 8.74%)	Secured	Secured by equitable mortgage of certain land owned by subsidiaries and construction thereupon. This is backed by corporate guarantee of Emaar properties PJSC.	Balance outstanding as at 31 March 2019 is repayable in 20 monthly instalments of Rs. 150 million each from April 2019.
Term loan	-	4,000.00	8.75%	Secured	Secured by equitable mortgage of certain land owned by subsidiaries and construction thereupon. This is backed by corporate guarantee of Emaar properties PJSC.	Balance outstanding as at 31 March 2018 was repaid in May 2018.
Term loan	4,020.00	5,000.00	75 basis points above Bank's 3 month margin cost of lending rate (Previously 8.71 %)	Secured	Secured by equitable mortgage of certain land owned by subsidiaries and construction thereupon. This is backed by corporate guarantee of Emaar properties PJSC.	Balance outstanding as at 31 March 2019 is repayable in 10 instalments as under: Rs. 180 million per month from April 19 - March 21 Rs. 120 million per month from April 21 - August 22 Rs. 80 million in the month of September 22.
Term loan	2,880.00	-	3 months MCLR plus 50 bps (Previously 9.65 %)	Secured	Secured by equitable mortgage of certain land owned by subsidiaries and construction thereupon. This is backed by corporate guarantee of Emaar properties PJSC.	Balance outstanding as at 31 March 2019 is repayable in 16 equal quarterly instalments of Rs. 175 million starting September 2019.
Term loan	3,250.00	-	85 basis points above Bank's one year margin cost of lending rate (Previously 8.41 % to 8.79%)	Secured	Secured by equitable mortgage of certain land owned by subsidiaries and construction thereupon. This is backed by corporate guarantee of Emaar properties PJSC.	The repayment schedule of mentioned facility is as under: Rs. 20 million per month from August 20 - March 21 Rs. 80 million per month from April 21 - March 22 Rs. 90 million per month from April 22 - March 23 Rs. 120 million per month from April 23 - June 23 Rs. 140 million for July 23.
Finance lease obligations	-	1,145.26	14.03%	Secured	Secured by the leased assets.	The Company had entered into a proposed lease with Delta Development Authority. This facility has been cancelled as existing company premises is damaged as on 30 July 2018 (refer note 15).
Term loan	-	109.54	10.65% (HDFC CRLR as reduced by 715 basis points)	Secured	Secured by equitable mortgage of property, plant and equipment and certain project land and construction thereupon along with charge over the said project receivables. (Includes assets of wholly owned subsidiaries).	Balance outstanding as at 31 March 2018 was repaid during the year.
Term loan	-	302.66	10.65% (HDFC CRLR as reduced by 715 basis points)	Secured	Secured by equitable mortgage of property, plant and equipment and certain project land and construction thereupon along with charge over the said project receivables. (Includes assets of wholly owned subsidiaries).	Balance outstanding as at 31 March 2018 was repaid during the year.
Term loan	-	71.94	10.65% (HDFC CRLR as reduced by 715 basis points)	Secured	Secured by equitable mortgage of property, plant and equipment and certain project land and construction thereupon along with charge over the said project receivables. (Includes assets of wholly owned subsidiaries).	Balance outstanding as at 31 March 2018 was repaid during the year.
Term loan	184.64	365.88	12.15% (HDFC CRLR as reduced by 715 basis points)	Secured	Secured by equitable mortgage of certain project land and construction thereupon along with charge over the said project receivables. (Includes assets of wholly owned subsidiaries).	Balance outstanding as at 31 March 2019 is repayable in 10 monthly instalments of Rs. 25 million each starting 31 March 2019.
Term loan	-	74.38	10.65% (HDFC CRLR as reduced by 715 basis points)	Secured	Secured by equitable mortgage of fixed asset and certain project land and construction thereupon along with charge over the said project receivables. (Includes assets of wholly owned subsidiaries).	Balance outstanding as at 31 March 2018 was repaid during the year.
Term loan	-	142.74	10.65% (HDFC CRLR as reduced by 715 basis points)	Secured	Secured by equitable mortgage of certain project land and construction thereupon along with charge over the said project receivables. (Includes assets of wholly owned subsidiaries).	Balance outstanding as at 31 March 2018 was repaid during the year.
Term loan	186.09	685.03	12.85% (HDFC CRLR as reduced by 715 basis points)	Secured	Secured by equitable mortgage of certain project land and construction thereupon along with charge over the said project receivables. (Includes assets of wholly owned subsidiaries).	Balance outstanding as at 31 March 2019 is repayable in 24 monthly instalments as under: Rs. 18.00 million for July 19 Rs. 11.50 million per month from August 19 to May 20 Rs. 25.00 million per month from June 20 to April 22
Term loan	836.51	295.31	12.85% (HDFC CRLR as reduced by 715 basis points)	Secured	Secured by equitable mortgage of certain project land and construction thereupon along with charge over the said project receivables. (Includes assets of wholly owned subsidiaries).	Balance outstanding as at 31 March 2020 is repayable in 36 monthly instalments as under: Rs. 10.00 million per month from June 20 to March 21 Rs. 20.00 million per month from April 20 to November 20 Rs. 25.00 million per month from December 20 to March 23
Term loan	1,465.12	-	10.15% (2.10% p.a. (Spread) over and above Bank's One (1) year MCLR)	Secured	Secured by equitable mortgage on land and building and exclusive charge over movable Fixed Assets and Current Assets (including all receivables of certain projects). Unconditional and irrevocable corporate guarantee from parent subsidiary.	Balance outstanding as at 31 March 2019 is repayable in 6 equal quarterly instalments of Rs. 24.16 million starting December 20.





**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
(Amount in Rupees million, unless otherwise stated)

Note 16 (cont'd)

Type of borrowings	Amount outstanding (Rupees million)		Effective interest rate	Nature of borrowings	Security details	Repayment terms
	31 March 2019	31 March 2018				
Vehicle loan	21.27	21.93		Secured	Issued by hypothecation of respective vehicles	Balance outstanding as at 31 March 2019 is repayable in 3 to 5 years duration.
Term loan	350.00	-	1.2% plus one month marginal cost of lending rate (Quarterly 38.50%)	Unsecured	Unsecured <sup>1</sup>	The repayment schedule of interest and facility is as under: Rs. 1.58 million per month from March 21 - June 21 Rs. 2.06 million per month from July 21 - April 22 Rs. 2.58 million for May 22 Rs. 2.55 million per month from June 22 - March 23 Rs. 3.56 million per month from April 23 - May 23 Rs. 2.55 million per month from June 23 - November 23 Rs. 5.10 million for December 23 Rs. 30.00 million per month from January 24 - March 24
Term loan	70.00	-	8.15% p.a. (linked to interest benchmark (6m day T-bill + applicable spread))	Unsecured	Unsecured <sup>1</sup>	Balance outstanding as at 31 March 2019 is repayable in 8 equal quarterly instalments of Rs. 8.75 million starting from December 20.
Term loan	670.00	-	8.15% (8.15% p.a. over Bank's one year MCLR)	Unsecured	Unsecured <sup>1</sup>	Balance outstanding as at 31 March 2019 is repayable in 50 monthly instalments of Rs. 18.61 million starting from August 20.
Term loan	4,681.93	4,708.79	Fixed rate (Present rate 9.65%)	Unsecured	Unsecured <sup>1</sup>	Balance outstanding as at 31 March 2019 is repayable in 13 equal quarterly instalments of Rs. 296.87 million from April 19.
Term loan	2,835.00	2,798.00	8.15% (Bank's one month marginal cost of lending rate)	Unsecured	Unsecured <sup>1</sup>	Balance outstanding as at 31 March 2019 is repayable in 20 equal monthly instalments of Rs. 77.64 million from April 19.
Term loan	-	2,800.00	8.00% (3 Month MCLR)	Unsecured	Unsecured <sup>1</sup>	Balance outstanding as at 31 March 2018 is fully repaid by June 18.
Contingently convertible debentures	282.75	261.76	14.00%	Unsecured	Unsecured	Subsidiary has an option to convert 0.25% into equity shares of Rs 64 each anytime starting 21 September 2012 till 29 March 2025. On 29 March 2012, CCDBs are to be mandatorily converted into equity shares of the Company.
	<b>64,502.93</b>	<b>10,853.47</b>				

<sup>1</sup> The said term loans are backed by steady state of cash (SSIC).



	Non-current 31 March 2019	Non-current 31 March 2018	Current 31 March 2019	Current 31 March 2018
<b>IV, Other financial liabilities</b>				
Other financial liabilities (at amortised cost)				
Current maturities of non-current borrowings (refer note 16)	-	-	23,358.44	7,181.78
Interest accrued but not due on borrowings	-	-	40.43	78.96
Interest accrued but not due on borrowings from related parties (refer note 33)	-	9,784.73	8,909.98	-
Interest accrued and due on borrowings	-	-	348.89	963.78
Payable for property, plant and equipment	-	-	11.45	9.52
Revenue share payable under collaboration agreements	-	-	-	295.19
Excess amount received from customers	-	-	588.85	635.27
Payable to related party (refer note 35 and 44)	-	-	1,081.74	-
Bank overdraft	-	-	0.03	4.80
Security deposits	-	-	1,036.83	654.58
	-	9,784.73	35,957.67	9,805.36
Less: Liabilities included in disposal group classified as held for distribution (refer note 41)	-	(2,045.32)	-	(1,555.19)
	-	7,739.41	35,957.67	8,250.17

	Non-current 31 March 2019	Non-current 31 March 2018	Current 31 March 2019	Current 31 March 2018
<b>18, Provisions</b>				
Provision for employee benefits				
Provision for gratuity (refer note 31)	35.74	55.04	0.71	1.34
Provision for compensated absences	47.24	61.02	1.47	2.51
Other provisions				
Provision for claims and compensation*	-	-	5,322.68	3,495.24
Provision for estimated losses on real estate properties**	-	-	155.14	47.85
	82.98	116.06	5,480.22	3,586.94
Less: Liabilities included in disposal group classified as held for distribution (refer note 41)	-	(9.42)	-	-
	82.98	106.64	5,480.22	3,586.94

## \* Provision for claims and compensation

	31 March 2019	31 March 2018
Opening balance	3,495.24	1,841.48
Additions during the year	2,463.26	1,904.50
Paid during the year	(635.82)	(290.74)
Closing balance	5,322.68	3,495.24

Provision for claims and compensation is recognised on the basis of management estimates of expected claims or compensation which the Company is required to pay to the employees against the withdrawal of deposits.

## \*\* Provision for estimated losses on real estate properties

	31 March 2019	31 March 2018
Opening balance	82.85	44.83
Additions during the year (net)	67.31	(13.62)
Closing balance	150.16	31.21

Provision for estimated losses on real estate properties is recognised on the basis of management estimates of expected losses to be incurred on sale of the properties when the total cost of the properties are expected to exceed the total realisation therefrom.

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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
(Amount in Rupees million, unless otherwise stated)

	31 March 2019	31 March 2018
<b>19. Current borrowings, at amortised cost</b>		
<b>Secured</b>		
Bank overdraft	-	391.37
Cash credit	416.31	316.32
Working capital loan	6400	-
<b>Unsecured</b>		
Term loan from banks	1,394.65	-
Bank overdraft	7,465.21	2,198.94
Working capital loan	4,850.00	3,750.00
Deferred payment liability	1,970.37	1,847.26
	<b>15,822.54</b>	<b>10,416.01</b>
Less: Liabilities included in disposal group classified as held for distribution (refer note 41)	-	(621.82)
	<b>15,822.54</b>	<b>9,794.19</b>

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## Note 19 (Cont'd)

Type of borrowings	Amount outstanding (Rupees million)		Effective interest rate	Nature of borrowings	Security details	Repayment terms
	31 March 2019	31 March 2018				
Card Credit	416.11	318.32	11.20% (linked to 6 months marginal cost of lending rate + 250 basis points spread)	Secured	Secured by equitable mortgage of certain land and construction drawings including those related to wholly owned subsidiaries and to be secured by first charge over certain project receivables.	Repayable on demand
Bank overdraft	-	381.27	12% (linked to marginal cost of lending rate plus spread as mutually agreed rate to bank)	Secured	Secured by equitable mortgage of certain land owned by subsidiaries and construction drawings.	Repayable on demand
Working capital loan	84.00	-	9.10% (one month MCLR plus 1.00%)	Secured	Secured by equitable mortgage of certain land owned by subsidiaries and construction drawings.	Repayable on demand
Term loan	1,594.95	-	8.85% (linked to Bank's six month marginal cost of lending rate)	Unsecured	Unsecured**	Balance outstanding as at 31 March 2019 is repayable in September 2019.
Bank overdraft	-	2,198.94	7.60% (Bank's 3 month MIBOR)	Unsecured	Unsecured**	Repayable on demand
Bank overdraft	888.76	-	7.50% (Bank's 1 month MIBOR + 55 bps)	Unsecured	Unsecured**	Repayable on demand
Bank overdraft	1,902.26	-	8.45% (Bank's 1 month MCLR)	Unsecured	Unsecured**	Repayable on demand
Bank overdraft	4,513.19	-	8.80% (10 bps plus one year MCLR)	Unsecured	Unsecured**	Repayable on demand
Working capital loan	858.00	-	8.80% p.a.	Unsecured	Unsecured**	Repayable on demand
Working capital loan	3,280.80	5,791.88	9.25% (2 months)	Unsecured	Unsecured**	Repayable on demand
Deferred payment liability relating to Government dues*	1,072.37	1,847.28	12% to 15% excluding penal interest 3% p.a.	Unsecured	Unsecured	10 to 12 equal quarterly or half yearly instalments from the date of grant of licence.
	15,823.54	10,416.01				

\* Deferred payment liability of Rs. 867.06 million (31 March 2018: 1,687.80 million) is overdue as at 31 March 2019.

\*\* The said borrowings are backed by standby letter of credit (SLOC).

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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
(Amount in Rupees million, unless otherwise stated)

	31 March 2019	31 March 2018
<b>20. Trade payables</b>		
Trade payables*		
-total outstanding dues of micro and small enterprises (refer note 4b)	31.73	-
-total outstanding dues other than micro and small enterprises	4,187.64	4,180.05
	<b>4,189.37</b>	<b>4,180.05</b>
Less: Liabilities included in disposal group classified as held for distribution (refer note 4f)	-	(45.62)
	<b>4,189.37</b>	<b>4,084.43</b>

\* Includes retention money payable amounting to Rs.1,331.38 million (31 March 2018 : Rs. 1,110.58 million).

	31 March 2019	31 March 2018
<b>21. Other current liabilities</b>		
Advances received towards collaboration agreements	4,002.39	5,251.33
Advances received from customers	53,460.54	25,380.16
Payable to related party (refer note 33)	3,751.80	-
Unearned revenue	10,446.79	6,493.73
Statutory dues payable	155.73	167.06
	<b>72,617.25</b>	<b>35,274.30</b>
Less: Liabilities included in disposal group classified as held for distribution (refer note 4f)	-	(1,492.28)
	<b>72,617.25</b>	<b>33,782.01</b>

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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019  
(Amount in Rupees million, unless otherwise stated)

	31 March 2019	31 March 2018
<b>22 Revenue from operations</b>		
<b>Sale of products</b>		
Revenue from sale of real estate properties	21,744.49	10,795.76
Revenue from joint development agreement	14.88	1,817.93
Revenue from collaboration agreement	-	0.08
	<u>21,759.37</u>	<u>12,613.77</u>
<b>Sale of services</b>		
Revenue from leisure business	59.31	42.08
	<u>21,818.68</u>	<u>12,655.85</u>
<b>Other operating revenues</b>		
Interest income on delayed payments by customers	102.48	130.58
Income from forfeiture of customer advances	29.40	148.43
Income from transfer fees	50.69	40.52
Income from holding charges	72.64	14.19
Gain on compulsory acquisition/exchange of land (net)	401.59	507.27
Income from termination of collaboration agreement	40.00	-
	<u>697.20</u>	<u>640.99</u>
	<u>22,515.88</u>	<u>13,296.84</u>
<b>23 Other income</b>		
<b>Interest income on:</b>		
Bank deposits	9.38	23.68
Loans to related parties (refer note 35)	39.32	98.18
Income tax refund	28.73	13.55
Others	1.25	11.33
<b>Other non-operating income</b>		
Net gain on sale of current investment	-	14.95
Net gain on disposal of property, plant and equipment	-	0.71
Unclaimed balances and excess provisions written back	427.10	141.75
Gain on settlement with related party (refer note 35)	520.64	-
Gain on settlement with others	150.00	-
Marketing support services income from related party (refer note 35)	43.76	-
Miscellaneous income	57.72	39.53
	<u>1,297.90</u>	<u>343.48</u>
<b>24 Cost of land, real estate properties, development rights and others</b>		
Cost of land, real estate properties and development rights	17,290.70	10,589.18
Cost of service and maintenance	37.52	25.73
Food, beverages and facility management expenses	20.51	17.88
	<u>17,348.53</u>	<u>10,632.79</u>
<b>25 Employee benefits expense</b>		
Salaries, wages and bonus	976.45	859.04
Contribution to provident fund (refer note 31)	41.00	39.25
Gratuity expenses (refer note 31)	17.76	17.44
Compensated absences	18.53	8.35
Staff welfare expenses	61.35	50.56
Less: Transfer to real estate properties	(477.88)	(510.03)
	<u>637.21</u>	<u>464.59</u>
<b>26 Finance costs*</b>		
Interest on effective interest rate <sup>†</sup>	5,748.42	5,978.89
Finance charges under finance lease	-	143.57
Bank charges	170.67	4.83
Less: Transfer to real estate properties	(621.89)	(606.92)
	<u>5,297.20</u>	<u>5,520.37</u>

<sup>†</sup> Includes interest expense on related party borrowings amounting to Rs. 1,975.99 million (31 March 2018: Rs. 2,406.38 million). Refer note 35 for further details.

\*Weighted average capitalisation rate for the year ended 31 March 2019: 3.27% p.a. (31 March 2018: 3.26% p.a.)



**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

	31 March 2019	31 March 2018
<b>27. Depreciation and amortization expense</b>		
Depreciation on property, plant and equipment (refer note 4)	54.77	51.43
Amortization of intangible assets (refer note 5)	3.59	2.81
	<u>58.36</u>	<u>54.24</u>
<b>28. Other expenses</b>		
Claim and compensation	2,463.26	1,904.50
Provision for doubtful advances (net)	269.58	657.94
Amount written off	158.07	488.71
Legal and professional	437.55	376.10
Security and maintenance	131.39	180.20
Commission and brokerage	543.61	260.64
Advertising and sales promotion	144.54	89.48
Rates and taxes	316.38	98.47
Rent	96.75	79.27
Vehicle maintenance expenses	23.43	32.85
Travelling and conveyance	34.25	28.60
Payment to auditors*	12.79	10.50
Repairs and maintenance:		
- Plant and machinery	12.01	8.99
- Buildings	3.78	5.11
- Computers	42.22	29.03
- Others	7.75	14.59
Electricity and water expenses	24.48	4.43
Charity and donations other than political party (refer note 34)	3.34	4.63
Loss on sale of property, plant and equipment (net)	2.50	-
Miscellaneous expenses	92.85	57.62
Less: Transfer to real estate properties	(108.16)	(104.32)
	<u>4,712.57</u>	<u>4,227.34</u>
<b>*Payment to auditors</b>		
<b>As auditor</b>		
Audit fee	9.70	9.00
Limited review fee	2.50	1.25
Certification work	0.08	-
Reimbursement of expenses	0.51	0.25
	<u>12.79</u>	<u>10.50</u>

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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(Amount in Rupees million, unless otherwise stated)

**29. Earnings per share (EPS)**

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the parent by weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	31 March 2019	31 March 2018
<b>Particulars</b>		
Loss for the year as per Statement of Profit and Loss for calculating basic earnings per share	(4,189.80)	(7,241.01)
Add: Debitum interest on compulsorily convertible debenture	44.86	53.54
Loss attributable to equity holders for calculating diluted EPS	<u>(4,144.94)</u>	<u>(7,187.47)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of equity shares outstanding during the year for calculating basic EPS	363,547,741	912,619,845
Add: Weighted average number of equity shares that are issuable on the conversion of compulsorily convertible debenture	39,062,500	39,062,500
Weighted average number of equity shares for calculating diluted EPS*	<u>402,610,241</u>	<u>951,682,345</u>
Face value of shares	10	10
<b>Earnings per equity share</b>		
Basic (Rs.)	(11.52)	(7.93)
Diluted (Rs.)	(11.52)	(7.93)

\*Potential equity shares are anti-dilutive in nature as their conversion to equity shares would decrease loss per equity shares from ordinary business activities. Therefore, the effect of anti-dilutive potential equity shares has been ignored in computing diluted earnings per share.

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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended  
31 March 2019

(Amount in Rupees million, unless otherwise stated)

**30. Commitments and contingencies****a) Commitments****(i) Operating lease commitments - Company as lessee**

The Company has obtained office premises on operating leases. Few of the leases for office premises were non-cancellable.

Future minimum lease rentals payable under non-cancellable operating leases are as follows:

Particulars	31 March 2019	31 March 2018
Not later than one year	31.29	27.20
Later than one year but not later than five year	110.16	107.17
Later than five years	86.02	114.01

Lease payments of Rs. 96.75 million (31 March 2018: Rs. 79.27 million) have been recognized as an expense in the statement of profit and loss during the year.

For other cancellable leases, there is no contingent rent in the lease agreements. The leases have varying terms, periods and are renewable at mutual agreement of both the parties.

**(ii) Finance lease commitments**

In 2007- 2008, the Company had entered into perpetual lease with President of India for grant of leasehold rights of certain hotel plots in Delhi. The Company had paid Rs. 4,159.51 million on account of initial lease premium which was classified as Land (on lease) under Property, plant and equipment in the financial statements. As per the agreement, the Company had to pay to Delhi Development Authority an annual lease rental of 2.5% of the initial lease premium payable half yearly with effect from 27 March 2011. This liability has been transferred to resulting company pursuant to demerger scheme on 31 July 2018 (refer note 41).

Till 31 March 2018, the Company had accrued finance lease amounting to Rs. 584.70 million excluding interest in the financial statements. Besides there was capital work-in-progress of Rs. 976.60 million as at 31 March 2018 which was carried in these financial statements in connection with the said project. The details of minimum lease payments (MLP) are as below:

Particulars	31 March 2019		31 March 2018	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Not later than one year	-	-	97.19	97.19
Later than one year but not later than five year	-	-	388.74	388.74
Later than five years	-	-	97.19 per year	97.19 per year

**(iii) Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are Rs. 7.03 million (31 March 2018: Rs. 183.60 million).

**(iv) Other commitments**

The Company has entered into certain agreements with JDA partners to develop properties on such land and operate such properties. In lieu of the same, the Company has agreed to share certain percentage of future revenues arising from the operations of the same, as assignment cost to these parties. Since the estimated future revenues and consequential assignment cost cannot be ascertained as on date, the amount payable in exchange of getting such development and operating rights is not being separately disclosed in the financial statements.





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**b) Contingent liabilities**

**Claim against the Company not acknowledged as debts**

- (i) Claims sought by customers, not accepted by the Company are Rs. 83.53 million (31 March 2018: Rs. 51.64 million).
- (ii) There are various claims against the Company, by vendors/contractors aggregating to Rs. 269.07 million (31 March 2018: Rs. 280.57 million), against which the Company is in litigation, against which no material liability is expected.
- (iii) The Company has received Assessment order/notice of demand under section 15(3) of the Haryana Value Added Tax Act, 2003 ("HVAT") dated 06 March 2018 (received on 24 April 2018) for Rs. 1,010.75 million (including interest) for the financial year 2014-15 and another order dated 16 November 2018 (received on 28 February 2019) for Rs. 464.03 million (including interest) for the financial year 2015-16, respectively for levy of Works Contract Tax, in respect of development and construction of residential and commercial properties for prospective buyers. Such an excessive and unreasonable demand has been raised on account of faulty Rule 25. Therefore, continuing with earlier stand taken by the company that Rule 25 is bad in law, the order for financial year 2015-16 has also been challenged before Hon'ble Punjab and Haryana High Court. Interim stay for financial year 2014-15 continues while for financial year 2015-16 hearing are underway and notice of stay has been issued to the department. The company has deposited Rs 41.83 million for the financial year 2014-15 and Rs. 12.52 million for the financial year 2015-16 under protest, calculated on the basis of purchase method.

For all periods starting 01 April 2014 the Company is depositing VAT amount based on purchase method and based on contractual terms with customers the same has been treated as recoverable in these financial statements.

- (iv.) During earlier years, Company was served a Show Cause Notice ("SCN") alleging that the activities of transfer charges was taxable under service tax during the period from 1 April 2006 to 30 June 2012. Company on the basis of legal advice is of the view that no service tax is leviable on such transfer, as they are not the real estate agents, the category under which tax demanded. Service tax has neither been charged and recovered by us for changing the name in our records, from old buyers' name to new buyers' name in our books nor therefore paid to the department. The company has deposited Rs 24.73 million under protest to avoid any interest liability. The company shall submit its reply to SCN to the adjudicating authority in due course. The management on the basis of legal advice is hopeful of a favorable outcome.
- (v.) The Company has received an adjudication order dated 31 March 2017 on 17 May 2017 confirming the demand issued on account of alleged improper utilization of cenvat credit of Rs. 24.45 million (excluding interest and penalty) for the period 2007-08 to 2009-10. As per the said order, the Company's business activity falls under 'Construction of Complex' service category which was not taxable before 01 July 2010, but the Company had collected service tax from its customers and availed /utilized cenvat credit for paying the service tax so collected. The department's contention is that as the service tax has been collected under a non-taxable service category, it ought to be paid in cash and should not be adjusted with the cenvat credit. The Company's contention is that the Company is under 'Works Contract' service category and not under 'Construction of Complex' service category for these projects and hence is eligible for cenvat credit. Therefore, the Company has filed an appeal against the order before CESTAT, Delhi on 25 August 2017. The case shall come up in due course.
- (vi.) The Company has received a Demand Show Cause Notice ("SCN") dated 27 April 2018 from Service Tax Commissionerate proposing to levy Service Tax amounting to Rs. 505.51 million (excluding interest and penalty) for the financial years from 2012-13 to 2015-16, on Income from termination of collaboration agreement; forfeiture of customer's advances; EDC/IDC charges collected from customers and income from sale of developed plots. The department's contention is that after the negative list i.e. from 1 July 2012, the amount collected from customers under any head is liable to service tax. The management on the basis of legal advice is hopeful of a favorable outcome at the appellate level. Another follow-on SCN dated 16 April 2019 demanding Service Tax of Rs. 155.38 million (excluding interest & penalty) for the subsequent period





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from FY 2016-17 upto June 30, 2017 has also been received on 23 April 2019. The Company shall submit its reply to both SCNs to the adjudicating authority when called for personal hearing in due course.

- (vii.) Director General of GST Intelligence, Delhi Zonal earlier DGCEI has issued Show Cause Notice "SCN" dated 21 March 2018 received on 26 March 2018 to Emaar MGF Land Limited and its land-owning companies proposing demand of Service Tax of Rs. 493.04 million (includes Rs. 68.70 million upon the Company) on transfer of land development rights for the period from 1 July 2012 to 30 June 2017. The company has transactions of development rights both with group companies, as well as, with outside parties. Company had deposited service tax amounting to Rs. 47.20 million (includes Rs. 42.20 million through CENVAT Credit deposited by the Company) on the transaction of land development rights. The management on the basis of legal advice is hopeful of a favorable outcome at the appellate level. The Company shall submit its reply to SCN to the adjudicating authority in due course.
- (viii.) The Company has received a demand notice of Rs.7.15 million including interest (31 March 2018 - Rs. 7.15 million) on account of various additions to the income tax return filed for the Assessment Year 2006-07 and penalty of Rs. 26.80 million (31 March 2018: Rs. 26.80 million), which has been adjusted against subsequent tax refunds. The said demand of Rs. 7.15 million was reduced to Rs. 0.75 million including interest by CIT (Appeals). Both the tax department and the Company have filed an appeal with the Income Tax Appellate Tribunal (ITAT) against the order of CIT (Appeals). Further, ITAT had set aside all above matters and has referred back the same to Assessing Officer for fresh assessment. Further the Company's appeal against the penalty demand of Rs. 26.80 million has been deleted by CIT (Appeals).
- (ix.) On 12 September 2007, the Company was subjected to search and seizure operations under Section 132 and surveys under Section 133A of the Income Tax Act, 1961 (the "Act"). The search and seizure operations were conducted at various locations of the Company and on the premises of certain Executive Directors and employees of the Company and certain Promoters, companies of Promoters, members of the Promoter Company, and relatives of the Promoters and employees of the Promoter companies. During the course of the search and seizure operations, the Income Tax authorities have taken custody of certain materials such as documents, records, computer files and hardware, and recorded statements of certain officials of these entities. Subsequently, the income tax authorities had sought further information/documents and explanations from time to time. In connection with the search and seizure operations, the Company received a notice dated 8 October 2008 under Section 153A of the Act, from the Assistant Commissioner of Income Tax, Central Circle - 7, New Delhi (the "Assistant Commissioner") requiring it to furnish returns of income for the assessment years 2002-03 to 2007-08, which the Company complied with. Further, pursuant to the search conducted by Enforcement Directorate under Section 37 of the Foreign Exchange Management Act, 1999 on 12 December 2009, consequential proceedings u/s 132 A of the Income Tax Act, 1961 were initiated by the Income Tax department, resulting into abatement of pending proceedings to be reinitiated u/s 153 A / 153 C of the Income Tax Act, 1961. Pending completion of above referred proceedings, the tax liability, if any, that may ultimately arise on this account cannot presently be ascertained.

On 19 June 2014, the Company was subjected to search and seizure operation u/s 132 of the Income Tax Act, 1961. The Company also received the notice u/s153A/143(3) of the Income Tax Act, 1961 for Assessment Year 2009-10 to Assessment Year 2015-16 on 3 February 2015 to file the Income Tax Return (ITR) within 30 days of receipt of notice. The Company duly filed the ITR u/s 153A for the Assessment Year 2009-10 to Assessment Year 2014-15 within stipulated time mentioned in the notice.

On 28 December 2016, the Company has received assessment orders u/s 153A/143(3) for Assessment Year 2009-10 to Assessment Year 2015-16, whereby the Assessing Officer has made disallowances on certain matters amounting to Rs 4,506.58 million. The said disallowances resulted in reducing the brought forward business losses and capital losses of the Company, however did not have any impact on the normal tax liability of the Company. Further, due to the aforesaid assessments, the Assessing Officer has computed additional MAT liability of Rs. 63.64 million (including interest of Rs. 28.48 million) for Assessment year 2010-11. The Company based on its assessment is of the view that the said demand would not sustain and no additional liability would devolve on the Company.





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Accordingly, the Company has filed an appeal before CIT (Appeals) for the Assessment Years 2009-10 to 2015-16 w.r.t. the above mentioned disallowances and received partial favorable order from CIT(A) for the Assessment Year 2009-10 to 2015-16 giving the relief amounting to Rs 3,215.35 million further reducing the disallowances to Rs 1,291.23 million. For the remaining disallowances the company has filed an appeal before Appellate Tribunal for the Assessment Year 2009-10 to 2015-16, the case is yet to be listed for hearing. Further the company has received penalty demand for Assessment Year 2013-14 in which an addition is made for Rs 17.69 million and tax demand for Rs 5.74 million. The company has filed an appeal before CIT (Appeals) for the same and the matter is yet to be listed for hearing.

- (x.) In December 2009, the Company and certain of its directors, employees, an independent real estate broker of the Company and other persons were subjected to search and seizure operations conducted by the Enforcement Directorate under Section 37 of the Foreign Exchange Management Act, 1999, as amended ("FEMA"), read with Section 132 of the Income Tax Act, 1961, as amended. During the search at the Company's offices, the Enforcement Directorate took custody of certain documents and recorded the statements of certain directors/officers of the Company. Subsequently, the Enforcement Directorate had also sought further information/documents and explanations from time to time, which were duly furnished by the Company.

Pursuant to the aforementioned search and seizure operations, a complaint was filed by the Assistant Director, Enforcement Directorate under Section 16(3) of FEMA on 17 May 2013, and subsequently the Enforcement Directorate, on 4 June 2013, issued Show Cause Notices ("SCN") under FEMA to the Company, some its directors and its four subsidiaries namely Accession Buildwell Private Limited, Emaar MGF Construction Private Limited, Shrestha Conbuild Private Limited and Smridhi Technobuild Private Limited. The SCN alleges contravention of the provisions of Section 6(3) (b) of FEMA read with provisions relating to receipt of Foreign Direct Investment ("FDI") in Construction Development Projects and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, by the Company and the said subsidiaries, by utilizing the FDI aggregating to approximately Rs. 86,000.00 million (including Rs. 75,645.80 million in respect of the Company) in purchase of land, including agricultural land. The Enforcement Directorate has also initiated Adjudication Proceedings in the said matter.

On 8 January 2014, the Company and its subsidiaries have filed its replies to the SCN with the Enforcement Directorate and have also challenged initiation of Adjudication Proceedings against the Company and its subsidiaries. The Company, basis available legal opinions and clarifications obtained from the Reserve Bank of India and Department of Industrial Policy and Promotion (Government of India), believes that the purchase of land, including agricultural land, for the conduct of its business of construction and development is in compliance of applicable provisions of law, including the FEMA and FDI.

Further, on 8 April 2014, the Adjudicating Authority directed the Enforcement Directorate to provide certain documents to the Company. The Enforcement Directorate vide its letter dated 22 July 2015 had asked the Company to take the documents from the office of the relevant Enforcement Directorate department and the Company had vide its letter dated 6 August 2015 requested the relevant department to provide the requisite documents, which the Company is yet to receive. However, no formal demand has been received by the Company till date.

- (xi.) Loans and advances includes amounts paid to certain parties directly or through the subsidiaries of the Company, for acquiring land/ land development rights for development of real estate projects, either on collaboration basis or self - development basis. Of these, with respect to advances of Rs. 2,169.51 million (31 March 2018: Rs. 2,597.66 million) for land or development rights associated with the land, the matters are currently under litigation for which necessary legal proceedings are on.
- (xii.) 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 (hereinafter referred to as 'EHTPL'), had undertaken the development of land in Hyderabad, sold to EHTPL by Andhra Pradesh Industrial Infrastructure Corporation (APIIC) based on various Government Orders and through a duly registered Conveyance Deed dated 28 December 2005. EHTPL being the absolute owner of the said land, had appointed the Company as the project developer via Development Agreement cum General Power of





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Attorney (GPA) dated 25 July 2007 and an Addendum to Development Agreement cum GPA dated 23 July 2008 whereby and in consideration thereof, the Company had to share 25% of the Gross Revenue derived through sale and/or lease proceeds from building and structures proposed to be constructed thereon with EHTPL.

The Company also, vide an Assignment Deed dated 3 November 2006 entered into with Boulder Hills Leisure Private Limited (hereinafter referred to as 'BHLPL'), had undertaken the development and operation of a 'Golf Course' in Hyderabad for a lease period of 66 years and in consideration thereof, agreed to share 5% of gross annual revenue during the first 33 years and 6% of gross annual revenue for remaining 33 years of the lease term with BHLPL.

During the earlier years, in a dispute between the APIIC and Emaar Properties PJSC (shareholders of EHTPL and BHLPL), APIIC had issued a legal notice to the other shareholder Emaar Properties PJSC (Emaar) for termination of the collaboration agreement (entered between APIIC and Emaar), which has been stayed by Hon'ble A.P. High Court. APIIC also issued legal notice to the BHLPL, inter-alia alleging that the Assignment Deed and other contracts signed by BHLPL with the Company have been entered into without obtaining permission from APIIC and had requested BHLPL to terminate the said Assignment Deed.

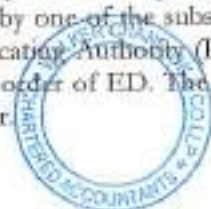
Further, APIIC had issued letters to the Joint Sub Registrar to stop the registrations of plots, villas and apartments in the project being developed under the aforesaid Development Agreement, which had been contested by EHTPL vide a Writ Petition in the Hon'ble A.P. High Court. Subsequently, a Government Order was issued banning registrations of properties owned by the Company, which was suspended by a Single Judge bench of the Hon'ble A.P. High Court on an application filed by the flat owner's welfare association. However, upon an application made by APIIC, division bench of Hon'ble A.P. High Court suspended the aforesaid judgment.

APIIC had filed another suit against the Company before City Civil Court for rendition of accounts, permanent injunction against the Company to restrain any transfer of properties to third parties and carrying out any work or activity on the project. However, as there was no privity of contract between APIIC and the Company, the said proceedings have been stayed by the Hon'ble A.P. High Court. The matter is now listed on 5 July 2019.

The Company, based on legal advice, is of the opinion that all the aforesaid disputes shall be settled amicably by the parties under the Arbitration and Conciliation Act, 1996 or as per the Dispute Redressal Mechanism provided under AP Infrastructure Development Enabling Act, 2001.

Further, there have been certain legal proceedings initiated against the Company, EHTPL & Emaar, as detailed hereunder-

- i. A Public Interest Litigation (PIL) was filed by an individual with the Hon'ble A. P. High Court making allegations, inter alia, of irregularities in the Development Agreement cum General Power of Attorney entered into by the Company with EHTPL. Subsequently, the Hon'ble A.P. High Court had ordered Central Bureau of Investigation (CBI) to conduct an inquiry into the allegations. CBI had filed charge sheets against various persons including the Company, former Managing Director and few officers of the Company. Among other things CBI has alleged that development agreement cum GPA and addendum thereto and agency agreement was executed in violation of collaboration agreement and without following proper procedures. CBI has also alleged that certain plots sold were not accurately reflected in the books of the Company and has alleged irregularities in allotment of project land. CBI has also alleged that APIIC has incurred loss to the tune of Rs. 435.00 million on the deal. As on date, CBI has now filed a fresh charge sheet dated 25 October 2012 and trial is proceeding in its due course. During the investigation by CBI in respect of the Project in Hyderabad, CBI had also referred the matter to the Enforcement Directorate (ED). The Company received a provisional attachment order from the ED on approx. 4.8 acres of land in Delhi, owned by one of the subsidiaries of the Company costing Rs.88.60 million and a complaint before the Adjudicating Authority (PMLA) was also filed by ED. The Adjudicating Authority confirmed the attachment order of ED. The Company has now filed an appeal before the Appellate Tribunal against the said order.





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- ii. A criminal complaint was filed by another individual before Special Judge, Anti-Corruption Bureau (ACB) Cases, Hyderabad, in which, various companies having operations in Hi-Tech City of Hyderabad during various periods were made accused parties including Emaar, EHTPL and the Company, alleging irregularities in allocation of land to these parties. The said Court passed order directing DG, ACB to conduct investigation into the allegations of the complaint. The said order has however been stayed by the Hon'ble A. P. High Court on filing Criminal Revision Cases by the Company and Emaar. Subsequently Hon'ble A.P. High Court disposed off all these criminal proceedings with directions that all the complaints filed by the said individual will be forwarded to CBI as additional material for their consideration.

In another litigation, the ownership of project land under EHTPL and BHLPL along with other Land Parcels are being disputed by various parties stating that the land belongs to Dargah and consequently should be administered by the Wakf Board. The Hon'ble A.P. High Court in its ruling has passed an order in favor of the petitioners. However, subsequently on an appeal made by one of the aggrieved parties, who was also a respondent to the aforesaid suits, Hon'ble Supreme Court has stayed the order on assurance given by the State that it will compensate plaintiff in the suit by money or by providing alternative land.

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 which have been included in the aforesaid assets as they are yet to be either collected or billed till date relating to the said project.

Pending completion of above referred proceedings and based on the legal advices received, management of the Company believes that the allegations/matters raised are contrary to the factual position and hence not tenable. The auditors have expressed an emphasis of matter on the same.

- (xiii.) As at 31 March 2019, the Company has investments of Rs. 362.78 million (31 March 2018: Rs. 603.53 million) in the form of equity share capital in one of its subsidiary companies, Emaar MGF Construction Private Limited (EMCPL) and a recoverable of Rs. 1,495.31 million (31 March 2018: Rs. 2,274.64). During the current year, EMCPL has made a profit of Rs. 8.03 million (31 March 2018: Rs. (1.45) million) and has accumulated losses of Rs. 566.57 million (31 March 2018: Rs. 577.21 million) as at the year end.

EMCPL is under various litigations with respect to the Commonwealth Games (CWG) Village project undertaken by it, including with –

- Delhi Development Authority (DDA) under Project Development Agreement for the development and construction of the project, whereby EMCPL has raised claims over DDA aggregating to Rs. 14,182.38 million (31 March 2018: Rs. 14,182.38 million), against which DDA has raised counter claims aggregating to Rs. 14,460.44 million (31 March 2018: Rs. 14,460.44 million) on EMCPL. DDA is also alleging extra usage of Floor Area Ratio (FAR) by EMCPL; and

- M/s Ahluwalia Contracts (India) Limited, contractor appointed for the construction of the project, wherein claims by the contractor and counter claims by EMCPL aggregating to Rs. 4,200.19 million (excluding interest) (31 March 2018: Rs. 4,200.19 million) and Rs. 11,702.55 million (31 March 2018: Rs. 11,702.55 million) respectively are pending for decision with the arbitration tribunal.

Unfavorable outcome of the outstanding litigations may result in the said subsidiary not being able to meet its obligations fully and may lead to a diminution, other than temporary, in the value of the investment that the Company holds in EMCPL besides non recovery of the aforesaid advance. Further, the Company has undertaken to provide continued financial support to EMCPL as part of its business strategy for meeting its operating and capital funding requirements for the next financial year and in the near future.

Regarding the liabilities stated above from (i) to (xiii), the Company believes that the matters are possible but not probable, that outflow of economic resources are required, and hence no provision has been made in these financial statements. The auditors have expressed an emphasis of matter on the same.



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**31. Employee benefit plan****Defined contribution plan**

The Company contributed a total of Rs. 41.00 million during the year ended 31 March 2019 (31 March 2018: Rs. 39.23 million) to the defined contribution plan described below.

**Central provident fund**

In accordance with The Employees Provident Funds Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2019 and 2018) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

**Defined benefit plan****Gratuity:**

The Company has a defined benefit gratuity plan for its employees. Under the plan, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with an insurance Company in the form of qualifying insurance policy.

The Company is maintaining a fund with the Life Insurance Corporation of India (LIC) to meet its gratuity liability. The present value of the plan assets represents the balance available with the LIC as at the end of the year. The total value of plan assets is as certified by the LIC.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for the gratuity plan:

Changes in the present value of the defined benefit obligation are, as follows:

Particulars	31 March 2019	31 March 2018
Defined benefit obligation at the beginning of the year	69.13	78.32
Current service cost	13.41	13.16
Interest cost	5.33	5.88
Benefits paid	(15.73)	(18.81)
Actuarial gain on obligations	(18.75)	(9.42)
<b>Defined benefit obligation at the end of the year</b>	<b>53.39</b>	<b>69.13</b>

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2019	31 March 2018
Fair value of plan assets at the beginning of the year	12.75	21.30
Contribution by employer	18.47	8.79
Fund management charges (FMC)	(0.11)	(0.11)
Benefits paid	(15.73)	(18.81)
Return on plan assets	0.98	1.60
Actuarial gain/(loss) on plan asset	0.58	(0.02)
<b>Fair value of plan assets at the end of the year</b>	<b>16.94</b>	<b>12.75</b>





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Percentage allocation of plan assets Assets by category	LIC	
	As at 31 March 2019	As at 31 March 2018
Government Securities	68.34%	68.34%
Debentures/bonds	22.58%	22.58%
Equity instruments	4.67%	4.67%
Fixed deposits	0.10%	0.10%
Money market instruments	4.31%	4.31%

**Reconciliation of fair value of plan assets and defined benefit obligation:**

Particulars	31 March 2019	31 March 2018
Fair value of plan assets	16.94	12.75
Defined benefit obligation	53.39	69.13
<b>Amount recognized in Balance Sheet</b>	<b>36.45</b>	<b>56.38</b>

**Amount recognized in Statement of Profit and Loss:**

Particulars	31 March 2019	31 March 2018
Current service cost	13.41	13.16
Net interest expense	4.35	4.28
<b>Amount recognized in statement of Profit and Loss</b>	<b>17.76</b>	<b>17.44</b>

**Amount recognized in other comprehensive income:**

Particulars	31 March 2019	31 March 2018
Actuarial changes arising from changes in financial assumptions	18.75	9.42
Return on plan assets (excluding amounts included in net interest expense)	0.58	(0.02)
<b>Amount recognized in other comprehensive income</b>	<b>19.33</b>	<b>9.40</b>

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	31 March 2019	31 March 2018
<b>Gratuity</b>		
Investment details	Funded	Funded
Investment with Insurer (LIC)	100%	100%

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

Particulars	31 March 2019	31 March 2018
Discount rate	7.66%	7.71%
Future salary increases	8.00%	8.00%
<b>Withdrawal rate</b>		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Mortality rate	IALM (2006-08)	IALM (2006-08)



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A quantitative sensitivity analysis for significant assumption shown above is as shown below:

Gratuity Plan	Impact on DBO	
	31 March 2019	31 March 2018
<b>Assumptions</b>		
<b>Discount rate</b>		
Increase by 0.50%	(3.73)	(4.74)
Decrease by 0.50%	4.11	5.21
<b>Future salary increases</b>		
Increase by 0.50%	4.08	5.17
Decrease by 0.50%	(3.74)	(4.75)

- The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions shown above occurring at the end of the reporting period.
- Sensitivities due to mortality and withdrawals are insignificant and hence ignored.
- Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The expected contribution to the defined benefit plan during the next financial year is Rs. 21.73 million.

#### Maturity profile of Defined Benefit Obligation

Particulars	31 March 2019	Particulars	31 March 2018
0 to 1 year	0.71	0 to 1 year	1.34
1 to 2 year	0.73	1 to 2 year	4.35
2 to 3 year	0.71	2 to 3 year	3.03
3 to 4 year	2.22	3 to 4 year	2.01
4 to 5 year	0.78	4 to 5 year	1.54
5 to 6 year	1.47	5 to 6 year	2.14
6 year onwards	46.77	6 year onwards	54.72

The average duration of the defined benefit plan obligation at the end of the reporting period is 25.48 years (31 March 2018: 23.62 years).

#### Risk analysis

Company is exposed to a number of risks in the defined benefit plan. Most significant risks pertaining to defined benefits plan, and management's estimation of the impact of these risks are as follows:

##### Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

##### Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

##### Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

##### Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India (LIC). Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is





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calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

32. As at 31 March 2019, various land parcels held by the subsidiaries of the Company have been notified by the State Governments to be acquired by the development authority under compulsory acquisition. In some cases, the subsidiaries have filed applications with the relevant authorities against such acquisition notifications of the Government while in some other cases; the award is not yet received. Pending final order/settlement or announcement of such award, no accounting there against has been considered in these standalone financial statements. Management believes that the expected award value would be greater than the book value of such land parcels.

**33. Income tax**

A reconciliation of income tax expense applicable to accounting loss before tax at the statutory income tax rate to recognized income tax expense for the year indicated are as follows:-

Particulars	31 March 2019	31 March 2018
Accounting loss before tax for the year ended	(4,239.89)	(7,241.01)
Statutory income tax rate (%)	34.944%	34.608%
Tax at Indian statutory income tax rate	(1,481.59)	(2,505.97)
Disallowable expenses	1.16	1.60
Loss in respect of which deferred tax assets not recognized for the year*	1,480.43	2,504.37
<b>Tax charge for the year</b>	-	-

\*Deferred tax assets on unabsorbed depreciation/business loss have been recognized only to the extent of deferred tax liabilities on taxable temporary differences available.

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters.

**Deferred tax assets (net):**

The Company has not recognized net deferred tax assets on deductible temporary differences as at 31 March 2019 and 31 March 2018 as there is no probability that taxable profit will be available against which the deductible temporary differences can be utilized. The tax effect of temporary differences, unused tax credits/unused tax losses are as under:

Significant components of Deferred tax assets/(liabilities)	31 March 2019	31 March 2018
Property, Plant and Equipment	87.59	(94.53)
Employee benefits	70.22	82.19
Provision for diminution in the value of asset	3,131.55	3,075.94
Provision for claim and Compensation	1,859.96	1,425.06
Business losses	8,001.41	9,746.44
Unabsorbed depreciation	192.28	283.69
Premium on redemption of debentures yet to be allowed for tax purposes	526.16	521.10
Fair value accounting of compound financial instruments	98.39	125.20
Fair value accounting of barter transactions	(780.91)	(773.40)
<b>Total</b>	<b>13,186.64</b>	<b>14,391.69</b>



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The Unused tax losses as at 31 March 2019 expire, if unutilized, based on the year of origination as follows:

Particulars	Within one year	Greater than one year but less than five years	Greater than five Years	No expiry date	Total
Unutilized business losses	-	2,991.96	14,875.70	-	17,867.66
Unutilized u/s 94B	-	-	10,302.54	-	10,302.54
Unabsorbed depreciation	-	-	-	550.26	550.26
Unutilized capital losses	-	-	0.59	-	0.59
<b>Total</b>	-	<b>2,991.96</b>	<b>25,178.83</b>	<b>550.26</b>	<b>28,721.05</b>

The Company has unused Minimum Alternate Tax ("MAT") credit amounting to Rs. 199.71 million as at 31 March 2019. Such tax credits have not been recognized on the basis that recovery is not probable in the foreseeable future. Unrecognized MAT credit, if unutilized, will expire after 31 March 2025.

#### 34. Expenditure on Corporate Social Responsibility (CSR) activity

As per requirement of sub section 5 of section 135 of the Companies Act 2013, the Company was required to spend at least two percent of its average net profit for the three immediately preceding financial years. Since, the Company has been incurring losses in immediately three preceding financial years; therefore, the Company is not required to spend any amount during the current financial year towards CSR activities.

*(This space has been intentionally left blank)*





**EMAAR MGF LAND LIMITED**

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**35. Related Party Disclosures****A. List of related parties:-**

<b>I</b>	<b>Ultimate holding/Holding company</b>
1.	Emaar Properties, PJSC, Dubai
2.	Emaar Holding II
<b>II</b>	<b>Entities substantially owned directly or indirectly by the Company, irrespective of whether transactions have occurred or no</b>
1.	Aashirwad Conbuild Private Limited
2.	Abbey Properties Private Limited
3.	Abbot Builders Private Limited
4.	Abhinav Projects Private Limited
5.	Abyss Properties Private Limited
6.	Accession Buildwell Private Limited
7.	Accordion Buildwell Private Limited
8.	Achates Buildcons Private Limited
9.	Acorn Buildmart Private Limited
10.	Acorn Developers Private Limited
11.	Active Promoters Private Limited
12.	Active Securities Limited
13.	Acutech Estates Private Limited
14.	Adze Properties Private Limited
15.	Allied Realty Private Limited
16.	Alpine Buildcon Private Limited
17.	Amar Gyan Developments Private Limited
18.	Amardeep Buildcon Private Limited
19.	Aparajit Promoters Private Limited
20.	Archit Promoters Private Limited
21.	Ardor Conbuild Private Limited
22.	Arma Buildmore Private Limited
23.	Arman Promoters Private Limited
24.	Armour Properties Private Limited
25.	Auspicious Realtors Private Limited
26.	Authentic Properties Private Limited
27.	Avinashi Buildtech Private Limited (upto 31 July 2018)^
28.	Bailiwick Builders Private Limited
29.	Balalaika Builders Private Limited
30.	Ballad Conbuild Private Limited
31.	Bhavishya Buildcon Private Limited
32.	Bhavya Conbuild Private Limited
33.	Bhumika Promoters Private Limited
34.	Brijbasi Projects Private Limited
35.	Brilliant Build Tech Private Limited
36.	Camarederic Properties Private Limited
37.	Calypso Properties Private Limited (upto 20 August 2018)*
38.	Camellia Properties Private Limited
39.	Capex Projects Private Limited
40.	Casing Properties Private Limited
41.	Cassock Properties Private Limited (upto 31 July 2018)^
42.	Cats Eye Properties Private Limited
43.	Charbhujia Properties Private Limited
44.	Charismatic Realtors Private Limited



**EMAAR MGF LAND LIMITED****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019****(Amount in Rupees million, unless otherwise stated)**

45.	Chhavi Buildtech Private Limited (upto 31 July 2018)^
46.	Chintz Conbuild Private Limited
47.	Chirayu Buildtech Private Limited
48.	Choir Developers Private Limited
49.	Cham Properties Private Limited
50.	Compact Projects Private Limited
51.	Consummate Properties Private Limited
52.	Crock Buildwell Private Limited
53.	Crocus Builders Private Limited
54.	Crony Builders Private Limited
55.	Deep Jyoti Projects Private Limited
56.	Divit Estates Private Limited
57.	Dove Promoters Private Limited
58.	Ducat Builders Private Limited
59.	Dumdum Builders Private Limited
60.	Easter Conbuild Private Limited (upto 31 July 2018)^
61.	Eclogue Conbuild Private Limited (upto 20 August 2018)*
62.	Ecru Builders Private Limited
63.	Ectasy Conbuild Private Limited (upto 31 July 2018)^
64.	Edenic Propbuild Private Limited
65.	Edge Conbuild Private Limited (upto 20 August 2018)*
66.	Edit Estates Private Limited
67.	Educt Propbuild Private Limited
68.	Elan Conbuild Private Limited
69.	Elegant Propbuild Private Limited
70.	Elite Conbuild Private Limited
71.	Emaar MGF Constructions Private Limited^^
72.	Emaar India Community Management Private Limited
73.	Eminence Conbuild Private Limited
74.	Enamel Propbuild Private Limited
75.	Enigma Properties Private Limited
76.	Epitome Propbuild Private Limited
77.	Eternal Buildtech Private Limited
78.	Ethic Conbuild Private Limited (upto 31 July 2018)^
79.	Ethnic Properties Private Limited
80.	Everwel Estates Private Limited
81.	Extremity Conbuild Private Limited
82.	Fable Conbuild Private Limited
83.	Façade Conbuild Private Limited
84.	Facet Estate Private Limited
85.	Flick Propbuild Private Limited
86.	Fling Propbuild Private Limited
87.	Flip Propbuild Private Limited
88.	Floret Propbuild Private Limited
89.	Flotilla Propbuild Private Limited
90.	Flounce Propbuild Private Limited
91.	Flue Propbuild Private Limited
92.	Fluff Propbuild Private Limited
93.	Fluke Propbuild Private Limited
94.	Foal Propbuild Private Limited
95.	Fondant Propbuild Private Limited
96.	Foray Propbuild Private Limited
97.	Forsythia Propbuild Private Limited
98.	Fount Propbuild Private Limited





**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended  
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99.	Foyer Propbuild Private Limited
100.	Fray Propbuild Private Limited
101.	Frieze Propbuild Private Limited
102.	Frison Propbuild Private Limited
103.	Frond Propbuild Private Limited
104.	Proth Propbuild Private Limited
105.	Futuristic Buildwell Private Limited
106.	Gable Propbuild Private Limited
107.	Gadget Propbuild Private Limited
108.	Gaff Propbuild Private Limited
109.	Gaiety Propbuild Private Limited
110.	Gait Propbuild Private Limited (upto 31 July 2018)^
111.	Galleon Propbuild Private Limited
112.	Gallery Propbuild Private Limited
113.	Gallium Propbuild Private Limited
114.	Gambit Propbuild Private Limited
115.	Gamete Propbuild Private Limited
116.	Gamut Propbuild Private Limited
117.	Garland Estate Private Limited
118.	Garnet Propbuild Private Limited
119.	Garuda Properties Private Limited
120.	Gateau Propbuild Private Limited
121.	Gaucho Propbuild Private Limited
122.	Gauge Propbuild Private Limited
123.	Gauntlet Propbuild Private Limited
124.	Gavel Properties Private Limited
125.	Gems Buildcon Private Limited
126.	Genre Propbuild Private Limited
127.	Gentry Propbuild Private Limited
128.	Geodesy Properties Private Limited
129.	Gibbon Propbuild Private Limited
130.	Girdex Propbuild Private Limited
131.	Glade Propbuild Private Limited
132.	Glaze Estates Private Limited
133.	Glen Propbuild Private Limited
134.	Glen Propbuild Private Limited (Singapore)
135.	Glimpse Propbuild Private Limited (upto 31 July 2018)^
136.	Glitz Propbuild Private Limited
137.	Globule Propbuild Private Limited
138.	Gloss Propbuild Private Limited
139.	Glove Propbuild Private Limited
140.	Godawari Buildwell Private Limited
141.	Godson Propbuild Private Limited (upto 31 July 2018)^
142.	Golliwog Propbuild Private Limited
143.	Gracious Technobuild Private Limited
144.	Gradient Developers Private Limited
145.	Grail Propbuild Private Limited
146.	Grampus Propbuild Private Limited
147.	Gran Propbuild Private Limited (upto 31 July 2018)^
148.	Granar Propbuild Private Limited
149.	Grange Propbuild Private Limited
150.	Granule Propbuild Private Limited
151.	Grapeshot Propbuild Private Limited (upto 31 July 2018)^
152.	Grassroot Promoters Private Limited



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Summary of significant accounting policies and other explanatory information for the year ended  
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153.	Gravel Propbuild Private Limited
154.	Grebe Propbuild Private Limited
155.	Griddle Propbuild Private Limited
156.	Grog Propbuild Private Limited
157.	Grove Propbuild Private Limited
158.	Grunge Propbuild Private Limited
159.	Guffaw Propbuild Private Limited
160.	Gull Propbuild Private Limited
161.	Guru Rakha Projects Private Limited
162.	Gurkal Promoters Private Limited
163.	Gyanjyoti Estates Private Limited
164.	Gyankunj Constructions Private Limited
165.	Gyankunj Estates Private Limited
166.	Haddock Propbuild Private Limited
167.	Haft Propbuild Private Limited
168.	Hake Developers Private Limited
169.	Halibut Developers Private Limited
170.	Hamlet Buildwell Private Limited
171.	Hammock Buildwell Private Limited
172.	Hartej Estates Private Limited
173.	Hope Promoters Private Limited
174.	Immense Realtors Private Limited
175.	Jamb Propbuild Private Limited
176.	Janitor Propbuild Private Limited
177.	Jasper Propbuild Private Limited
178.	Jaunt Propbuild Private Limited
179.	Jay Propbuild Private Limited
180.	Jemmy Propbuild Private Limited
181.	Jerkin Propbuild Private Limited
182.	Jetty Propbuild Private Limited
183.	Jig Propbuild Private Limited
184.	Jive Propbuild Private Limited
185.	Juhi Promoters Private Limited
186.	Kamdhenu Projects Private Limited
187.	Kartikay Buildwell Private Limited
188.	Kayak Propbuild Private Limited
189.	Kedge Propbuild Private Limited
190.	Kestrel Propbuild Private Limited
191.	Kismet Propbuild Private Limited
192.	Knoll Propbuild Private Limited
193.	Kudos Propbuild Private Limited
194.	Ladle Propbuild Private Limited
195.	Lavish Propbuild Private Limited
196.	Legend Buildcon Private Limited
197.	Legend Buildwell Private Limited
198.	Lifeline Build Tech Private Limited (upto 31 July 2018)^
199.	Locus Propbuild Private Limited (upto 31 July 2018)^
200.	Logical Developers Private Limited
201.	Logical Estates Private Limited
202.	Lotus Technobuild Private Limited
203.	Maestro Estates Private Limited
204.	Mahonia Estate Private Limited
205.	Mansarovar Projects Private Limited
206.	Markwel Promoters Private Limited





**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended  
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(Amount in Rupees million, unless otherwise stated)

207.	Mega City Promoters Private Limited (upto 31 July 2018)^
208.	M G Colonizers Private Limited (upto 31 July 2018)^
209.	Milky Way Realtors Private Limited
210.	Modular Estates Private Limited
211.	Monarch Buildcon Private Limited
212.	Monga Properties Private Limited
213.	Multitude Infrastructures Private Limited
214.	Naam Promoters Private Limited
215.	Nandita Promoters Private Limited
216.	Navrattan Buildcon Private Limited
217.	Nayas Projects Private Limited
218.	Nettle Propbuild Private Limited
219.	Newt Propbuild Private Limited
220.	Nipper Propbuild Private Limited
221.	Nishkarsh Estates Private Limited
222.	Notch Propbuild Private Limited
223.	Pansy Buildcons Private Limited
224.	Paving Propbuild Private Limited
225.	Perch Conbuild Private Limited
226.	Perpetual Realtors Private Limited
227.	Pipalashray Estate Private Limited (upto 31 July 2018)^
228.	Pragya Buildcon Private Limited
229.	Pratham Promoters Private Limited
230.	Pratiksha Buildcon Private Limited
231.	Prayas Buildcon Private Limited (upto 31 July 2018)^
232.	Prezzie Buildcon Private Limited
233.	Progeny Buildcon Private Limited
234.	Prosperous Constructions Private Limited
235.	Prosperus Buildcon Private Limited
236.	Pukhraj Realtors Private Limited
237.	Pulse Estates Private Limited
238.	Pushkar Projects Private Limited
239.	Raksha Buildtech Private Limited
240.	Ram Ban Projects Private Limited
241.	Rolex Estates Private Limited
242.	Rose Gate Estates Private Limited
243.	Rudraksha Realtors Private Limited
244.	Sacred Estates Private Limited
245.	Sambhavce Projects Private Limited
246.	Sandesh Buildcon Private Limited
247.	Sankalp Buildtech Private Limited
248.	Sankalp Promoters Private Limited
249.	Sanskar Buildcon Private Limited
250.	Sanskar Buildwell Private Limited
251.	Sanyukta Promoters Private Limited
252.	Sapphire & Sands Private Limited (Singapore)
253.	Sarvodaya Buildcon Private Limited
254.	Sarvpriya Realtors Private Limited
255.	Seriel Build Tech Private Limited
256.	Sewak Developers Private Limited
257.	Sharyans Buildcon Private Limited
258.	Shaurya Propbuild Private Limited
259.	Shitij Buildcon Private Limited
260.	Shrestha Conbuild Private Limited



**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended  
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(Amount in Rupees million, unless otherwise stated)

261.	Shrey Promoters Private Limited
262.	Sidhivinayak Durobuild Private Limited
263.	Sidhant Buildcon Private Limited
264.	Sidhivinayak Buildcon Private Limited
265.	Signages Properties Private Limited
266.	Silver Sea Vessel Management Private Limited (Singapore)
267.	Smridhi Technobuild Private Limited
268.	Snow White Buildcon Private Limited
269.	Sonex Projects Private Limited
270.	Sparsh Promoters Private Limited
271.	Spiritual Realtors Private Limited (upto 31 July 2018)^
272.	Sprouting Properties Private Limited
273.	Spart Projects Private Limited
274.	Sriyam Estates Private Limited
275.	Stash Propbuild Private Limited
276.	Stave Propbuild Private Limited
277.	Stein Propbuild Private Limited
278.	Stent Propbuild Private Limited
279.	Strut Propbuild Private Limited
280.	Sukhda Promoters Private Limited (upto 31 July 2018)^
281.	Sukhjit Projects Private Limited
282.	Sun Buildmart Private Limited (upto 20 August 2018)*
283.	Tacery Builders Private Limited
284.	Tanmay Developers Private Limited
285.	Tinnitus Builders Private Limited
286.	Tocsin Builders Private Limited
287.	Toff Builders Private Limited
288.	Tome Builders Private Limited
289.	Tomtom Builders Private Limited
290.	Trattoria Properties Private Limited
291.	Trawler Properties Private Limited
292.	Triad Properties Private Limited
293.	True Value Build-Con Private Limited
294.	Tushar Projects Private Limited (upto 31 July 2018)^
295.	Utkarsh Buildcon Private Limited
296.	Versatile Conbuild Private Limited
297.	Virasat Buildcon Private Limited
298.	Vitality Conbuild Private Limited
299.	VPG Developers Private Limited
300.	Waif Propbuild Private Limited
301.	Wedge Properties Private Limited (upto 20 August 2018)*
302.	Wembley Estates Private Limited
303.	Whelsh Properties Private Limited
304.	Winkle Properties Private Limited
305.	Yeti Properties Private Limited
306.	Yogiraj Promoters Private Limited
307.	Yukti Projects Private Limited
308.	Zing Properties Private Limited
309.	Zither Buildwell Private Limited
310.	Zonex Developers Private Limited
311.	Zonex Estates Private Limited
312.	Zulu Properties Private Limited





**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended  
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(Amount in Rupees million, unless otherwise stated)

<b>III</b>	<b>Investing party or venturer in respect of which the reporting entity is an Associate or Joint Venture</b>	
	1.	MGF Developments Limited
<b>IV</b>	<b>Joint ventures of the reporting entity</b>	
	1.	Leighton Construction (India) Private Limited (in the process of striking off under section 248 of the Companies Act, 2013)
	2.	Budget Hotels India Private Limited
<b>V</b>	<b>Associate of the reporting entity</b>	
	1.	Acreage Builders Private Limited (upto 31 July 2018)^
<b>VI</b>	<b>Fellow subsidiary of the reporting entity\$</b>	
	1.	The Address Dubai Marina LLC, Dubai
	2.	Boulder Hills Leisure Private Limited
	3.	Emaar Hills Township Private Limited
	4.	Cyberabad Convention Centre Private Limited
<b>VII</b>	<b>Enterprise owned by Key Management Personnel or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise\$</b>	
	1.	Emaar Development PJSC
	2.	Khaitan & Co.
	3.	SSG Alternative Investments Limited, Mauritius
	4.	Black Kite Investments Limited, Mauritius
	5.	BKIL Cyprus Limited, Cyprus
	6.	SSGAIL Cyprus Limited, Cyprus
	7.	SSP Aviation Limited
	8.	Vishnu Apartments Private Limited
<b>VIII</b>	<b>Key Management Personnel</b>	
	1.	Mr. Sharvan Gupta
	2.	Mr. Jason Ashok Kothari
	3.	Ms. Shivani Bhasin
	4.	Mr. Sudip Mullick
	5.	Mr. Prashant Gupta (Chief Executive Officer) (w.e.f. 19 June 2018)
	6.	Mr. Samit Guha (Chief Financial Officer) (w.e.f. 03 September 2018)
	7.	Mr. Rahul Bindle (Chief Financial Officer) (upto 02 September 2018)
	8.	Mr. Bharat Bhushan Garg (Company Secretary)

^ Pursuant to the demerger scheme (refer note 41), 100% shares have been transferred to the resulting company.

^^ Pursuant to the demerger scheme (refer note 41), 39.89% shares have been transferred to the resulting company.

\* During the year, pursuant to a settlement agreement entered into with a joint developer, 100% shares of the said companies have been transferred to developer.

\$ With whom transactions have been entered during the year/previous year or where there are outstanding balances at the end of each reporting period.



**EMAAR MGF LAND LIMITED**

 Statement of significant accounting policies and other explanatory information for the period ended 31 March 2019  
 (Amount in Rupees million, unless otherwise stated)

**B. Related Party Transactions**

S. No.	Particulars	Enterprises that directly or indirectly through one or more intermediate entities control the reporting entity		Enterprises that directly or indirectly through one or more intermediate entities are controlled by the reporting entity		Enterprises in which the reporting entity is an Associate or Joint Venture		Enterprises owned by Emaar Management Private Limited or major shareholders of Emaar Management Private Limited or enterprises that have a majority of key management in common with the reporting enterprise		Associates and joint ventures of the reporting entity		Key Management Personnel		Other Related Party		Total	
		Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019
1	Transactions during the year																
2	Interest expenses																
3	Interest and administrative fees payable on bank and other related parties (cont.)																
4	Interest and administrative fees receivable on bank and other related parties (cont.)																
5	Interest and administrative fees payable on bank and other related parties (cont.)																





**EMAR MGF LAND LIMITED**

Statement of significant items arising positive and other significant information for the year ended 31 March 2019

(Amounts in Rupees million, unless otherwise stated)

**A. Balance sheet impact items**

S. No.	Particulars	Company that directly or indirectly through one of its 100% owned subsidiaries owned the reporting entity		Enterprises that directly or indirectly through one of its 100% owned subsidiaries owned (owned) by the reporting entity		Investing party or parties in respect of which the reporting entity is 50% Associate or Joint Venture		Transactions entered by Key Management Personnel or its major share holders or the reporting entity and its subsidiaries that involve a member of Key Management in connection with the reporting enterprise		Associated parties consists of the reporting entity		Key Management Personnel		Other subsidiary		Total	
		Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2017	Year ended 31 March 2018
1	Purchase of land development rights																
	Faraz Builders Private Limited	-	-	22.88	-	-	-	-	-	-	-	-	-	-	-	22.88	-
	Chakra Constructions Private Limited	-	-	-	23.75	-	-	-	-	-	-	-	-	-	-	-	23.75
	Indraprastha Builders Private Limited	-	-	-	4.11	-	-	-	-	-	-	-	-	-	-	-	4.11
	Adhunik Builders Private Limited	-	-	-	14.67	-	-	-	-	-	-	-	-	-	-	-	14.67
	Chakra Constructions Private Limited	-	-	-	12.44	-	-	-	-	-	-	-	-	-	-	-	12.44
	Adhunik Builders Private Limited	-	-	4.02	22.08	-	-	-	-	-	-	-	-	-	-	4.02	22.08
	Chakra Constructions Private Limited	-	-	-	11.27	-	-	-	-	-	-	-	-	-	-	-	11.27
	Chakra Constructions Private Limited	-	-	-	20.00	-	-	-	-	-	-	-	-	-	-	-	20.00
	Chakra Constructions Private Limited	-	-	20.00	-	-	-	-	-	-	-	-	-	-	-	20.00	-
2	Repayment of loan/advance by the company																
	Chakra Constructions Private Limited	-	-	-	-	-	-	12.87	-	-	-	-	-	-	-	-	12.87
	Adhunik Builders Private Limited	-	-	-	1.47	-	-	-	-	-	-	-	-	-	-	-	1.47
	Chakra Constructions Private Limited	-	-	14.70	-	-	-	-	-	-	-	-	-	-	-	14.70	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Loan received by the company																
	Chakra Constructions Private Limited	-	-	64.43	62.00	-	-	-	-	-	-	-	-	-	-	64.43	62.00
	Chakra Constructions Private Limited	-	-	64.43	62.00	-	-	-	-	-	-	-	-	-	-	64.43	62.00
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Revenue related (paid) to joint development																
	Chakra Constructions Private Limited	-	-	-	0.08	-	-	-	-	-	-	-	-	-	-	-	0.08
	Chakra Constructions Private Limited	-	-	-	0.08	-	-	-	-	-	-	-	-	-	-	-	0.08
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Revenue associated provision to Revenue Sharing Agreement																
	Chakra Constructions Private Limited	-	-	-	-	-	-	3.71	-	-	-	-	-	-	-	3.71	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	3.71	-	-	-	-	-	-	-	3.71	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chakra Constructions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Provision for doubtful debts and advances																
	Adhunik Builders Private Limited	-	-	6.61	6.08	-	-	-	-	-	-	-	-	-	-	6.61	6.08
	Adhunik Builders Private Limited	-	-	28.78	24.08	-	-	-	-	-	-	-	-	-	-	28.78	24.08
	Adhunik Builders Private Limited	-	-	6.61	6.08	-	-	-	-	-	-	-	-	-	-	6.61	6.08
	Adhunik Builders Private Limited	-	-	44.07	36.24	-	-	-	-	-	-	-	-	-	-	44.07	36.24
	Adhunik Builders Private Limited	-	-	6.61	6.08	-	-	-	-	-	-	-	-	-	-	6.61	6.08
	Adhunik Builders Private Limited	-	-	6.61	6.08	-	-	-	-	-	-	-	-	-	-	6.61	6.08
	Adhunik Builders Private Limited	-	-	6.61	6.08	-	-	-	-	-	-	-	-	-	-	6.61	6.08
	Adhunik Builders Private Limited	-	-	6.61	6.08	-	-	-	-	-	-	-	-	-	-	6.61	6.08
	Adhunik Builders Private Limited	-	-	6.61	6.08	-	-	-	-	-	-	-	-	-	-	6.61	6.08
7	Reversal of provision for doubtful advances																
	Adhunik Builders Private Limited	-	-	1.42	-	-	-	-	-	-	-	-	-	-	-	1.42	-
	Adhunik Builders Private Limited	-	-	3.8	11.20	-	-	-	-	-	-	-	-	-	-	3.8	11.20
	Adhunik Builders Private Limited	-	-	-	10.04	-	-	-	-	-	-	-	-	-	-	-	10.04
	Adhunik Builders Private Limited	-	-	1.09	3.81	-	-	-	-	-	-	-	-	-	-	1.09	3.81
	Adhunik Builders Private Limited	-	-	1.42	10.75	-	-	-	-	-	-	-	-	-	-	1.42	10.75
	Adhunik Builders Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Adhunik Builders Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Adhunik Builders Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Adhunik Builders Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Advance received off																
	Adhunik Builders Private Limited	-	-	7.08	-	-	-	-	-	-	-	-	-	-	-	7.08	-
	Adhunik Builders Private Limited	-	-	9.45	-	-	-	-	-	-	-	-	-	-	-	9.45	-
	Adhunik Builders Private Limited	-	-	2.00	-	-	-	-	-	-	-	-	-	-	-	2.00	-
	Adhunik Builders Private Limited	-	-	12.70	-	-	-	-	-	-	-	-	-	-	-	12.70	-
	Adhunik Builders Private Limited	-	-	3.81	-	-	-	-	-	-	-	-	-	-	-	3.81	-
	Adhunik Builders Private Limited	-	-	8.73	-	-	-	-	-	-	-	-	-	-	-	8.73	-
	Adhunik Builders Private Limited	-	-	8.73	-	-	-	-	-	-	-	-	-	-	-	8.73	-
	Adhunik Builders Private Limited	-	-	8.73	-	-	-	-	-	-	-	-	-	-	-	8.73	-
	Adhunik Builders Private Limited	-	-	8.73	-	-	-	-	-	-	-	-	-	-	-	8.73	-







## CHALLENGE LAND LIMITED

ISSUE NO. 1 AND LIMITED  
 A summary of the above information is included in the annual report. For the year ended 31 March 2019

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DOI: 10.1037/0893-3200.14.1.101

16. Why did Jerry not work?

[illegible]

### 5. Statistical results: no interaction

[illegible]

	1,01.62	- 4.41	303.91	107.62	1,71.00	-	1.00	126.00
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**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended

31 March 2019

(Amount in Rupees million, unless otherwise stated)

**C. Remuneration to Key Managerial Personnel**

Particulars	31 March 2019	31 March 2018
Short-term employee benefits	69.91	35.17
Post-employment benefits	1.54	6.60
Termination benefits	-	5.13
Sitting fee to directors	2.20	2.60

D. The Company, vide a revenue sharing agreement dated 07 April 2008 entered into with Emsar MGF Constructions Private Limited ("EMCPL"), had agreed to collaborate and develop the project through pooling of financial resources. On account of the same and as per the terms of the arrangement, the Company w.e.f 01 July 2009 was entitled to 24% (up to 30 June 2009 - 25%) of the gross revenue derived by EMCPL through sale proceeds from building and structures proposed to be constructed in Commonwealth Games Village 2010 project, except in the case of sale of flats to Delhi Development Authority, wherein the Company was entitled to 17% of the Gross Revenue derived by EMCPL. Accordingly, revenue amounting to Nil (31 March 2018: Rs. 0.08 million) has been accounted for by the Company during the year.

E. During earlier years, the Company had entered into joint development agreements, as amended, with two of its subsidiaries for co-development of certain land parcels. Pursuant to the said joint development agreements, the two subsidiaries have acquired right to undertake co-development of projects on the said land parcels and have accordingly made an aggregate advance of Rs. 4,249.50 million (31 March 2018: Rs. 4,249.50 million) to the Company. The said joint development agreements provided for sharing of revenue from such projects in the ratio of 80:20 between the Company and subsidiaries respectively. The Company is under discussions with the other shareholder of the two subsidiaries for a revised arrangement and joint development of alternate land parcels. As at 31 March 2019, the Company has not recognized any revenue on the said projects and consequently, no amount has been shared with the two subsidiaries.

F. The Demerger Scheme as approved by NCLT provides for transfer of the following to the Resulting Company, as part of Demerged Undertaking:

"Identified Cash Flows not exceeding an amount of Rupees Eleven Billion Five Hundred Million (INR 11,500,000,000) and applicable service tax and value added tax thereon, if any, arising out of the cash flows from the (i) Marbella project of the Demerged Company in Gurgaon, Haryana bearing licence No. 97 of 2010 dated November 18, 2010 admeasuring 108.006 acres and 41 of 2011 dated May 3, 2011 admeasuring 1.063 acres, and (ii) Emerald Hills Extension project of the Demerged Company in Gurgaon, Haryana bearing licence No. 113 of 2011 dated December 22, 2011 admeasuring 95.29505 acres, which projects are at various stages of development and thus cannot be transferred to the Resulting Company, to be monetised to the extent and manner as agreed between the Demerged Company and the Resulting Company. Such cash flows when accrued to the Resulting Company as part of the Demerged Undertaking, shall be paid to the Resulting Company as its income and shall be deemed to be the income of the Resulting Company. All ownership and development rights in relation to above projects shall, at all times, remain with the Demerged Company."

In view of the same, as on 31 March 2019, an amount of Rs. 2,319.14 million has been accrued in the books of accounts of the Company towards such Identified Cash Flows, received since the Appointed Date i.e. during the period 01 October 2015 to 31 March 2019.

**36. Financial Instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.



**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended

31 March 2019

(Amount in Rupees million, unless otherwise stated)

**Financial assets and liabilities**

The accounting classification of each category of financial instruments, their carrying amounts and their fair values are set out below

As at 31 March 2019

Financial assets	FVTPL	Amortized cost	Total carrying value	Total fair value
Investments in mutual funds	559.37	-	559.37	559.37
Investment in government and trust securities	-	0.02	0.02	0.02
Loans		7,417.64	7,417.64	7,417.64
Trade receivables	-	910.17	910.17	910.17
Cash and cash equivalents	-	900.95	900.95	900.95
Other bank balances	-	926.22	926.22	926.22
Other financial assets	-	454.36	454.36	454.36
<b>Total</b>	<b>559.37</b>	<b>10,609.36</b>	<b>11,168.73</b>	<b>11,168.73</b>

Financial liabilities	FVTPL	Amortized cost	Total carrying value	Total fair value
Borrowings (including interest accrued)	-	69,533.37	69,533.37	69,533.37
Trade payables	-	4,139.37	4,139.37	4,139.37
Other financial liabilities	-	2,640.93	2,640.93	2,640.93
<b>Total</b>	<b>-</b>	<b>76,313.67</b>	<b>76,313.67</b>	<b>76,313.67</b>

As at 31 March 2018

Financial assets	FVTPL	Amortized cost	Total carrying value	Total fair value
Investments in mutual funds	236.41	-	236.41	236.41
Investment in government and trust securities	-	0.02	0.02	0.02
Loans		8,879.64	8,879.64	8,879.64
Trade receivables	-	3,315.73	3,315.73	3,315.73
Cash and cash equivalents	-	519.34	519.34	519.34
Other bank balances	-	1,009.67	1,009.67	1,009.67
Other financial assets	-	693.38	693.38	693.38
<b>Total</b>	<b>236.41</b>	<b>14,417.78</b>	<b>14,654.19</b>	<b>14,654.19</b>

Financial liabilities	FVTPL	Amortized cost	Total carrying value	Total fair value
Borrowings (including interest accrued)	-	74,195.74	74,195.74	74,195.74
Trade payables	-	4,100.04	4,100.04	4,100.04
Other financial liabilities	-	1,579.77	1,579.77	1,579.77
<b>Total</b>	<b>-</b>	<b>79,875.55</b>	<b>79,875.55</b>	<b>79,875.55</b>





**EMAAR MGF LAND LIMITED**

**Summary of significant accounting policies and other explanatory information for the year ended  
31 March 2019**

**(Amount in Rupees million, unless otherwise stated)**

**Note:**

- a. Investments in equity of subsidiaries, associates and joint ventures which are carried at cost are not covered under Ind AS 107 and hence not been included above.
- b. The management assessed that fair value of financial assets such as cash and cash equivalent, other bank balances, trade receivables, loans and advances, etc. and all the financial liabilities excluding non-current borrowings significantly approximate their carrying amounts due to their short-term maturity profiles.
- c. The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investments in mutual funds is determined using quoted net assets value of the funds at each reporting date.
- d. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:  
Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities  
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable  
Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
- e. The following methods and assumptions were used to estimate the fair values:
  - (i) Fair value of quoted mutual funds is based on the quoted net asset value as at the reporting date, a level 1 technique.
  - (ii) The fair value of unquoted instruments and other financial assets and liabilities is estimated either by reference to the net assets value as at the reporting date or by discounting future cash flows using rates using rates currently applicable for debt on similar terms, credit risk and remaining maturities, a level 3 technique.

**37. Financial risk management objectives and policies**

The Company's business is subject to several risks and uncertainties including financial risks

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, security deposits and employee liabilities. The main purpose of the Company's financial liabilities is to finance the acquisition and development of the Company's property portfolio. The Company's principal financial assets include loans and advances, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds short term investments in mutual funds.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management is guided by a Risk Management Compliance Policy that describes the key financial risks and the appropriate financial risk governance framework for the Company. Regular review of the policy by the Company's senior management ensures that the policies and procedures are in line and that financial risks are identified, measured and managed. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include trade receivables, unbilled receivables, borrowings, bank deposits and investments measured at fair value through Statement of Profit and Loss account. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long and short term debt obligations with floating interest rate.



**EMAAR MGF LAND LIMITED****Summary of significant accounting policies and other explanatory information for the year ended****31 March 2019****(Amount in Rupees million, unless otherwise stated)**

During the past two financial years, the Company has not experienced significant increase (i.e. more than 200 basis points) in floating interest rates and therefore has not purchased any formal interest rate swaps and derivatives for the floating interest rate borrowings. The Company's treasury department manages the interest rate risk by regularly monitoring the requirement to hedge any of its floating interest rate debts.

At 31 March 2019, approximately 37.63% of the Company's borrowing are at fixed rate of interest (31 March 2018: 52.01%).

The maximum exposure in relation to Company's floating rate borrowings is Rs. 35,419.36 million as at 31 March 2019 (31 March 2018: Rs. 30,409.80 million).

The sensitivity analysis presented below exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; fixed rate borrowings and the non-financial instruments. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

The below mentioned table demonstrates the sensitivity to a reasonably possible changes in interest rates, with all variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings)

Particulars	Effect on profit before tax	
	31 March 2019	31 March 2018
<b>Increase/decrease in basis points</b>		
+50	154.45	162.80
-50	(154.45)	(162.80)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

**Foreign currency risk**

Fluctuations in foreign currency exchange rates may have an impact on the statement of profit and loss, the statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. Considering the economic environment in which the Company operates, its operations are subject to risks arising from the fluctuations primarily in the AED against the functional currency of the Company.

Particulars	As at 31 March 2019		As at 31 March 2018	
	Foreign Currency (AED)	Amount (Rs.)	Foreign Currency (AED)	Amount (Rs.)
Foreign trade payables	2.28	44.08	2.28	41.37
Foreign receivables	1.04	18.96	-	-

The increase/(decrease) in foreign currency exchange rates are not expected to have any significant impact in these financial statements.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables, unbilled receivables and advances given under collaboration agreement for land development).





## EMAAR MGF LAND LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended

31 March 2019

(Amount in Rupees million, unless otherwise stated)

#### *Concentration of credit risk*

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum credit exposure to credit risk is Rs. 12,098.63 million as at 31 March 2019 (31 March 2018: Rs. 16,648.15 million).

Regarding trade receivables, loans and other financial assets (both current and non-current), there were no indications as at 31 March 2019, that defaults in payment obligations will occur except as described in note 6, 7, 10, 11, 12, 13 and 14 on allowance for impairment of trade receivables and other financial assets.

#### **Trade receivables and unbilled receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk. The Company earns its revenue from a large number of customer spread across a single geographical segment. Geographically, the entire Company's trade and unbilled receivables are based in India.

The Company has entered into contracts for sale of residential and commercial units and plots of land on an installment basis. The installments are specified in the contracts. The Company is exposed to credit risk in respect of installment due. However, the legal ownership of residential, commercial units and plots of land is transferred to the buyer only after all installments are recovered. In addition, installment dues are monitored on an ongoing basis with the result that Company exposure to bad debts is not significant.

An impairment analysis is performed at each reporting date that represents its estimate of expected losses in respect of trade, unbilled and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loss component established for Companies of similar assets in respect of losses that have been expected but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The exposure to credit risk at reporting date is not significant.

Credit risk on receivables is limited as all sales are secured against Company's contractual right of forfeiture of customer's advances and cancellation of contract under which property is sold.

Moreover, given the nature of the Company's businesses, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue on a consolidated basis in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

#### **Financial guarantee**

The Company has not provided any financial guarantee to any bank in respect of loan facility availed by its subsidiaries.

#### **Liquidity risk**

Liquidity risk is the risk the Company will not be able to meet its financial obligation as they fall due. The Company monitors its risk of a shortage of funds using a fund management plan approved by the Board of Directors. The Company's strategy is to invest in highly liquid investments which can be encashed on demand. This plan considers the maturity of financial assets (e.g. trade receivables and other financial assets).



**EMAAR MGF LAND LIMITED****Summary of significant accounting policies and other explanatory information for the year ended****31 March 2019****(Amount in Rupees million, unless otherwise stated)**

business requirements and projected cash flow from operations and accordingly decisions regarding purchase and sale of highly liquid funds are made by the centralized Company treasury team.

The cash flows, funding requirements and liquidity of Company are monitored on a centralized basis under the control of Company Treasury. The objective of this centralized system is to optimize the efficiency and effectiveness of the management of the Company's capital resources. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures and finance leases. Approximately 64.67% of the Company's debt will mature in less than one year at 31 March 2019 (31 March 2018: 27.85%) based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>As at 31 March 2019</b>						
Trade payables	4,139.37	-	-	-	-	<b>4,139.37</b>
Interest bearing borrowings*	13,227.28	2,106.65	37,119.87	25,012.74	39.22	<b>77,505.76</b>
Other financial liabilities**	2,640.94	-	-	-	-	<b>2,640.94</b>
<b>Total</b>	<b>20,007.59</b>	<b>2,106.65</b>	<b>37,119.87</b>	<b>25,012.74</b>	<b>39.22</b>	<b>84,286.07</b>
<b>As at 31 March 2018</b>						
Trade payables	4,100.04	-	-	-	-	<b>4,100.04</b>
Interest bearing borrowings*	11,912.68	5,408.55	5,967.37	60,035.75	867.69	<b>84,192.04</b>
Other financial liabilities**	1,579.77	-	-	-	-	<b>1,579.77</b>
<b>Total</b>	<b>17,592.49</b>	<b>5,408.55</b>	<b>5,967.37</b>	<b>60,035.75</b>	<b>867.69</b>	<b>89,871.85</b>

\* Includes non-current borrowings, current borrowings, current-maturities of non-current borrowings and accrued interest obligations and future interest obligations.

\*\*Includes both non-current and current financial liabilities and excludes current-maturities of non-current borrowings.

As at 31 March 2019, the Company had available Rs. 2,316.41 million (31 March 2018: Rs. Nil) of undrawn committed borrowing facilities.

**38. Segment Reporting**

The Company publishes these financial statements along with its consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

**39. Capital Management**

Net debts comprises of non-current and current debts (including trade payables and other financial liabilities) as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components of equity including other comprehensive income.





**EMAAR MGF LAND LIMITED****Summary of significant accounting policies and other explanatory information for the year ended****31 March 2019****(Amount in Rupees million, unless otherwise stated)**

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility. The Company also ensures that it remains within the quantitative debt covenants and maintains a strong credit rating. Breaches in meeting the financial covenants would permit the debt issuers to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current year.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2019 and 31 March 2018.

There is Rs. 2,316.41 million of undrawn borrowing available at 31 March 2019 (31 March 2018: Nil).

Particulars	31 March 2019	31 March 2018
Borrowings (including interest accrued)	69,533.37	74,195.74
Trade payables	4,139.37	4,100.04
Other financial liabilities	2,640.93	1,579.77
Cash and cash equivalents	(900.95)	(519.34)
Other bank balances	(506.37)	(988.14)
Current investments	(559.37)	(236.41)
Net debts (a)	74,346.98	78,131.66
Total equity (b)	(32,721.31)	12,333.48
Capital and net debt (c=a+b)	41,625.67	90,465.14
Gearing ratio (%) (d=a/c)	178.61%	86.37%

40. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 (Based on the information, to the extent available with the Company)

S. No.	Particulars	31 March 2019	31 March 2018
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	31.73	Nil
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil



**EMAAR MGF LAND LIMITED**

Summary of significant accounting policies and other explanatory information for the year ended

31 March 2019

(Amount in Rupees million, unless otherwise stated)

**41. Disposed off group pursuant to demerger order**

- (a) The National Company Law Tribunal (NCLT) vide its order dated 16 July 2018 approved the arrangement as embodied in the Scheme of arrangement between the Company, MGF Developments Limited (the resulting company) and their respective shareholders and creditors ("Scheme") and the same has been filed with the Registrar of Companies on 31 July 2018. The Scheme is effective from the appointed date of 30 September 2015 ("the appointed date). Accordingly, all the assets, rights, powers, liabilities and duties of the demerged undertaking were demerged from the Company from the appointed date.
- (b) Pursuant to the Scheme, the Company de-recognised the assets and liabilities of the demerged undertaking at the respective book values as appearing in the books at the close of the day immediately preceding the appointed date. The details of assets and liabilities demerged are as follows:

As on 30 September 2015	Rs. in million
Tangible assets	4,159.06
Capital work-in-progress	976.60
Non-current investments	1,124.15
Long-term loans and advances	229.92
Inventories	7,487.63
Trade receivables	175.09
Cash and bank balances	387.31
Short-term loans and advances	19,740.88
Other current assets	355.32
<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:
- (i) Capital reserve- Rs. 2,892.78 million
  - (ii) Capital redemption reserve- Rs. 8,610.25 million
  - (iii) Securities premium account- Rs. 5,701.81 million
  - (iv) 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.





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**42. Revenue related disclosures:****A. Disaggregation of revenue:**

Particulars	Year ended 31 March 2019
Revenue from contracts with customers	
(i) Revenue from operations	
(a) Revenue from sale of real estate properties	21,744.49
(b) Revenue from joint development agreement	14.88
(c) Revenue from leisure business	59.31
(ii) Other operating revenue (refer note 22)	697.20
Total revenue covered under Ind AS 115	22,515.88

**B. Contract balances:**

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	As at 31 March 2019
<b>Contract liabilities</b>	
Advance from customers	53,460.51
Unearned revenue	10,646.79
<b>Total contract liabilities</b>	<b>64,107.30</b>
<b>Receivables</b>	
Trade receivables	910.17
<b>Total receivables</b>	<b>910.17</b>

Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

**C. Significant changes in the contract liabilities balances during the year are as follows:**

Particulars	As at 31 March 2019
	Contract liabilities
	Advances from customers and Unearned revenue
Opening balance	29,873.91
Adjustment due to application of Ind AS 115	51,422.14
<b>Opening balance post application of Ind AS 115</b>	<b>81,296.05</b>
Addition during the year	4,555.74
Adjustment on account of revenue recognised during the year	(21,741.49)
<b>Closing balance</b>	<b>64,107.30</b>

- D.** The aggregate amount of transaction price allocated to the performance obligations yet to complete as at 31 March 2019 is Rs. 12,926.95 million. This balance represents the advance received from customers (gross) against real estate properties. The management expects to further bill and collect the remaining balance of total consideration in the coming years. These balances will be recognised as revenue in future years as per the policy of the Company. Further, as permitted under the transitional provisions of Ind AS 115, the transaction price allocated to the performance obligations yet to complete as at 31 March 2018 is not disclosed.



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**E. Reconciliation of revenue recognised with contract revenue:**

Particulars	Year ended 31 March 2019
Contract revenue	22,784.57
Adjustment for:	
Compensation#	(1,040.08)
<b>Revenue recognised during the year</b>	<b>21,744.49</b>

# Compensation is determined as per contractual terms for the period of delay in handing over the control of property.

- F. 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 year figures are not comparable with previous 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. The following table summarises the impact on transition to Ind AS 115 on each individual line items for current financial year. Line items that are not affected by changes have not been included.

**Statement of Profit and Loss:**

Particulars	For the year ended 31 March 2019
Revenue	8,436.44
Cost of revenue	5,162.42
Commission and brokerage	288.32

**Balance Sheet:**

Particulars	As at 31 March 2019
<b>Current assets</b>	
Inventory	30,981.20
Trade receivable	(2,967.72)
Other current assets	1,808.71
<b>Current liabilities</b>	
Advance received from customers	35,523.97
Unearned revenue	5,909.78
Other current liabilities	(197.30)

43. 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





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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.

44. 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.

45. Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows.

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Non-current borrowings (including Current maturities)	Current borrowings	Interest	Total
Net debt as at 31 March 2017 (exclusive of deferred payment liability)	49,377.49	5,125.39	8,113.17	62,616.05
Proceeds from borrowings	4,370.42	1,991.05	-	6,361.47
Repayment of borrowings	(1,325.37)	-	-	(1,325.37)
Movement on account of bank overdraft*	-	1,705.37	-	1,705.37
Interest paid	-	-	(3,134.73)	(3,134.73)
Non cash flow movements	530.62	(253.08)	-	277.54
Interest expense	-	-	5,848.13	5,848.13
Net debt as at 31 March 2018 (exclusive of deferred payment liability)	52,953.16	8,568.73	10,826.57	72,348.46
Proceeds from borrowings	14,570.58	(953.36)	-	13,617.22
Repayment of borrowings	(12,364.07)	-	-	(12,364.07)
Movement on account of bank overdraft*	-	4,905.00	-	4,905.00
Interest paid	-	-	(4,095.26)	(4,095.26)
Adjustment on account of demerger (refer note 41)	(9,324.30)	-	-	(9,324.30)
Non cash flow movements	(1,282.84)	1,429.90	-	147.06
Interest expense	-	-	3,226.99	3,226.99
Net debt as at 31 March 2019 (exclusive of deferred payment liability)	44,552.53	13,950.27	9,958.30	68,461.10

\* Movement on account of bank overdraft has been considered as part of cash and cash equivalents in the standalone cash flow statement and not as a part of net cash flows from financing activities as per Ind AS 7 - Cash flows.



**EMAAR MGF LAND LIMITED**

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46. 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, Emaar Properties PJSC, the Ultimate Holding Company has agreed that it shall continue to provide support to the Company in arranging for funds to enable the Company to meet its operational and project requirements. Hence, these standalone financial statements have been prepared on a going concern basis.
47. 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.
48. Pursuant to recent judgement by the Hon'ble Supreme Court of India dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies and accordingly, the Company has not provided for any liability on account of this.
49. In the opinion of the Board of Directors, all current and non-current assets including non-current loans, appearing in the balance sheet as at 31 March 2019, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

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


  
Neeraj Sharma  
Partner  
Membership No.: 502613




  
Haroon Saeed Siddiqui  
Director  
DIN-05250916

  
Hadi Badri  
Director  
DIN-08101869

Place: Gurugram  
Date: 14 May 2019

  
Prashant Gupta  
Chief Executive Officer

  
Samit Guha  
Chief Financial Officer

  
Bharat Bhushan Garg  
Company Secretary

