

March 05, 2021

## DLF Limited: [ICRA]A+(Stable) assigned for Non-Convertible Debentures of Rs. 500 crore

### Summary of rating action

| Instrument*                                                | Previous Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(Rs. crore) | Rating Action                  |
|------------------------------------------------------------|--------------------------------------|-------------------------------------|--------------------------------|
| Non-Convertible Debentures -1                              | 0.0                                  | 500.0                               | [ICRA]A+ (Stable); assigned    |
| Commercial Paper                                           | 1,000.0                              | 1,000.0                             | [ICRA]A1; outstanding          |
| Fund based - Term Loan                                     | 2,387.0                              | 2,387.0                             | [ICRA]A+ (Stable); outstanding |
| Fund based - Working Capital Facilities                    | 2,347.0                              | 2,347.0                             | [ICRA]A+ (Stable); outstanding |
| Non-fund based - Working Capital Facilities/Bank Guarantee | 850.0                                | 850.0                               | [ICRA]A+ (Stable); outstanding |
| Non-Convertible Debenture Programme -2                     | 1,345.0                              | 1,345.0                             | [ICRA]A+ (Stable); outstanding |
| <b>Total</b>                                               | <b>7,929.0</b>                       | <b>8,429.0</b>                      |                                |

\*Instrument details are provided in Annexure

### Rationale

Given the presence of strong operational, financial and managerial linkages, ICRA has taken a consolidated rating view for DLF Limited along with its subsidiaries, all engaged in real estate development business (hereinafter referred to as DLF or DLF Group). Although DLF holds 66.67% stake in DLF Cyber City Developers Limited (DCCDL; rated [ICRA]AA-(Stable)/A1+), ICRA has not consolidated DCCDL with DLF on account of the presence of a strong shareholder in DCCDL (GIC Group with a 33.33% stake), which has affirmative rights for all significant decisions.

The assigned rating takes into account the strength of DLF's market position, together with the Group's high level of committed receivables amounting to ~Rs. 2,835 crore as on December 31, 2020, which, along with available unsold finished inventory of ~Rs. 6,035 crore<sup>1</sup>, provide visibility on cash flows over the near to medium term. The Group also has a low cost and fully paid up land bank, with well-located parcels having diverse land-uses, parts of which have been monetized in recent quarters. Supported by good traction in the luxury housing project – Camellias (Gurgaon, Haryana), and the newly launched independent floors/ plotted developments in Gurgaon, Haryana, the company recorded net sales in Rs. 2027 crore in 9MFY2021, keeping sales levels largely in line with the Rs. 2,162 crore registered in 9MFY2020, despite the adverse impact of Covid-19. ICRA notes that the first phase of 0.31 mn.sq.ft. independent floors/ plotted developments which was launched in Q3FY2021, was sold out entirely in the same quarter. However, collections reduced to Rs. 1,501 crore in 9MFY2021 as against Rs. 1,913 crore in 9MFY2020, primarily due to a slowdown in Q1 FY2021 post the onset of the pandemic, though ICRA notes that the pace of collections has since recovered, with Q3 FY2021 collections recording a Y-o-Y growth of 5%. Overall operational cash flows have, nonetheless, remained modest, though with tight control on the overheads and other costs, the company has been able to limit the financing deficit in 9MFY2021. Continued reduction in overhead levels will remain a key rating monitorable.

Despite significant deleveraging in past quarters primarily on the back of capital market transactions as well as approx 100 bps reduction in the interest cost over the past one year, absolute debt levels have remained higher than expected due to modest operational cash flows, which has necessitated dependence on refinancing. Net debt levels stood at Rs 5,100 crore as in

<sup>1</sup> Inventory of Gurgaon plotted developments (~ Rs 1,500 crore) included in completed inventory as on June 30,2020, has been recategorized as Independent Floors in New Products from Q2 FY2021 onwards

December, 2020 as against Rs 5,267 crore in March, 2020. ICRA notes that adequate ramp-up in sales velocity and consequent timely collections will remain critical to meet debt obligations from operational cash flows going forward. However, comfort is drawn from the healthy available cash balance of Rs 1,322 crore as on December 31, 2020, which is largely expected to take care of the immediate scheduled repayments. Additionally, committed outflows towards ongoing projects remains low, standing at ~Rs. 1,100 crore as on December 31, 2020. With most of the ongoing residential projects at intermediate or advanced stages of completion, execution risks for the ongoing projects remain limited as well. Exposure to marketing risks however, remain high, given the concentration of the balance inventory in the ultra-luxury segment of one micro-market of a single geography, i.e. Gurgaon, a market which witnessed demand headwinds over the last few years. ICRA also notes the significant launch pipeline of ~11 mn sqft, mostly in the form of lower cost independent floors/plotted developments, planned phase wise in the coming two years, which may increase execution and marketing risks, though the new products will offer diversification in terms of product ticket size and format. Going forward, any significant discretionary outflows towards land or other capital expenditure will also remain a key credit monitorable.

ICRA also notes that DLF has significant contingent liabilities, mainly because of matters related to income tax, service tax etc and penalty imposed by the Competition Commission of India (CCI) in August 2011. However, DLF has deposited some money at the time of filling appeals with the respective tax authority as well as Rs. 630 crore<sup>2</sup> with the Hon'ble Supreme Court towards CCI penalty, which will provide liquidity support in case of any adverse judgment. Further, ICRA notes that DLF recognized a Deferred Tax Asset reversal of Rs 1,916 crore in FY2020, which led to a net loss of Rs 1,479 crore during the year. However, the same is non-cash in nature..

## Key rating drivers and their description

### Credit strengths

**Established market position with availability of low cost, well located and diversified land bank:** DLF Group has an established market position, attributable to its demonstrated track record of project execution and presence in all segments, namely residential, commercial and retail, across various locations in the country, which enables wider buyer coverage. Moreover, the Group's fully paid up land bank is characterised by low acquisition cost, good location and diversity of land use, providing it flexibility in case of any exigency. ICRA notes that the Group has been monetizing parts of the same in recent quarters, which has underpinned cash flows. Additional income from land and TDR deals is expected in subsequent quarters as well.

**Pending collections and finished unsold inventory provides cash flow visibility:** DLF has pending receivables of ~Rs. 2,835 crore and finished unsold inventory of ~Rs. 6,035 crore as on December 31, 2020. Most of the unsold inventory comprises finished units which are expected to be handed over in the near term, which will underpin sales velocity and collections going forward, given the increasing home-buyer preference for completed inventory.

**Limited execution risks at present with committed outflows towards ongoing projects remaining low; however, significant launch pipeline may increase risks going forward:** DLF has a low pending cost towards ongoing projects amounting to ~Rs. 1,100 crore as on December 31, 2020. As most of the on-going projects are either at intermediate or advanced stage of completion, exposure to execution risk remains limited at present. However, ICRA notes the significant launch pipeline of ~11 mn sqft, mostly in the form of lower cost independent floors/plotted developments, planned phase wise in the coming two years, which may increase execution and marketing risks, though the new products will offer diversification in terms of product ticket size and format. Going forward, any significant discretionary outflows towards land or other capital expenditure will also remain a key credit monitorable.

<sup>2</sup> Interest-bearing (in line with prevailing FD rates)

## Credit challenges

**Operational cash flows continued to remain modest, although tight cost control limited the deficit for 9MFY2021:** DLF's collections reduced to Rs. 1,501 crore in 9MFY2021 as against Rs. 1,913 crore in 9MFY2020, primarily due to a slowdown in Q1 FY2021 post the onset of the pandemic, though ICRA notes that the pace of collections has since recovered, with Q3 FY2021 collections recording a Y-o-Y growth of 5%. Overall operational cash flows have, nonetheless, remained modest, though with tight control on the overheads and other costs, the company has been able to limit the financing deficit in 9MFY2021. Despite significant deleveraging in past quarters primarily on the back of capital market transactions as well as approx 100 bps reduction in the interest cost over the past one year, absolute debt levels have remained higher than expected due to modest operational cash flows, which has necessitated dependence on refinancing. Net debt levels stood at Rs 5,100 crore as in December, 2020 as against Rs 5,267 crore in March, 2020. ICRA notes that adequate ramp-up in sales velocity and consequent timely collections, together with a reduction in overheads, will remain critical to meet debt obligations from operational cash flows going forward.

Comfort is drawn from the healthy liquidity position of the DLF Group as on December 31, 2020 which is expected to support the debt repayments over the near to medium term, as well as from its proven refinancing ability.

**High inventory concentration enhances marketing risks for unsold inventory:** Going forward, the exposure of the company to marketing risks remains high, given the concentration of the unsold inventory in one micro-market of a single geography, i.e. Gurgaon, a market which witnessed demand headwinds over the last few years. Further, the inventory is also concentrated in ultra-luxury segment, which is expected to witness slow sales velocity. ICRA, however, notes that launch of lower cost units in the form of independent floors, which have a shorter cash conversion cycle will provide diversification and support sales levels and cash flows going forward. Comfort is also drawn from the response to the first phase of 0.31 mn. sq.ft. which was entirely sold out in launch quarter of Q3FY2021 itself.

**Significant contingent liabilities and pending litigations may put cash flows under pressure in case of adverse ruling:** The Group has significant contingent liabilities, mainly because of matters related to income tax, service tax etc and penalty imposed by CCI in August 2011. However, DLF has deposited some money at the time of filing appeals with the respective tax authority as well as Rs. 630 crore with the Supreme Court towards CCI penalty, which will provide liquidity support in case of any adverse judgment.

## Liquidity position: Strong

Though, some moderation has been noted in DLF's cash flows on account of the Covid-19 pandemic, comfort is drawn from the available liquidity that DLF has in the form of cash of Rs. 1,322 crore as on December 31, 2020. The group has a policy of maintaining at least six months of upcoming debt repayment as cash balance. Further, the company has pending collections of ~Rs. 2,835 crore as on December 31, 2020, most of which is likely to be received over the near to medium term considering the advance stage of project execution/handover. This, together with sales generated from the available finished unsold inventory of ~Rs. 6,035 crore is expected to support the liquidity and cash flow position of the DLF Group going forward.

## Rating sensitivities

**Positive triggers** – Significant ramp-up in sales and collections resulting in meaningful reduction in net debt and lower reliance on refinancing would be a credit positive. Specific indicators leading to a rating upgrade would include improvement in the cashflow adequacy ratio to 55% and above on a sustained basis.

**Negative triggers** – Negative pressure on the rating could arise in case of a prolonged coronavirus outbreak or other pressures on bookings and collections resulting in moderation in the Group's financial risk profile and higher than expected debt levels. Further, DLF's policy on land acquisition as well as capital expenditure, and the mode of funding of the same may also impact the ratings.

## Analytical approach

| Analytical Approach             | Comments                                                                                                                                                                    |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicable Rating Methodologies | <a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Rating Methodology for Real Estate Entities</a>                                                          |
| Parent/Group Support            | Not Applicable                                                                                                                                                              |
| Consolidation/Standalone        | For arriving at the ratings, ICRA has taken a consolidated view of DLF Limited and its subsidiaries given the close business, financial and managerial linkages among them. |

## About the company

DLF Limited is amongst the largest domestic real estate developer with more than 70 years of track record in developing real estate. The company has developed more than 250 million square feet (msf) It is credited for developing many well-known urban colonies in Delhi, including South Extension, Greater Kailash, Kailash Colony and Hauz Khas as well as one of Asia's largest private townships "DLF City" in Gurgaon, Haryana. DLF is currently developing 2.86 msf across the country.

## Key financial indicators (audited)

| DLF Consolidated                                     | FY2018  | FY2019  | FY2020     | 9MFY2021 |
|------------------------------------------------------|---------|---------|------------|----------|
| Operating Income (Rs. crore)                         | 6706.79 | 8366.09 | 6,082.77   | 4038.3   |
| PAT (Rs. crore)                                      | 4292.41 | 368.27  | -1,479.20* | 218.6    |
| OPBDIT/OI (%)                                        | 35.45%  | 25.60%  | 18.66%     | 32.2%    |
| PAT/ OI (%)                                          | 64.00%  | 4.40%   | -24.32%    | 5.4%     |
| Total Outside Liabilities/Tangible Net Worth (times) | 0.71    | 0.92    | -          | -        |
| Total Debt/OPBDIT (times)                            | 7.36    | 8.04    | 7.14       | 4.73     |
| Interest Coverage (times)                            | 0.81    | 1.04    | 0.80       | 2.0      |

\*DLF recognized a Deferred Tax Asset reversal of Rs 1,916 crore in FY2020, which led to a net loss of Rs 1,479.20 crore during the year. However, the same is non-cash in nature.

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; ROCE: PBIT/Avg (Total Debt + Tangible Net Worth + Deferred Tax Liability - Capital Work in Progress); DSCR: (PBIT + Mat Credit Entitlements - Fair Value Gains through P&L - Non-cash Extraordinary Gain/Loss)/(Interest + Repayments made during the Year)

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

|   | Instrument                    | Current Rating (FY2021) |                          |                                                     |                                | Chronology of Rating History for the past 3 years |                         |                         |                         |                         |                  |                  |
|---|-------------------------------|-------------------------|--------------------------|-----------------------------------------------------|--------------------------------|---------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------|------------------|
|   |                               | Type                    | Amount Rated (Rs. crore) | Amount Outstanding as of March 01, 2021 (Rs. crore) | Date & Rating in Jan15, 2021   | Date & Rating in FY2021                           | Date & Rating in FY2020 | Date & Rating in FY2020 | Date & Rating in FY2019 | Date & Rating in FY2018 |                  |                  |
|   |                               |                         |                          |                                                     |                                | 15-May-20                                         | 3-Jan-20                | 10-May-19               | 9-Aug-18                | 14-Dec-17               | 13-Sep-17        | 13-Apr-17        |
| 1 | Non-convertible Debentures -1 | Long Term               | 500.0                    | 0.0*                                                | [ICRA]A+ (Stable); assigned    | -                                                 | -                       | -                       | -                       | -                       | -                | -                |
| 2 | Commercial Paper              | Short Term              | 1,000.0                  | -                                                   | [ICRA]A1; outstanding          | [ICRA]A1                                          | [ICRA]A1                | [ICRA]A1                | [ICRA]A1                | [ICRA]A1                | -                | -                |
| 3 | Term Loans                    | Long Term               | 2,387.0                  | 2,387.0 <sup>#</sup>                                | [ICRA]A+; Outstanding          | [ICRA]A+ (Stable)                                 | [ICRA]A+ (Positive)     | [ICRA]A+ (Positive)     | [ICRA]A+ (Positive)     | [ICRA]A (Stable)        | [ICRA]A (Stable) | [ICRA]A (Stable) |
| 4 | Non-Fund Based Limits         | Long Term               | 850.0                    | Revolving                                           | [ICRA]A+ (Stable); Outstanding | [ICRA]A+ (Stable)                                 | [ICRA]A+ (Positive)     | [ICRA]A+ (Positive)     | [ICRA]A+ (Positive)     | [ICRA]A (Stable)        | [ICRA]A (Stable) | [ICRA]A (Stable) |
| 5 | Fund Based Limits             | Long Term               | 2,347.0                  | Revolving                                           | [ICRA]A+ (Stable); Outstanding | [ICRA]A+ (Stable)                                 | [ICRA]A+ (Positive)     | [ICRA]A+ (Positive)     | [ICRA]A+ (Positive)     | [ICRA]A (Stable)        | [ICRA]A (Stable) | [ICRA]A (Stable) |
| 6 | NCD                           | Long Term               | 1,345.0                  | 1345.0                                              | [ICRA]A+ (Stable); Outstanding | [ICRA]A+ (Stable)                                 | [ICRA]A+ (Positive)     | [ICRA]A+ (Positive)     | [ICRA]A+ (Positive)     | [ICRA]A (Stable)        | [ICRA]A (Stable) | [ICRA]A (Stable) |

\*proposed

<sup>#</sup> as on March 31, 2020

## Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [click here](#)

**Annexure-1: Instrument details**

| ISIN No      | Instrument Name                   | Date of Issuance / Sanction | Coupon Rate | Maturity Date    | Amount Rated (RS Crore) | Current Rating and Outlook     |
|--------------|-----------------------------------|-----------------------------|-------------|------------------|-------------------------|--------------------------------|
| NA           | Non-convertible Debentures -1     | Yet to be placed            | NA          | Yet to be placed | 1,500                   | [ICRA]AA- (Stable); assigned   |
| NA           | Term Loan 1                       | 26-Sep-19                   |             | 25-Sep-23        | 500                     | [ICRA]A+(Stable); outstanding  |
| NA           | Term Loan 2                       | 27-Sep-19                   |             | 26-Sep-29        | 372                     | [ICRA]A+(Stable); outstanding  |
| NA           | Term Loan 3                       | 17-Jul-14                   |             | 17-Jul-21        | 504                     | [ICRA]A+(Stable); outstanding  |
| NA           | Term Loan 4                       | 30-Sep-14                   |             | 17-Jul-21        | 256                     | [ICRA]A+(Stable) ; outstanding |
| NA           | Term Loan 5                       | 11-Jul-17                   |             | 11-Jul-26        | 127                     | [ICRA]A+(Stable) ; outstanding |
| NA           | Term Loan 6                       | 11-Sep-19                   |             | 11-Jul-26        | 40                      | [ICRA]A+(Stable) ; outstanding |
| NA           | Term Loan 7                       | 29-Nov-18                   |             | 15-Nov-27        | 188                     | [ICRA]A+(Stable) ; outstanding |
| NA           | Term Loan 8                       | 26-Mar-20                   |             | 15-Nov-27        | 95                      | [ICRA]A+(Stable) ; outstanding |
| NA           | Term Loan 9                       | 21-Oct-15                   |             | 31-Mar-25        | 189                     | [ICRA]A+(Stable) ; outstanding |
| NA           | Term Loan 10                      | 31-Mar-15                   |             | 31-Mar-25        | 47                      | [ICRA]A+(Stable) ; outstanding |
| NA           | Term Loan 11                      | 27-Sep-19                   |             | 26-Sep-31        | 69                      | [ICRA]A+(Stable) ; outstanding |
| NA           | OD/Working Capital Limits         | -                           | -           | -                | 2,347                   | [ICRA]A+(Stable) ; outstanding |
| NA           | Bank Guarantee / Letter of Credit | -                           | -           | -                | 850                     | [ICRA]A+(Stable) ; outstanding |
| INE271C07137 | NCD-I                             | 11-Aug-15                   | 12.25%      | 11-Aug-20        | 250                     | [ICRA]A+(Stable) ; outstanding |
| INE271C07178 | NCD-II                            | 24-Aug-15                   | 12.25%      | 10-Aug-20        | 95                      | [ICRA]A+(Stable) ; outstanding |
| INE271C07194 | NCD-III                           | 19-Mar-20                   | 9.25%       | 17-Mar-23        | 500                     | [ICRA]A+(Stable) ; outstanding |
| INE271C07186 | NCD-IV                            | 19-Mar-20                   | 9.50%       | 17-Mar-23        | 500                     | [ICRA]A+(Stable) ; outstanding |
| NA           | Commercial Paper (not placed)     | -                           | -           | -                | 1,000                   | [ICRA]A1 ; outstanding         |
| Total        |                                   |                             |             |                  | <b>8,429.0</b>          |                                |

Source: Company

**Annexure-2: List of entities considered for consolidated analysis**

| Company Name                                                                          | DLF Ownership | Consolidation Approach |
|---------------------------------------------------------------------------------------|---------------|------------------------|
| <b><u>Subsidiary companies at any time during the year</u></b>                        | -             |                        |
| Abhigyan Builders & Developers Private Limited                                        | 100%          | Full Consolidation     |
| Abhiraj Real Estate Private Limited                                                   | 100%          | Full Consolidation     |
| Adeline Builders & Developers Private Limited                                         | 100%          | Full Consolidation     |
| Americus Real Estate Private Limited                                                  | 100%          | Full Consolidation     |
| Amishi Builders & Developers Private Limited                                          | 100%          | Full Consolidation     |
| Angelina Real Estates Private Limited                                                 | 100%          | Full Consolidation     |
| Ariadne Builders & Developers Private Limited                                         | 100%          | Full Consolidation     |
| Armand Builders & Constructions Private Limited                                       | 100%          | Full Consolidation     |
| Benedict Estates Developers Private Limited                                           | 100%          | Full Consolidation     |
| Beyla Builders & Developers Private Limited                                           | 100%          | Full Consolidation     |
| Bhamini Real Estate Developers Private Limited                                        | 100%          | Full Consolidation     |
| Breeze Constructions Private Limited                                                  | 100%          | Full Consolidation     |
| Chakradhara Estates Developers Private Limited                                        | 100%          | Full Consolidation     |
| Chandrajyoti Estate Developers Private Limited                                        | 100%          | Full Consolidation     |
| Dae Real Estates Private Limited                                                      | 100%          | Full Consolidation     |
| Daffodil Hotels Private Limited                                                       | 74%           | Full Consolidation     |
| Dalmia Promoters and Developers Private Limited                                       | 100%          | Full Consolidation     |
| Delanco Home and Resorts Private Limited                                              | 100%          | Full Consolidation     |
| Delanco Realtors Private Limited                                                      | 100%          | Full Consolidation     |
| Deltaland Buildcon Private Limited                                                    | 100%          | Full Consolidation     |
| DLF Aspinwal Hotels Private Limited                                                   | 100%          | Full Consolidation     |
| DLF Builders and Developers Private Limited [formerly SC Hospitality Private Limited] | 100%          | Full Consolidation     |
| DLF Cochin Hotels Private Limited                                                     | 100%          | Full Consolidation     |
| DLF Commercial Developers Limited                                                     | 100%          | Full Consolidation     |
| DLF Emporio Restaurants Limited                                                       | 100%          | Full Consolidation     |
| DLF Energy Private Limited                                                            | 100%          | Full Consolidation     |
| DLF Estate Developers Limited                                                         | 100%          | Full Consolidation     |
| DLF Garden City Indore Private Limited                                                | 100%          | Full Consolidation     |
| DLF Golf Resorts Limited                                                              | 100%          | Full Consolidation     |
| DLF Home Developers Limited                                                           | 100%          | Full Consolidation     |
| DLF Homes Goa Private Limited                                                         | 100%          | Full Consolidation     |
| DLF Homes Services Private Limited                                                    | 100%          | Full Consolidation     |
| DLF Info City Hyderabad Limited                                                       | 100%          | Full Consolidation     |
| DLF Info City Chennai Limited                                                         | 100%          | Full Consolidation     |
| DLF Info Park (Pune) Limited                                                          | 100%          | Full Consolidation     |
| DLF Info Park Developers (Chennai) Limited                                            | 100%          | Full Consolidation     |
| DLF Lands India Private Limited [formerly Berenice Real Estate Private Limited]       | 100%          | Full Consolidation     |
| DLF Luxury Homes Limited [formerly DLF GK Residency Limited]                          | 100%          | Full Consolidation     |
| DLF Phase-IV Commercial Developers Limited                                            | 100%          | Full Consolidation     |
| DLF Projects Limited                                                                  | 100%          | Full Consolidation     |
| DLF Property Developers Limited                                                       | 100%          | Full Consolidation     |
| DLF Real Estate Builders Limited                                                      | 100%          | Full Consolidation     |
| DLF Recreational Foundation Limited                                                   | 85%           | Full Consolidation     |
| DLF Residential Builders Limited                                                      | 100%          | Full Consolidation     |
| DLF Residential Developers Limited                                                    | 100%          | Full Consolidation     |
| DLF Residential Partners Limited                                                      | 100%          | Full Consolidation     |

| Company Name                                                                                         | DLF Ownership | Consolidation Approach |
|------------------------------------------------------------------------------------------------------|---------------|------------------------|
| DLF South Point Limited [merged with DLF Commercial Developers Limited]                              | 100%          | Full Consolidation     |
| DLF Southern Towns Private Limited                                                                   | 100%          | Full Consolidation     |
| DLF Universal Limited                                                                                | 100%          | Full Consolidation     |
| DLF Utilities Limited                                                                                | 100%          | Full Consolidation     |
| Domus Real Estate Private Limited                                                                    | 100%          | Full Consolidation     |
| Eastern India Powertech Limited                                                                      | 100%          | Full Consolidation     |
| Edward Keventer (Successors) Private Limited                                                         | 100%          | Full Consolidation     |
| Elvira Builders & Constructions Private Limited                                                      | 100%          | Full Consolidation     |
| Faye Builders & Constructions Private Limited                                                        | 100%          | Full Consolidation     |
| Galleria Property Management Services Private Limited                                                | 72%           | Full Consolidation     |
| Ghaliya Builders & Developers Private Limited                                                        | 100%          | Full Consolidation     |
| Genisys Property Builders & Developers Private Limited [w.e.f. 14 May 2018]                          | 100%          | Full Consolidation     |
| Hansel Builders & Developers Private Limited                                                         | 100%          | Full Consolidation     |
| Hyma Developers Private Limited [formerly DLF Homes Kokapet Private Limited] (till 24 December 2018) | 25%           | Full Consolidation     |
| Isabel Builders & Developers Private Limited                                                         | 100%          | Full Consolidation     |
| Kolkata International Convention Centre Limited                                                      | 100%          | Full Consolidation     |
| Lada Estates Private Limited                                                                         | 100%          | Full Consolidation     |
| Latona Builders & Constructions Private Limited                                                      | 100%          | Full Consolidation     |
| Lear Builders & Developers Private Limited                                                           | 100%          | Full Consolidation     |
| Lempo Buildwell Private Limited                                                                      | 100%          | Full Consolidation     |
| Liber Buildwell Private Limited                                                                      | 100%          | Full Consolidation     |
| Livana Builders & Developers Private Limited                                                         | 100%          | Full Consolidation     |
| Lizebeth Builders & Developers Private Limited                                                       | 100%          | Full Consolidation     |
| Lodhi Property Company Limited                                                                       | 100%          | Full Consolidation     |
| Mariabella Builders & Developers Private Limited                                                     | 100%          | Full Consolidation     |
| Melosa Builders & Developers Private Limited                                                         | 100%          | Full Consolidation     |
| Mens Buildcon Private Limited                                                                        | 100%          | Full Consolidation     |
| Nambi Buildwell Private Limited                                                                      | 100%          | Full Consolidation     |
| Narooma Builders & Developers Private Limited                                                        | 100%          | Full Consolidation     |
| Nellis Builders & Developers Private Limited                                                         | 100%          | Full Consolidation     |
| Niobe Builders & Developers Private Limited                                                          | 100%          | Full Consolidation     |
| Nudhar Builders & Developers Private Limited                                                         | 100%          | Full Consolidation     |
| Paliwal Developers Limited                                                                           | 100%          | Full Consolidation     |
| Paliwal Real Estate Limited                                                                          | 100%          | Full Consolidation     |
| Phoena Builders & Developers Private Limited                                                         | 100%          | Full Consolidation     |
| Pyrite Builders & Constructions Private Limited                                                      | 100%          | Full Consolidation     |
| Qabil Builders & Constructions Private Limited                                                       | 100%          | Full Consolidation     |
| Rachelle Builders & Constructions Private Limited                                                    | 100%          | Full Consolidation     |
| Riveria Commercial Developers Limited                                                                | 100%          | Full Consolidation     |
| Rochelle Builders & Constructions Private Limited                                                    | 100%          | Full Consolidation     |
| Royalton Builders & Developers Private Limited                                                       | 100%          | Full Consolidation     |
| Saket Holidays Resorts Private Limited                                                               | 100%          | Full Consolidation     |
| Shivaji Marg Maintenance Services Limited [formerly NewGen MedWorld Hospitals Limited]               | 100%          | Full Consolidation     |
| Tiberias Developers Limited [formerly DLF Finvest Limited]                                           | 100%          | Full Consolidation     |
| Urvasi Infratech Private Limited                                                                     | 100%          | Full Consolidation     |
| Vibodh Developers Private Limited                                                                    | 100%          | Full Consolidation     |
| Vkarma Capital Investment Management Company Private Limited                                         | 100%          | Full Consolidation     |
| Vkarma Capital Trustee Company Private Limited                                                       | 100%          | Full Consolidation     |

| Company Name                                                                                                                                                                | DLF Ownership | Consolidation Approach |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------|
| Webcity Builders & Developers Private Limited                                                                                                                               | 100%          | Full Consolidation     |
| <b><u>Partnership Firms (Accounted for as Subsidiaries)</u></b>                                                                                                             |               |                        |
| DLF Commercial Projects Corporation                                                                                                                                         | 100%          | Full Consolidation     |
| DLF Gayatri Developers                                                                                                                                                      | 42%           | Full Consolidation     |
| DLF Green Valley                                                                                                                                                            | 50%           | Full Consolidation     |
| DLF Office Developers                                                                                                                                                       | 85%           | Full Consolidation     |
| Rational Builders and Developers                                                                                                                                            | 95%           | Full Consolidation     |
| <b><u>Joint Ventures (JV) and Joint Operations (JO) / Associates (A)</u></b>                                                                                                |               |                        |
| Aadarshini Real Estate Developers Private Limited*                                                                                                                          | 67%           | Equity Method          |
| Banjara Hills Hyderabad Complex (JO)                                                                                                                                        | 50%           | Equity Method          |
| DLF Gayatri Home Developers Private Limited (JV)                                                                                                                            | 50%           | Equity Method          |
| DLF Midtown Private Limited (JV)                                                                                                                                            | 50%           | Equity Method          |
| DLF SBPL Developers Private Limited (JV)                                                                                                                                    | 50%           | Equity Method          |
| DLF Urban Private Limited (JV)                                                                                                                                              | 50%           | Equity Method          |
| GSG DRDL Consortium (JO)                                                                                                                                                    | 50%           | Equity Method          |
| <b>DESIGNPLUS GROUP (JV)</b><br>Comprising investment in Designplus Associates Services Private Limited (JV) along with its following subsidiary:                           | 42%           | Equity Method          |
| Spazio Projects and Interiors Private Limited (JV)                                                                                                                          | 0%            | Equity Method          |
| DLF Homes Panchkula Private Limited (A)                                                                                                                                     | 40%           | Equity Method          |
| Joyous Housing Limited (JV)                                                                                                                                                 | 38%           | Equity Method          |
| Arizona Globalservices Private Limited* (A)                                                                                                                                 | -             | Equity Method          |
| Aadarshini Real Estate Developers Private Limited [w.e.f. 19 March 2019]\$                                                                                                  | 67%           | Equity Method          |
| <b><u>DCCDL GROUP (JV)^</u></b><br><b><u>Comprising investment in DLF Cyber City Developers Limited along with its following subsidiaries [w.e.f 26 December, 2017]</u></b> | 67%           | Equity Method          |
| Caraf Builders & Constructions Private Limited [merged with DLF Cyber City Developers Limited (w.e.f. 27 September 2018)]                                                   |               | Equity Method          |
| DLF Assets Private Limited                                                                                                                                                  |               | Equity Method          |
| DLF City Centre Limited                                                                                                                                                     |               | Equity Method          |
| DLF Emporio Limited                                                                                                                                                         |               | Equity Method          |
| DLF Info City Developers (Chandigarh) Limited                                                                                                                               |               | Equity Method          |
| DLF Info City Developers (Kolkata) Limited                                                                                                                                  |               | Equity Method          |
| DLF Power & Services Limited                                                                                                                                                |               | Equity Method          |
| DLF Promenade Limited                                                                                                                                                       |               | Equity Method          |
| Richmond Park Property Management Services Limited                                                                                                                          |               | Equity Method          |

Source: Annual report FY2020

\*Converted into a joint-venture from March 2019.

^ICRA has not taken a consolidated rating view on DLF and DCCDL groups (DLF Cyber City Developers Limited and its subsidiaries, engaged in the business of commercial real estate ((hereinafter referred to as DCCDL or DCCDL Group). This is on account of the presence of a strong shareholder in DCCDL (GIC group with 33.33% stake), who has affirmative rights for all significant decisions. ICRA also notes that no incremental financial support is expected to be extended by DCCDL to DLF, as has been the case since the stake sale to GIC in December 2017.

Now with the settlement of advances (from DLF to DCCDL) completed in H1FY2020, ICRA expects that the financial transactions amongst the two groups will be limited to regular payment of dividend (from DCCDL to DLF), and on-going commercial transactions for project development, all of which are being done on arm's length basis, as per the understanding provided by the management.

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## ICRA Limited

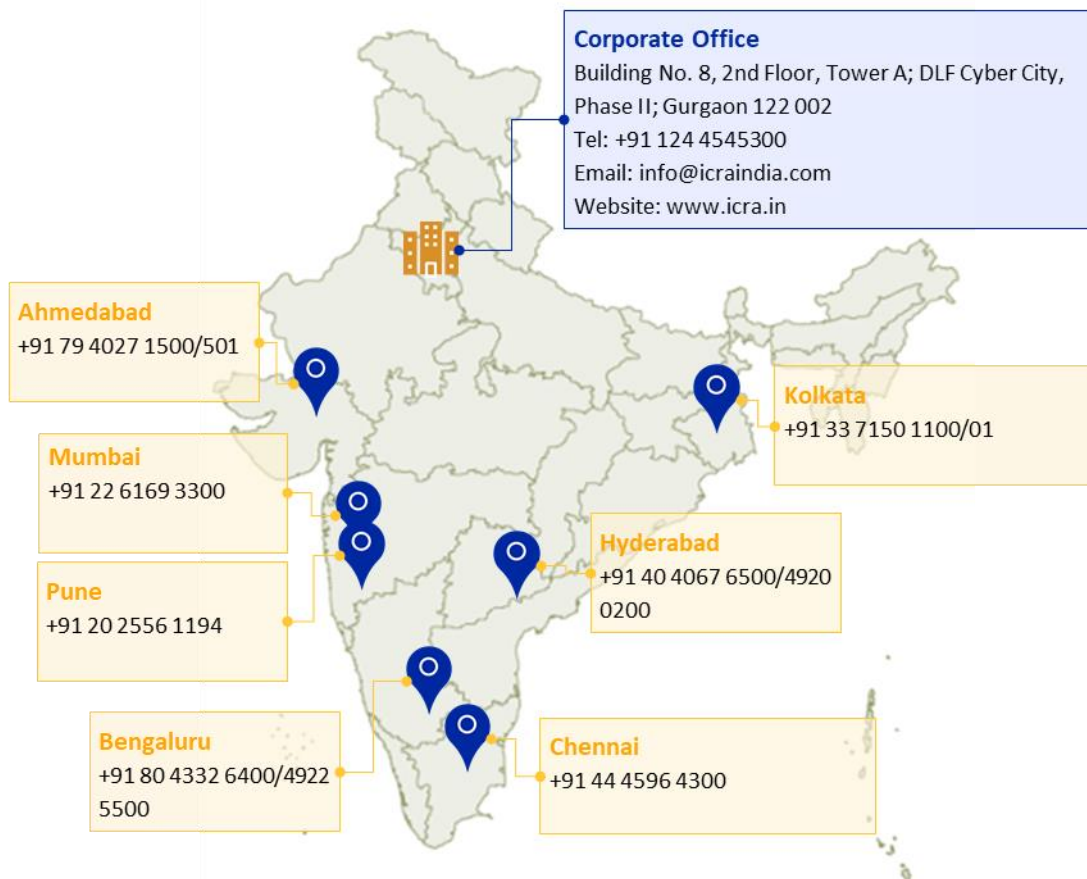


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### Branches



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