

August 06, 2021

DLF Limited: Ratings reaffirmed; outlook revised to Positive from Stable

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debentures	1,845.0	1,000.0	[ICRA]A+ (Positive); revised from [ICRA]A+ (Stable)
Commercial Paper	1,000.0	1,000.0	[ICRA]A1; reaffirmed
Fund based - Term Loan	2,387.0	1,695.0	[ICRA]A+ (Positive); revised from [ICRA]A+ (Stable)
Fund based - Working Capital Facilities	2,347.0	2,173.0	[ICRA]A+ (Positive); revised from [ICRA]A+ (Stable)
Non-fund based - Working Capital Facilities/Bank Guarantee	850.0	850.0	[ICRA]A+ (Positive); revised from [ICRA]A+ (Stable)
Total	8,429.0	6,718.0	

*Instrument details are provided in Annexure-1

Rationale

The revision in the outlook to Positive for DLF's long term rating reflects the noted improvement in the Group's cashflow adequacy ratio¹ to 54% as on June 2021 from 39% as on March 2020, owing to healthy sales in its residential real estate projects in recent quarters along with the debt reduction done with operational cashflows. The company has witnessed healthy recovery in sales post the first wave of Covid-19 pandemic, duly 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 of Rs. 3,084 crore in FY2021 with a y-o-y growth of 24% from Rs. 2,485 crore net sales registered in FY2020. The traction in bookings continued in Q1 FY2022 with company reporting sales of Rs. 1,014 crore. Receivables from area already sold amounts to Rs. 3,361 crore as on June 30, 2021, in comparison to pending cost to complete for ongoing projects of Rs. 1,075 crore (including new products & capex) and net debt outstanding of Rs. 4,745 crore as on June 30, 2021.

The rating continues to take into account the strength of DLF's market position and established brand. 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. The DLF Group also derives significant financial flexibility as well as dividend income from its investment in DLF Cyber City Developers Limited (DCCDL, rated [ICRA]AA-(Stable)/A1+), which owns one of the largest commercial real estate leasing portfolios in the country. With improved cash generation from operations in recent quarters as well as reduced financed costs aided by approximately 163 bps reduction in the interest cost since March 2020, net debt levels stood at Rs 4,745 crore as on June 2021 as against Rs 5,267 crore as on March 2020.

Collections had slightly reduced to Rs. 2,307 crore in FY2021 as against Rs. 2,591 crore in FY2020, primarily due to a slowdown in H1 FY2021 post the onset of the pandemic, though ICRA notes that the pace of collections has since recovered, and in Q1FY2022, the company has recorded 97% Y-o-Y growth at Rs 619 crore. Overall operational cash flows in FY2021, nonetheless, grew over the FY2020 level, with tight control on the overheads and other costs, as well as significant tax refunds received. Continued reduction in overhead levels will remain a key rating monitorable.

The improvement in cash from operations notwithstanding, the leverage, as measured by Debt / FFO, remained moderately high at 3.6x for FY2021 (reduced from 4.1x in FY2020) due to the high level of unsold finished inventory. ICRA notes that DLF

¹ Cashflow adequacy ratio = Committed receivables/ (Total net debt outstanding + Total pending cost)

has certain projects under development in Joint Venture (JV) companies². While these projects are expected to be incrementally funded out of their collections from customers and sanctioned debt limits, support from DLF to the extent of its share of any shortfall in cash flows has been considered in the rating. The, comfort is also drawn from the healthy available cash and bank balances of Rs 1,288 crore of DLF Group as on June 30, 2021, which is largely expected to take care of the immediate scheduled repayments.

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 Gurgaon, though ICRA has taken note of strong traction in this segment witnessed by DLF in the past four quarters. Further, DLF has launched projects in other segments – mid income/ value housing which has witnessed significant sales since the launch in Q3FY2021 which aids the future cashflows. ICRA also notes the significant launch pipeline of around 6.2 mn sqft in FY2022, mostly in the form of independent floors/plotted developments, 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 further notes the adverse impact of covid on its rental portfolio having an leasable area of 2.1 mn sqft, the occupancy declined to 90% as on June, 2021 as compared to 97% in March 2020. The weighted average rental has also declined to Rs 105 per sqft in June, 2021 from Rs 117 per sqft in March, 2020. The retail portfolio which forms 14% of the total rental portfolio of DLF is adversely hit by lockdown and entry restriction, the occupancy in retail segment declined to 86% in June, 2021 from 96% in March, 2020, the weighted average rentals has seen a decline from Rs 311 per sqft in March 2020 to Rs 257 per sqft in June 2021.

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 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.

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 past quarters, which has underpinned cash flows.

Cash flow adequacy ratio improved to 54% in June 2021 from 39% in March 2020: DLF has pending receivables of Rs. 3,361 crore and finished unsold inventory valued at around Rs. 5,286 crore as on June 30, 2021. On the back of steady sales, healthy cash flows, and consequently lower net debt, the Group's cash flow adequacy ratio improved to 54% in June 2021, from 39% in March 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 low pending costs in ongoing projects: DLF has a low pending cost towards ongoing projects amounting to Rs. 1,075 crore (including new products & capex) as on June 30, 2021. As most of the ongoing

² DLF Urban Private Limited is a 50:50 joint venture (JV) between DLF Home Developers Limited (DHDL), a wholly-owned subsidiary of DLF Limited and Reco Greens Pte Limited (Reco), a wholly-owned subsidiary of GIC Realty (part of the Government of Singapore). DLF Midtown Private Limited being a 50:50 joint venture (JV) between DHDL, and Reco, a wholly-owned subsidiary of GIC Realty. Aadarshini Real Estate Developers Private Limited, with the company being a 67:33 JV between DLF Home Developers Limited (DHDL), a wholly-owned subsidiary of DLF, and Green Horizon Trustee Limited, an affiliate of Hines India Limited (Hines).

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 around 6.2 mn sqft, mostly in the form of independent floors/plotted developments, 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.

Credit challenges

Moderate leverage, notwithstanding improvement in FY2021: DLF's collections had reduced to Rs. 2,307 crore in FY2021 as against Rs. 2,591 crore in FY2020, primarily due to a slowdown in H1 FY2021 post the onset of the pandemic, though ICRA notes that the pace of collections has since recovered, and in Q1FY2022, the company has recorded 97% Y-o-Y growth at Rs 619 crore. Overall operational cash flows have, nonetheless, grown over the FY2020 level, with tight control on the overheads and other costs, as well as significant tax refunds received. With improved cash generation from operations in recent quarters as well as reduced financed costs aided by approximately 163 bps reduction in the interest cost since March 2020, net debt levels stood at Rs 4,745 crore as on June 2021 as against Rs 5,267 crore as on March 2020. The improvement in cash from operations notwithstanding, the leverage, as measured by Debt / FFO, remained moderately high at 3.6x for FY2021 (reduced from 4.1x in FY2020) due to the high level of unsold finished inventory. ICRA notes that DLF has certain projects under development in Joint Venture (JV) companies³. While these projects are expected to be incrementally funded out of their collections from customers and sanctioned debt limits, support from DLF to the extent of its share of any shortfall in cash flows has been considered in the rating. Further, management has plans to launch the projects in JVs in FY2022 and the performance of these projects will remain a key monitorable. The, comfort is also drawn from the healthy available cash and bank balances of Rs 1,288 crore of DLF Group as on June 30, 2021, which is largely expected to take care of the immediate scheduled repayments.

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 Gurgaon, though ICRA has taken note of strong traction in this segment witnessed by DLF in the past four quarters. Further, DLF has launched projects in other segments – mid income/ value housing which has witnessed significant sales since the launch in Q3FY2021 which aids the future cashflows. The 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 newly launched independent floors/ plotted developments of 1.5 mn. sq.ft. which was 87% sold out till June 30, 2021.

Significant contingent liabilities and pending litigations: 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 filling 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 healthy recovery in sales and collections thereafter and the available liquidity that DLF has in the form of cash and bank balances of Rs. 1,288 crore as on June 30, 2021. 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. 3,361 crore as on June 30, 2021, 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. 5,286 crore is expected to support the liquidity and cash flow position of the DLF Group going forward.

³ DLF Urban Private Limited is a 50:50 joint venture (JV) between DLF Home Developers Limited (DHDL), a wholly-owned subsidiary of DLF Limited and Reco Greens Pte Limited (Reco), a wholly-owned subsidiary of GIC Realty (part of the Government of Singapore). DLF Midtown Private Limited being a 50:50 joint venture (JV) between DHDL, and Reco, a wholly-owned subsidiary of GIC Realty. Aadarshini Real Estate Developers Private Limited, with the company being a 67:33 JV between DLF Home Developers Limited (DHDL), a wholly-owned subsidiary of DLF, and Green Horizon Trustee Limited, an affiliate of Hines India Limited (Hines).

Rating sensitivities

Positive factors – 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 Total Debt (TD) to Funds Flow from Operations (FFO) to below 3.25x on a sustained basis.

Negative factors – Negative pressure on the rating could arise in case of pressures on new bookings and collections resulting in moderation in the Group's financial risk profile and higher than expected debt levels. Further, any significant debt funded land acquisition as well as capital expenditure which weakens leverage metrics may also impact the ratings.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Real Estate Entities
Parent/Group Support	Not Applicable
Consolidation/Standalone	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). ICRA has applied limited consolidation for other JVs where there are active projects under development or debt availed to the extent of any support that may be required from DLF Limited.

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 4.25 msf across the country.

Key financial indicators (audited)

DLF Consolidated	FY2019	FY2020	FY2021
Operating Income (Rs. crore)	8,366.09	6,082.77	5,414.06
PAT (Rs. crore)	368.27	-1,479.21*	477.30
OPBDIT/OI (%)	25.60%	18.66%	26.19%
PAT/ OI (%)	4.40%	-24.32%	8.82%
Total Outside Liabilities/Tangible Net Worth (times)	0.51	0.24	0.18
Total Debt/OPBDIT (times)	8.04	7.14	4.59
Interest Coverage (times)	1.04	0.80	1.66

* 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.

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)

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 June 30, 2021 (Rs. crore)*	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2021		Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2020	Date & Rating in FY2019	Date & Rating in FY2018		
				Aug 06, 2021	Mar 05, 2021	3-Jul-20	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	1,000.0	1,000	[ICRA]A+ (Positive)	[ICRA]A+ (Stable); assigned/ou tstanding	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Positive)	[ICRA]A+ (Positive)	[ICRA]A+ (Positive)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	
2 Commercial Paper	Short Term	1,000.0	-	[ICRA]A1	[ICRA]A1; outstanding	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	-	-	
3 Term Loans	Long Term	1,695.0	1,695.0	[ICRA]A+ (Positive)	[ICRA]A+; Outstanding	[ICRA]A+ (Stable)	[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	850.0	[ICRA]A+ (Positive)	[ICRA]A+ (Stable); Outstanding	[ICRA]A+ (Stable)	[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	2,173.0	2,173.0	[ICRA]A+ (Positive)	[ICRA]A+ (Stable); Outstanding	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Positive)	[ICRA]A+ (Positive)	[ICRA]A+ (Positive)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	

*as on June 30, 2021

Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-Convertible Debentures	Very Simple
Commercial Paper	Very Simple
Fund based - Term Loan	Simple
Fund based - Working Capital Facilities	Simple
Non-fund based - Working Capital Facilities/Bank Guarantee	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial,

business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's 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	Term Loan 1	26-Sep-19		25-Sep-23	125	[ICRA]A+ (Positive)
NA	Term Loan 2	27-Sep-19		26-Sep-29	352	[ICRA]A+ (Positive)
NA	Term Loan 3	17-Jul-14		17-Jul-21	89	[ICRA]A+ (Positive)
NA	Term Loan 4	30-Sep-14		17-Jul-21	45	[ICRA]A+ (Positive)
NA	Term Loan 5	11-Jul-17		11-Jul-26	126	[ICRA]A+ (Positive)
NA	Term Loan 6	11-Sep-19		11-Jul-26	40	[ICRA]A+ (Positive)
NA	Term Loan 7	29-Nov-18		15-Nov-27	174	[ICRA]A+ (Positive)
NA	Term Loan 8	26-Mar-20		15-Nov-27	94	[ICRA]A+ (Positive)
NA	Term Loan 9	27-Sep-19		26-Sep-31	67	[ICRA]A+ (Positive)
NA	Term Loan 10	12-Feb-21		31-Jan-25	362	[ICRA]A+ (Positive)
NA	Term Loan 11	16-Sep-20		31-Aug-29	221	[ICRA]A+ (Positive)
NA	OD/Working Capital Limits	-	-	-	2,173	[ICRA]A+ (Positive)
NA	Bank Guarantee / Letter of Credit	-	-	-	850	[ICRA]A+ (Positive)
INE271C07194	NCD-I	19-Mar-20	9.50%	17-Mar-23	500	[ICRA]A+ (Positive)
INE271C07202	NCD-II	25-Mar-21	8.25%	25-Mar-24	500	[ICRA]A+ (Positive)
NA	Commercial Paper (not placed)	-	-	-	1,000	[ICRA]A1
Total					6,718.0	

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Company Name	DLF Ownership	Consolidation Approach
<u>Subsidiary companies at any time during the year</u>	-	
Aaralyn Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Abheek Real Estate Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Abhigyan Builders & Developers Private Limited	100%	Full Consolidation
Abhiraj Real Estate Private Limited	100%	Full Consolidation
Abjayoni Estates Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Adeline Builders & Developers Private Limited	100%	Full Consolidation
Adsila Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Afaaf Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Akina Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Alana Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Alfonso Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Americus Real Estate Private Limited	100%	Full Consolidation
Amishi Builders & Developers Private Limited	100%	Full Consolidation
Ananti Builders & Construction Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Angelina Real Estates Private Limited	100%	Full Consolidation
Anuroop Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Ariadne Builders & Developers Private Limited	100%	Full Consolidation
Arlie Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Armand Builders & Constructions Private Limited	100%	Full Consolidation
Arva Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Atherol Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Balint Real Estates Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Bellanca Builders & Developers Private Limited [w.e.f. 6 February 2020]	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
Blanca Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation

Company Name	DLF Ownership	Consolidation Approach
Breeze Constructions Private Limited	100%	Full Consolidation
Cadence Builders & Constructions Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Cadence Real Estates Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Camden Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Chakradhara Estates Developers Private Limited	100%	Full Consolidation
Chamundeswari Builders Private Limited [w.e.f. 10 April 2019]	100%	Full Consolidation
Chandrajyoti Estate Developers Private Limited	100%	Full Consolidation
Charon Elevators Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Chrysilla Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Cirila Builders And Constructions Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Dae Real Estates Private Limited	100%	Full Consolidation
Daffodil Hotels Private Limited	100%	Full Consolidation
Dalmia Promoters and Developers Private Limited	100%	Full Consolidation
Damalis Builders & Developers Private Limited [w.e.f. 6 February 2020]	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
Demarco Developers And Constructions Private Limited [w.e.f. 6 February 2020]	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 IT Offices Chennai Private Limited	100%	Full Consolidation
DLF Estate Developers Limited	100%	Full Consolidation
DLF Garden City Indore Private Limited	100%	Full Consolidation
DLF Gayatri Home Developers Private Limited [w.e.f. 31 January 2020]	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 Panchkula Private Limited [w.e.f. 25 September 2019]	100%	Full Consolidation
DLF Homes Services Private Limited	100%	Full Consolidation

Company Name	DLF Ownership	Consolidation Approach
DLF Info City Hyderabad Limited	100%	Full Consolidation
DLF Info City Chennai Limited [till 19 November 2019]	100%	Full Consolidation
DLF Info Park (Pune) Limited	100%	Full Consolidation
DLF Info Park Developers (Chennai) Limited [till 30 September 2019]	100%	Full Consolidation
DLF Lands India Private Limited [till 25 April 2019]	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
DLF Southern Towns Private Limited	100%	Full Consolidation
DLF Southern Towns Private Limited	100%	Full Consolidation
DLF Universal Limited	100%	Full Consolidation
DLF Utilities Limited	100%	Full Consolidation
Dome Builders & Developers Private Limited [w.e.f. 6 February 2020]	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
Fabrizio Real Estates Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Faye Builders & Constructions Private Limited	100%	Full Consolidation
Galleria Property Management Services Private Limited	72%	Full Consolidation
Garv Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Garv Promoters Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Garv Realtors Private Limited [w.e.f. 6 February 2020]	100%	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
Grisin Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Hansel Builders & Developers Private Limited	100%	Full Consolidation

Company Name	DLF Ownership	Consolidation Approach
Havard Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Hemadri Real Estate Developers Private Limited [w.e.f. 6 February 2020] (a) and [till 18 August 2020]	100%	Full Consolidation
Hoshi Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Isabel Builders & Developers Private Limited	100%	Full Consolidation
Jayanti Real Estate Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Kambod Real Estates Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Karena Estates Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Karida Real Estates Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Kokolath Builders & Developers Private Limited [w.e.f. 6 February 2020]	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
Laxmibanta Estates Developers Private Limited [w.e.f. 6 February 2020]	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
Luvkush Builders Private Limited [w.e.f. 6 February 2020]		
Mariabella Builders & Developers Private Limited	100%	Full Consolidation
Melosa Builders & Developers Private Limited	100%	Full Consolidation
Mens Buildcon Private Limited	100%	Full Consolidation
Milda Buildwell Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Mohak Real Estate Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Mufallah Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Mujaddid Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Nadish Real Estate Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Naja Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Naja Estates Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation

Company Name	DLF Ownership	Consolidation Approach
Nambi Buildwell Private Limited	100%	Full Consolidation
Narooma Builders & Developers Private Limited	100%	Full Consolidation
Nayef Estates Private Limited [w.e.f. 6 February 2020] (a) [merged with Afaaf Builders & Developers Private Limited]	100%	Full Consolidation
Nellis Builders & Developers Private Limited	100%	Full Consolidation
Nilima Real Estate Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Niobe Builders & Developers Private Limited	100%	Full Consolidation
Nudhar Builders & Developers Private Limited	100%	Full Consolidation
Ophira Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Oriel Real Estates Private Limited [w.e.f. 14 August 2019]	100%	Full Consolidation
Paliwal Developers Limited	100%	Full Consolidation
Paliwal Real Estate Limited	100%	Full Consolidation
Pariksha Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Peace Buildcon Private Limited [w.e.f. 6 February 2020]	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
Qabil Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Rachelle Builders & Constructions Private Limited	100%	Full Consolidation
Raeks Estates Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Rajika Estate Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Rinji Estates Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Riveria Commercial Developers Limited	100%	Full Consolidation
Rochelle Builders & Constructions Private Limited	100%	Full Consolidation
Rosalind Builders & Constructions Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Royalton Builders & Developers Private Limited	100%	Full Consolidation
Sagardutt Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Saket Holidays Resorts Private Limited	100%	Full Consolidation
Seamless Constructions Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Shikhi Estates Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Shivaji Marg Maintenance Services Limited [formerly NewGen MedWorld Hospitals Limited]	100%	Full Consolidation

Company Name	DLF Ownership	Consolidation Approach
Skyrise Home Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Talvi Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Tiberias Developers Limited [formerly DLF Finvest Limited]	100%	Full Consolidation
Uncial Builders & Constructions Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Unicorn Real Estate Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Urvasi Infratech Private Limited	100%	Full Consolidation
Vamil Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Verano Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Vibodh Developers Private Limited	100%	Full Consolidation
Vismay Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Vkarma Capital Investment Management Company Private Limited	100%	Full Consolidation
Vkarma Capital Trustee Company Private Limited	100%	Full Consolidation
Webcity Builders & Developers Private Limited	100%	Full Consolidation
Zanobi Builders & Constructions Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
Zima Builders & Developers Private Limited [w.e.f. 6 February 2020]	100%	Full Consolidation
<u>Partnership Firms (Accounted for as Subsidiaries)</u>		
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
<u>Joint Ventures (JV) and Joint Operations (JO) / Associates (A)</u>		
DLF Gayatri Home Developers Private Limited [till 30 January 2020]	50%	Equity Method
DLF Midtown Private Limited (JV)	50%	Limited Consolidation
DLF SBPL Developers Private Limited (JV)	50%	Equity Method
DLF Urban Private Limited (JV)	50%	Limited Consolidation
Fairleaf Real Estate Private Limited (formerly YG Realty Private Limited) [till 9 October 2019] (JV)	-	Equity Method
DESIGNPLUS GROUP (JV)		
Comprising investment in Designplus Associates Services Private Limited (JV) alongwith its following subsidiary:	42%	Equity Method

Company Name	DLF Ownership	Consolidation Approach
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*	67%	Limited Consolidation
Banjara Hills Hyderabad Complex (JO)	50%	Equity Method
GSG DRDL Consortium (JO)	50%	Equity Method
<u>DCCDL GROUP (JV)^</u>		
<u>Comprising investment in DLF Cyber City Developers Limited along with its following subsidiaries [w.e.f 26 December, 2017]</u>	67%	Equity Method
		Equity Method
DLF Assets Limited		Equity Method
DLF City Centre Limited		Equity Method
DLF Emporio Limited		Equity Method
DLF Info City Chennai Limited (w.e.f. 20 November 2019)		
DLF Info City Developers (Chandigarh) Limited		Equity Method
DLF Info City Developers (Kolkata) Limited		Equity Method
DLF Info Park Developers (Chennai) Limited [w.e.f. 1 October 2019]		
DLF Lands India Private Limited [w.e.f. 26 April 2019]		
DLF Power & Services Limited		Equity Method
DLF Promenade Limited		Equity Method
Richmond Park Property Management Services Limited		Equity Method
Fairleaf Real Estate Private Limited (formerly YG Realty Private Limited) [w.e.f. 10 October 2019] (JV)		Equity Method
Nambi Buildwell Limited [formerly known as Nambi Buildwell Private Limited] [w.e.f. 30 September 2019]		Equity Method
Paliwal Real Estate Limited [w.e.f. 29 May 2019]		Equity Method

Source: Annual report FY2021

[^]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 was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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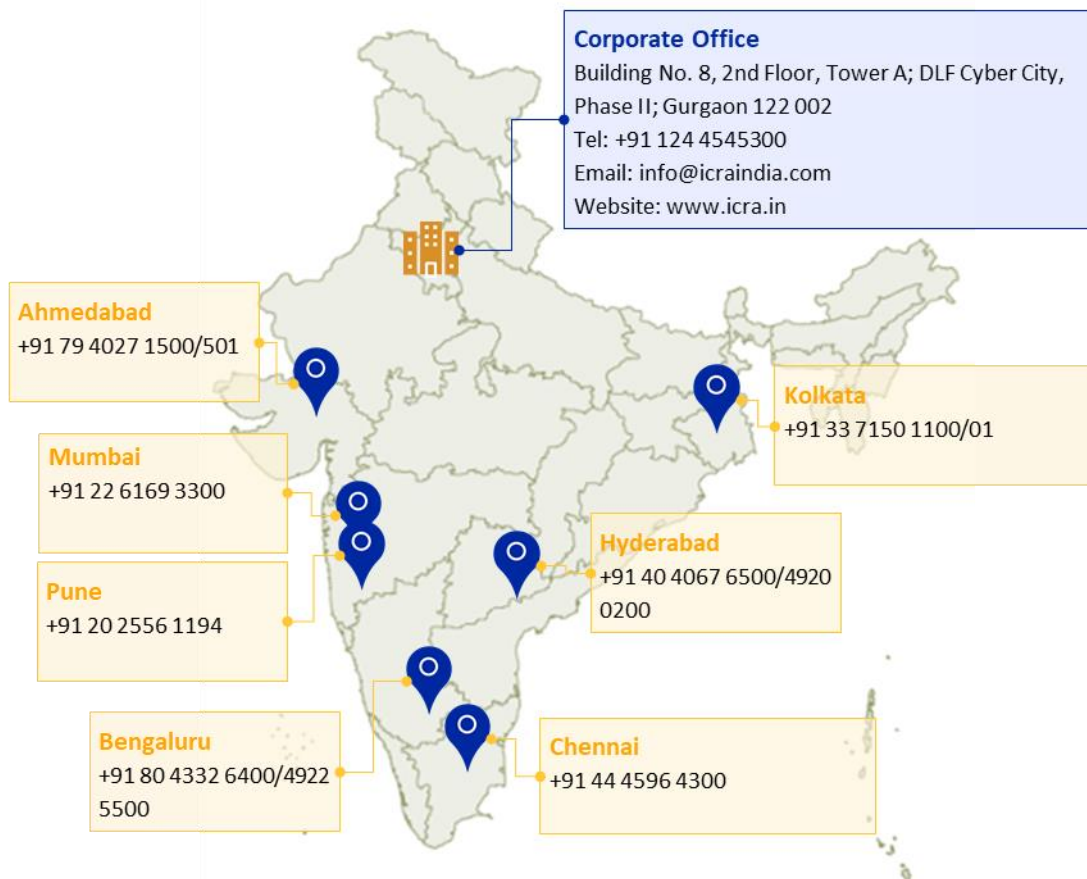
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