

DLF EMPORIO LIMITED

Regd. Office: Shopping Mall, Phase-I, DLF City, Gurugram, Haryana-122 002
(CIN - U74920HR1999PLC034168) Website: www.dlfemporio.com
Tel No: 0124-4778121, Fax No: 0124-4057414, E-mail: dlfemporio@dlf.in

Date: 07.03.2018

To,

The General Manager
Department of Corporate Services,
BSE Limited,
1st Floor, P.J.Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir,

Scrip Code: 950277

ISIN: INE866N07016

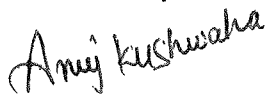
Sub: Re-affirmation of rating assigned by CRISIL Limited

This is to inform you that CRISIL Limited has re-affirmed “**CRISIL AA (SO)/Stable**” rating to 5,250 secured, rated, listed, redeemable non-convertible debentures of face value of Rs.10 Lacs each having coupon rate of 10.90% per annum payable on monthly rests under commercial mortgage backed securities structure aggregating to Rs. 525 Crores (“Debentures”) on March 06, 2018.

We are enclosing herewith the rating rationale dated March 06, 2018 received from CRISIL Limited. You are requested to take the above on your record.

Thanking you,

Yours faithfully,
For DLF Emporio Limited



Anuj Kushwaha
Company Secretary

Encl: as above. ✓ D

Rating Rationale

March 06, 2018 | Mumbai

CRISIL reaffirms ratings on CMBS transactions of DLF Emporio and DLF Promenade
DLF Emporio Ltd

Rs.525 Crores Non-Convertible Debentures Issue	CRISIL AA (SO)/Stable (Reaffirmed)
---	---

DLF Promenade Ltd

Rs.375 Crores Non-Convertible Debentures Issue	CRISIL AA (SO)/Stable (Reaffirmed)
---	---

Refer to Annexure 1 for details on 'Non-Convertible Debentures'

1 crore = 10 million

Detailed Rationale

CRISIL has reaffirmed its 'CRISIL AA (SO)/Stable' rating on the commercial mortgage-backed securities (CMBS; issued as non-convertible debentures [NCDs]) of DLF Emporio Ltd and DLF Promenade Ltd.

The companies are subsidiaries of DLF Cyber City Developers Limited (DCCDL), which is a subsidiary of DLF Ltd (rated CRISIL A+/Stable/A1) with 66.6% stake and the remaining 33.34% stake owned by GIC (sovereign fund of the Government of Singapore). The ratings on the NCDs reflect the quality of the underlying properties' cash flows backed by steady rentals, low vacancy rate and good tenant profile.

Analytical Approach

For arriving at the ratings, CRISIL has evaluated the Issuers' ability to service interest and refinance the NCDs based on the performance of the malls, credit profile of the promoter group, DLF Ltd.

Key Rating Drivers & Detailed Description
Supporting Factors

* **Comfortable Loan-to-value (LTV) protects ability to refinance:** The subsidiaries have a comfortable loan-to-value ratio of less than 50 per cent. Low LTV ratio protects investors from the risk of a material decline in property prices and its consequent impact on refinance/ sale of the property.

* **Low vacancy rate and Stable rentals:** The average rental on DLF Emporio and DLF Promenade is Rs.324 per square feet and Rs.174 per square feet respectively in April'17-Dec'17 period from Rs.325 per square feet and Rs.164 per square feet respectively in April'16-Dec'16 period. During this period, the vacancy was in line with CRISIL's expectations—sub-5 per cent for both malls.

* **Adequate interest cover:** The operating earnings before interest, tax, depreciation and amortisation (EBITDA) for both transactions provide adequate cover for the interest amount due to investors in both transactions. For the nine months ended December 31, 2017, the average interest service coverage ratio (ISCR) was 1.8 times and 2.1 times for the NCDs issued by DLF Emporio Ltd and DLF Promenade Ltd respectively.

Constraining Factors

* **Structure entails refinancing risk:** The structure of the transactions requires that the issuer to pay only interest on the NCDs over five and a half years since issuance; debenture-holders are exposed to the refinancing risk at the end of the indicative maturity.

CRISIL has noted that Securities and Exchange Board of India (SEBI) appealed to Supreme Court of India challenging Securities Appellate Tribunal's (SAT's) order, dated March 13, 2015, allowing DLF and its six executives to access capital markets. The Supreme Court of India is yet to hear SEBI's appeal. CRISIL will continue to monitor this aspect as it may have a bearing on the refinancing of the NCDs.

Even if the issuers are unable to refinance the NCDs by the end of the indicative maturity date, the structural features empower the debenture trustee (DT) to repay investors by selling the underlying properties or pledged shares by the legal final maturity date, which is two years after the indicative maturity date. Such structural features allow the ratings on the transactions to be significantly delinked from the parent rating.

Outlook: Stable

CRISIL believes that the malls of DLF Emporio Ltd and DLF Promenade Ltd will maintain low vacancy rates and steady lease rentals over the medium term because of their location advantage and proficient operational management. The outlook may be revised to 'Positive' if there is significant and sustainable improvement in the subsidiaries' ISCRs, mostly through an increase in revenue, and material appreciation in property value. Conversely, the outlook may be revised to 'Negative' if the ISCRs weaken or value of properties declines. Any non-adherence to the structural features of the transaction will result in a rating downgrade.

About the Issuers

For 2016-17 (refers to financial year, April 1 to March 31), DLF Emporio reported a profit after tax of Rs. 83.0 crores on a total income of Rs. 230.0 crores. For the same period DLF Promenade reported a profit after tax of Rs. 10.5 crores on a total income of Rs. 143.1 crores.

For the nine months ended December 31, 2017, DLF Emporio reported a profit after tax of Rs. 59.6 crores on a total income of Rs. 167.1 crores. For the same period DLF Promenade reported a loss of Rs. 24.4 crores on a total income of Rs. 102.1 crores.

About DLF Ltd

DLF is one of the oldest and largest real estate companies in India. It has a diverse asset portfolio across the real estate segment and is expanding presence across the country. It has experience in developing real estate projects across business and customer segments. As on September 30, 2017, it had 15 msqft of residential and 4.12 msqft of retail and commercial properties under construction, and a total leased asset portfolio of 31.4 msqft.

For the six months ended September 30, 2017, net profit was Rs 125 crore on net sales of Rs 3635 crore (Rs 468 crore and Rs 3938 crore, respectively, for the corresponding period of the previous fiscal).

Key Financial Indicators

As on/for the period ended March 31		2017	2016
Revenue	Rs crore	8,221	9,926
Profit after tax (PAT)	Rs crore	708	305
PAT margins	%	8.6%	3.1%
Adjusted debt/Adjusted networkth	Times	1.18	1.06
Interest coverage	Times	1.39	1.74

Any other information: Not applicable

Complexity Level:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure 1 - Details of Instrument(s)

ISIN	Issuer	Rated Amount (Rs Cr.)	Date of Allotment	Indicative Maturity*	Final Maturity^	Coupon Rate	Outstanding Rating
INE866N07016	DLF Emporio	525	22-05-2014	Nov-19	Nov-21	10.9%	CRISIL AA (SO)/Stable

ISIN	Issuer	Rated Amount (Rs Cr.)	Date of Allotment	Indicative Maturity*	Final Maturity^	Coupon Rate	Outstanding Rating
INE865N07018	DLF Promenade	375	12-06-2014	Dec-19	Dec-21	10.9%	CRISIL AA (SO)/Stable

* Only interest is paid on the NCDs until indicative maturity.

^ NCDs are to be fully redeemed by the final maturity.

Annexure 2: Rating History for last 3 years

Issuer	Type	Current		2017		2016		2015		Start of 2015	
		Quantum (Rs Cr.)	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
DLF Emporio	LT	525	CRISIL AA (SO)/Stable	-	No Rating Change	-	No Rating Change	-	No Rating Change	-	CRISIL AA (SO)/Stable

Table reflects instances where rating is changed or freshly assigned. 'No Rating Change' implies that there was no rating change under the release

Issuer	Type	Current		2016		2015		2014		2014	
		Quantum (Rs Cr.)	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
DLF Promenade	LT	375	CRISIL AA (SO)/Stable	-	No Rating Change	-	No Rating Change	-	No Rating Change	-	CRISIL AA (SO)/Stable

Table reflects instances where rating is changed or freshly assigned. 'No Rating Change' implies that there was no rating change under the release

Links to related criteria

[CRISILs rating methodology for commercial mortgage backed securitisation](#)

For further information contact:

Media Relations	Analytical Contacts	Customer Service Helpdesk
<p>Tanuja Abhinandan Media Relations CRISIL Limited D: +91 22 3342 1818 B: +91 22 3342 3000 tanuja.abhinandan@crisil.com</p> <p>Jyoti Parmar Media Relations CRISIL Limited D: +91 22 3342 1835 B: +91 22 3342 3000 jyoti.parmar@crisil.com</p>	<p>Krishnan Sitaraman Senior Director - CRISIL Ratings CRISIL Limited D: +91 22 3342 8070 krishnan.sitaraman@crisil.com</p> <p>Rohit Inamdar Senior Director - CRISIL Ratings CRISIL Limited D: +91 124 672 2200 rohit.inamdar@crisil.com</p> <p>Deepanshu Singla LCG-Rating Structured Finance CRISIL Limited B: +91 22 3342 3402 deepanshu.singla@crisil.com</p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301</p> <p>For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com</p> <p>For Analytical queries: ratingsinvestordesk@crisil.com</p>

Note for media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL. However, CRISIL alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

About CRISIL Limited

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services.

We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations. With sustainable competitive advantage arising from our strong brand, unmatched credibility, market leadership across businesses, and large customer base, we deliver analysis, opinions, and solutions that make markets function better. Our defining trait is our ability to convert data and information into expert judgements and forecasts across a wide range of domains, with deep expertise and complete objectivity. At the core of our credibility, built up assiduously over the years, are our values: Integrity, Independence, Analytical Rigour, Commitment and Innovation.

CRISIL is majority owned by S&P Global Inc.

For more information, visit www.crisil.com

Connect with us: [LINKEDIN](#) | [TWITTER](#) | [YOUTUBE](#) | [FACEBOOK](#)

About CRISIL Ratings

CRISIL Ratings is part of CRISIL Limited ("CRISIL"). We pioneered the concept of credit rating in India in 1987. CRISIL is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI"). With a tradition of independence, analytical rigour and innovation, CRISIL sets the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 20,800 large and mid-scale corporates and financial institutions. CRISIL has also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We also pioneered a globally unique rating service for Micro, Small and Medium Enterprises (MSMEs) and significantly extended the accessibility to rating services to a wider market. Over 91,000 MSMEs have been rated by us.

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We use your contact information, such as your name, address, and email id, to fulfil your request and service your account and to provide you with additional information from CRISIL and other parts of S&P Global Inc. and its subsidiaries (collectively, the "Company") you may find of interest.

For further information, or to let us know your preferences with respect to receiving marketing materials, please visit www.crisil.com/privacy. You can view the Company's Customer Privacy at <https://www.spglobal.com/privacy>

Last updated: April 2016

DISCLAIMER

This disclaimer forms part of and applies to each credit rating report and/or credit rating rationale that we provide (each a "Report"). For the avoidance of doubt, the term "Report" includes the information, ratings and other content forming part of the Report. The Report is intended for the jurisdiction of India only. This Report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this Report does not create a client relationship between CRISIL and the user.

We are not aware that any user intends to rely on the Report or of the manner in which a user intends to use the Report. In preparing our Report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the Report is not intended to and does not constitute an investment advice. The Report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind or otherwise enter into any deal or transaction with the entity to which the Report pertains. The Report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Rating are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities / instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL assumes no obligation to update its opinions following publication in any form or format although CRISIL may disseminate its opinions and analysis. CRISIL rating contained in the Report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the Report should rely on their own judgment and take their own professional advice before acting on the Report in any way.

Neither CRISIL nor its affiliates, third party providers, as well as their directors, officers, shareholders, employees or agents (collectively, "CRISIL Parties") guarantee the accuracy, completeness or adequacy of the Report, and no CRISIL Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Report. EACH CRISIL PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. CRISIL's public ratings and analysis as are required to be disclosed under the regulations of the Securities and

Exchange Board of India (and other applicable regulations, if any) are made available on its web sites, www.crisil.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about CRISIL ratings are available here: www.crisilratings.com.

CRISIL and its affiliates do not act as a fiduciary. While CRISIL has obtained information from sources it believes to be reliable, CRISIL does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and / or relies in its Reports. CRISIL keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of CRISIL may have information that is not available to other CRISIL business units. CRISIL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL has in place a ratings code of conduct and policies for analytical firewalls and for managing conflict of interest. For details please refer to: <http://www.crisil.com/ratings/highlightedpolicy.html>

CRISIL's rating criteria are generally available without charge to the public on the CRISIL public web site, www.crisil.com. For latest rating information on any instrument of any company rated by CRISIL you may contact CRISIL RATING DESK at CRISILratingdesk@crisil.com, or at (0091) 1800 267 1301.

This Report should not be reproduced or redistributed to any other person or in any form without a prior written consent of CRISIL.

All rights reserved @ CRISIL