

DLF LIMITED

TRINAYAN DAS

General Overview:

Dlf Limited is a Public incorporated on 04 July 1963. It is classified as Non-govt company and is registered at Registrar of Companies, Delhi. Its authorized share capital is Rs. 10,000,000,000 and its paid up capital is Rs. 4,950,623,200. It is involved in Real estate activities with own or leased property. [This class includes buying, selling, renting and operating of self-owned or leased real estate such as apartment building and dwellings, non-residential buildings, developing and subdividing real estate into lots etc. Also included are development and sale of land and cemetery lots, operating of apartment hotels and residential mobile home sites.(Development on own account involving construction is classified in class 4520).] Dlf Limited's Annual General Meeting (AGM) was last held on 23 September 2020 and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2020. Directors of Dlf Limited are Rajiv Singh, Ved Kumar Jain, Ashok Kumar Tyagi, Pramod Bhasin, Gurvirendra Singh Talwar, Pia Singh, Vivek Mehra, Devinder Singh, Amarjit Singh Minocha, Rajiv Krishan Luthra, Priya Paul, Aditya Singh, .

Share Holding Pattern of the Company:

Holder's Name	No of Shares	% Share Holding
NoOfShares	2475311706	100%
Promoters	1840733505	74.36%
ForeignInstitutions	430419146	17.39%
NBanksMutualFunds	43898879	1.77%
Others	25521523	1.03%
GeneralPublic	109344699	4.42%
FinancialInstitutions	10898594	0.44%
ForeignPromoter	14495360	0.59%

Management of DLF Limited:

Name	Designation
A S Minocha	Non Executive Director
Aditya Singh	Non Executive Director
Ashok Kumar Tyagi	Whole Time Director
D V Kapur	Non Executive Director
Devinder Singh	Whole Time Director
G S Talwar	Non Executive Director
K N Memani	Non Executive Director
K P Singh	Chairman Emeritus
Mohit Gujral	WholeTime Director & CEO
Pia Singh	Non Executive Director
Pramod Bhasin	Non Executive Director
Priya Paul	Non Executive Director
Rajeev Talwar	WholeTime Director & CEO
Rajiv Krishan Luthra	Non Executive Director
Rajiv Singh	Chairman
Subhash Setia	Co. Secretary & Compl. Officer
Ved Kumar Jain	Non Executive Director
Vivek Anand	Group Chief Financial Officer

Strengths, Weaknesses, Opportunities & Threats (SWOT) analysis of DLF Limited:

Strengths:

Stocks where Mutual Funds Increased Holdings in Past Month
Consistent Highest Return Stocks over Five Years - Nifty500
Growth in Net Profit with increasing Profit Margin (QoQ)
Company with Low Debt
Increasing profits every quarter for the past 3 quarters
Company with Zero Promoter Pledge
MFs increased their shareholding last quarter

Weaknesses:

Red Flag: High Interest Payments Compared to Earnings
Inefficient use of shareholder funds - ROE declining in the last 2 years
Inefficient use of assets to generate profits - ROA declining in the last 2 years
Poor cash generated from core business - Declining Cash Flow from Operations for last 2 years

Degrowth in Revenue and Profit

Declining Net Cash Flow : Companies not able to generate net cash

Annual net profit declining for last 2 years

Book Value Per Share deteriorating for last 2 years

Major fall in TTM Net Profit

Opportunity:

Rising Delivery Percentage Compared to Prev Day

Broker price or reco upgrades in last month

Rising Delivery Percentage Compared to Previous Day and Month, Strong Volumes

Brokers upgraded recommendation or target price in the past three months

Positive Breakout First Resistance (LTP > R1)

30 Day SMA crossing over 200 Day SMA, and current price greater than open

Street Favorite: High Analyst Rating with at least 20% upside

High Momentum Scores (Technical Scores greater than 50)

Highest Recovery from 52 Week Low

Stock with Low PE (PE < = 10)

Threats:

Red Flags: Firms linked to ongoing regulatory investigations/legal cases

Companies with high market cap, lower public shareholding

Stocks with Expensive Valuations according to the Trendlyne Valuation Score

Increasing Trend in Non-Core Income

Declining profitability: Falling ROCE

Competitive Analysis :

Name	Last Price	Market Cap. (Rs. cr.)	Sales Turnover	Net Profit	Total Assets
DLF	265.05	65,608.14	2,369.95	2,264.31	31,337.84
Godrej Prop	1,281.05	35,605.89	570.42	-42.81	13,268.63
Macrotech Dev	634.30	28,373.40	4,299.69	-185.72	18,943.40
Obero Realty	586.85	21,338.00	849.67	416.62	7,467.15
Phoenix Mills	724.20	12,448.07	444.43	147.56	3,620.57
Prestige Estate	269.90	10,819.26	3,355.80	262.40	9,610.70
NBCC (India)	50.10	9,018.00	5,210.34	79.87	1,523.60
Dilip Buildcon	542.65	7,934.36	8,983.82	424.98	6,340.93
Brigade Ent	259.75	5,478.48	1,523.98	144.56	4,067.67
Sobha	454.95	4,315.01	3,785.80	289.40	5,279.33
Indiabulls Real	84.50	3,841.91	5.96	-139.63	6,724.67
Sunteck Realty	259.35	3,796.74	293.52	103.52	2,374.16
Mahindra Life	547.65	2,814.00	89.64	-52.25	1,556.85
Ahluwalia	292.00	1,956.04	1,884.93	64.44	851.08
Puravankara	80.25	1,903.13	1,271.36	30.51	2,417.35
Kolte-Patil	228.55	1,737.08	712.26	64.20	1,071.26
Welspun Enter	111.75	1,663.56	1,760.05	159.34	2,015.83
JMC Projects	98.15	1,647.99	3,688.79	71.10	1,624.68
Omaxe	80.75	1,476.92	779.59	-94.35	2,231.58
Ashiana Housing	115.00	1,177.05	262.30	-28.19	858.21
Unitech	1.85	484.02	1,144.66	-1,190.65	8,030.17
DB Realty	19.80	481.65	0.46	-145.63	2,765.97
Ajmera Realty	122.95	436.29	322.62	28.22	1,309.65
Parsvnath	8.70	378.61	1,115.98	-93.12	2,360.35
Vipul	29.25	350.95	215.67	1.43	818.59
Arvind Smart	93.15	331.18	151.34	19.38	426.73
Ganesh Housing	64.15	315.79	1.71	-63.28	896.41
Prozone Intu	19.35	295.29	9.51	5.17	847.50
Arihant Super	70.00	288.12	58.73	-1.42	208.22
Jaypee Infra	1.75	243.06	1,584.87	-2,142.76	5,250.67
Marathon Realty	50.85	233.91	81.27	26.86	929.84
HDIL	4.85	229.89	414.19	-13,967.30	237.06
Peninsula Land	6.85	191.25	147.58	-471.87	492.39
Emami Realty	45.05	120.10	801.12	111.57	2,222.14

Conclusion:

DLF has a significant land bank with a developable potential of about 264 mn sq.ft which is spread across multiple cities in the country. Further, considering that a significant portion of DLF's land bank is in prime locations and has been acquired at relatively lower costs, it enhances the inherent profitability of the projects and competitiveness. The diversified as well as low cost land bank also helps DLF in establishing itself as a pan-India player and provides flexibility to launch the projects across various price segments. ICRA has also taken note of the aggressive land acquisition strategy adopted by DLF in the past; however, ICRA continues to derive comfort from the company's stated intent of going in for limited land acquisition in future, given the significant land bank it already has in place. DLF's gross debt levels increased from Rs.25,623 crore as on March 31, 2016 to Rs. 27,812 crore⁶ as on December 31, 2016 on account of weak operational cash flows leading to continued reliance on incremental debt. High debt levels have resulted in moderate debt coverage indicators for the company while also exposing it to refinancing risks given the high repayment obligations falling due in the short to medium term in the backdrop of weak operational cash flows. Nevertheless, ICRA draws comfort from Rs. 3068 crore of cash and cash equivalents with the company at the end of December 31, 2016.