

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2013

₹ in crores

SL NO.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2013 (Reviewed)	30.06.2013 (Reviewed)	30.09.2012 (Reviewed)	30.09.2013 (Reviewed)	30.09.2012 (Reviewed)	31.03.2013 (Audited)
Part I							
1	Income from operations						
	Sales and other receipts	484.22	766.66	356.07	1,250.88	1,148.42	2,150.04
2	Expenditure						
	a) Cost of land, plots, development rights and constructed properties	119.05	174.65	99.11	293.70	16.81	305.57
	b) Employee benefits expense	33.78	25.41	25.97	59.19	47.44	118.55
	c) Depreciation, amortisation and impairment	14.28	35.80	35.78	50.08	71.20	141.89
	d) Other expenses *	249.54	89.52	70.10	339.06	150.00	336.41
	Total	416.65	325.38	230.96	742.03	285.45	902.42
3	Profit from operations before other income, finance costs and exceptional items (1-2)	67.57	441.28	125.11	508.85	862.97	1,247.62
4	Other income **	393.22	271.17	251.31	664.39	487.87	1,154.80
5	Profit from operations before finance costs and exceptional items (3+4)	460.79	712.45	376.42	1,173.24	1,350.84	2,402.42
6	Finance costs	419.63	427.09	418.61	846.72	853.90	1,709.89
7	Profit/(loss) from operations after finance costs but before exceptional items (5-6)	41.16	285.36	(42.19)	326.52	496.94	692.53
8	Exceptional items	92.61	(68.00)	-	24.61	-	-
9	Profit/(loss) from operations before tax (7+8)	133.77	217.36	(42.19)	351.13	496.94	692.53
10	Tax expense ***	50.74	67.20	(22.84)	117.94	146.57	175.86
11	Net Profit/(loss) before prior period item for the period (9-10)	83.03	150.16	(19.35)	233.19	350.37	516.67
12	Prior period expense (net)	-	-	0.19	-	2.76	15.11
13	Net Profit/(loss) (11-12)	83.03	150.16	(19.54)	233.19	347.61	501.56
14	Paid up equity share capital (face value ₹ 2 each)	356.16	355.96	339.71	356.16	339.71	339.74
15	Reserves excluding revaluation reserves	-	-	-	-	-	14,271.96
16	Basic EPS (₹) (on ₹ 2 per share) (not annualised)	0.47	0.86	(0.12)	1.34	2.05	2.95
17	Diluted EPS (₹) (on ₹ 2 per share) (not annualised)	0.47	0.86	(0.11)	1.34	2.04	2.95

Part II - Select information for the quarter ended September 30, 2013

A Particulars of shareholding							
1	Public shareholding						
	- Number of shares	44,60,12,311	44,49,74,114	36,37,60,809	44,60,12,311	36,37,60,809	36,39,15,957
	- Percentage of shareholding	25.05%	25.00%	21.42%	25.05%	21.42%	21.42%
2	Promoters and promoter group shareholding						
	a) Pledged/ Encumbered						
	Number of Shares	-	-	-	-	-	-
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Percentage of Shares (as a % of the total share capital of the Company)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	b) Non-encumbered						
	Number of Shares	1,33,48,03,120	1,33,48,03,120	1,33,48,03,120	1,33,48,03,120	1,33,48,03,120	1,33,48,03,120
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Percentage of Shares (as a % of the total share capital of the Company)	74.95%	75.00%	78.58%	74.95%	78.58%	78.58%
B Investor Complaints							
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	5					
	Disposed of during the quarter	5					
	Remaining unresolved at the end of the quarter	Nil					

* Includes ` 121 crores provision made for diminution in value of investment

** Includes ` 23.91 crores on account of reversal of interest income for Q1

*** Tax expense include deferred tax

Notes to the Standalone Financial Results

1. The above quarterly financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 30, 2013 and have undergone 'Limited Review' by the Statutory Auditors of the Company .
2. The Company is primarily engaged in the business of colonization and real estate development, which as per Accounting Standard – 17 on “Segment Reporting” notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended) is considered to be the only reportable business segment. The Company is primarily operating in India which is considered as a single geographical segment.
3. In terms of the accounting policy for revenue recognition, estimates of projects costs and revenues are reviewed periodically by the management and the impact of any changes in such estimates are recognized in the period in which such changes are determined.
4. Dividend of ₹ 2 per share (100% on the face value of ₹ 2 per equity share) amounting to ₹ 356.09 crores declared at 48th Annual General Meeting held on August 12, 2013 was disbursed from August 20, 2013 onwards.
5. During the quarter, as per the Employee Stock Option Scheme 2006:
 - a) ₹ 3.31 crores has been provided as employee benefit expenses, as the proportionate cost of 2,619,796 numbers of options outstanding as on September 30, 2013.
 - b) The Company has allotted 1,038,197 equity shares of face value of ₹ 2 each to the eligible employees of the Company on account of exercise of vested stock options.
6. The weighted average number of equity shares outstanding during the period has been considered for calculating the Basic and Diluted Earning Per Share (not annualised) in accordance with AS – 20 “Earnings per share”.

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7. **Statement of Assets and Liabilities:**

(₹ in crores)

Particulars	As on September 30, 2013	As on March 31, 2013
A. Equity and Liabilities	(Reviewed)	(Audited)
1 Shareholders' funds		
(a) Share capital	356.16	339.74
(b) Reserves and surplus	16,345.67	14,274.46
Sub-total - Shareholders' funds	16,701.83	14,614.20
2. Share application money pending allotment	0.03	0.00
3. Non-current liabilities		
(a) Long-term borrowings	7,830.89	8,272.01
(b) Deferred tax liabilities (net)	55.41	97.47
(c) Other long-term liabilities	944.20	1,042.81
(d) Long-term provisions	13.65	11.43
Sub-total - Non-current liabilities	8,844.15	9,423.72
4. Current liabilities		
(a) Short-term borrowings	2,377.21	2,829.02
(b) Trade payables	905.33	879.35
(c) Other current liabilities	8,898.66	8,777.03
(d) Short-term provisions	115.72	433.18
Sub-total - Current liabilities	12,296.92	12,918.58
Total – Equity and Liabilities	37,842.93	36,956.50
B. Assets		
1. Non-current assets		
(a) Fixed assets	4,223.87	4,569.62
(b) Non-current investments	6,570.33	6,691.13
(c) Long-term loans and advances	2,241.58	2,632.97
(d) Other non-current assets	55.82	97.45
Sub-total - Non-current assets	13,091.60	13,991.17
2 Current assets		
(a) Current investments	979.88	185.42
(b) Inventories	8,097.76	8,875.60
(c) Trade receivables	325.07	402.48
(d) Cash and cash equivalents	1,291.19	389.39
(e) Short-term loans and advances	6,058.98	5,932.71
(f) Other current assets	7,998.45	7,179.73
Sub-total - Current assets	24,751.33	22,965.33
Total – Assets	37,842.93	36,956.50

8. **Income tax and other matters:**

- a) As already reported, in the earlier quarter(s), disallowance of SEZ profits u/s 80IAB of the Income Tax Act, 1961 were made by the Income Tax Authorities in the Assessment of the Company amounting to ₹ 355.24 crores for the assessment year 2009-10 and ₹ 487.23 crores for assessment year 2008-09.

The Company had filed appeals before the appropriate appellate authorities against the said assessment orders. In certain cases, relief has been granted by the CIT (Appeals). The company and Income Tax Department further preferred the appeals before the ITAT in those cases.

Based on the advice from independent tax experts and the development on the appeals, the management is confident that additional tax so demanded will not be sustained on completion of the appellate proceedings and accordingly, pending the decision by the appellate authorities, no provision has been made in these financial results.

- b) During the year ended March 31, 2011, the Company received judgment from the Hon'ble High Court of Punjab and Haryana cancelling the release/ sale deed of land relating to IT SEZ Project in Gurgaon. The Company has filed Special Leave petitions (SLP) challenging the order in the Hon'ble Supreme Court of India.

The Hon'ble Supreme Court has admitted the matter and stayed the operation of the impugned judgment till further orders.

Based on the advice of the independent legal counsels, the management believes that there is a reasonably strong likelihood of succeeding before the Hon'ble Supreme Court. Pending the final decisions on the above matter, no adjustment has been done in these financial results.

- c) The Competition Commission of India (CCI) on a complaint filed by the Belaire/ Park Place owners associations had passed orders dated August 12, 2011 and August 29, 2011 wherein the CCI had imposed a penalty of ₹ 630 crores on DLF, restrained DLF from formulating and imposing allegedly unfair conditions with buyers in Gurgaon and further ordered to suitably modify the alleged unfair conditions on its buyers.

The said orders of CCI are challenged by DLF on several grounds by filing appeals before the Competition Appellate Tribunal (COMPAT).

COMPAT has granted stay against the orders of CCI imposing penalty. During subsequent hearings they have further ordered that the directions of CCI for modifications of terms of the Agreement shall remain in abeyance.

The appeals are part under hearing before COMPAT for final arguments. Pending the final decisions, no adjustment has been done in these financial results.

9. On July 25, 2013, the Company has signed definitive agreements to sell its 74% equity stake in its the Life Insurance Joint Venture - DLF Pramerica Life Insurance Company Limited, a joint venture with Prudential International Insurance Holdings Ltd, a direct subsidiary of Prudential Financial, Inc USA to Dewan Housing Finance Corporation Limited & its group entities. This transaction is expected to be consummated on receipt of regulatory approvals which are still awaited. Accordingly this company continues to be subsidiary and is consolidated in the consolidated financial results.
10. The definitive agreement executed on July 11, 2013, between the Company and Goyal MG Gases Private Limited (GMGPL) for transferring its undertaking comprising of 11.2 MW capacity wind turbines situated at Karnataka was terminated on September 30, 2013 and a new definitive agreement was executed on September 30, 2013 with Rugby Renergy Private Limited (RRPL), a subsidiary of GMGPL for transferring the aforesaid undertaking on 'as is where is basis' by way of slump sale for lump sum consideration of ₹ 29.25 crores. Subject to the fulfillment of the terms and conditions by both the parties, the said undertaking including assets and liabilities along with relevant long term loans would be transferred to RRPL. As transaction is expected to be consummated on receipt of requisite regulatory approvals and the closing conditions, no effect of the same is taken in these financial results.

11. Hon'ble Supreme Court in the case of L&T on September 26, 2013, has upheld the decision given in case of M/s. K Raheja in 2005 that any agreement with prospective buyers prior to completion of construction will be treated as a Works Contract. Karnataka & Maharashtra states had amended their respective VAT Acts after the decision of K Raheja's case in 2005 and Delhi has amended the VAT Act vide notification issued on September 20, 2013. Except from the state of Kerala, the Company has not received any show cause/assessment notice from any of the states where the projects are located with respect to additional VAT liability in this regard. Based on the terms of the agreement with the Buyers, management is of the opinion that in case the tax is imposed by VAT authorities, the same is recoverable from the respective buyers and don't foresee any material liability. In addition, management is exploring to get legal clarifications on the matter.
12. The Company was selected as successful bidder in a Global Tender issued by Delhi Development Authority (DDA) for Dwarka Project (the project) in FY 2007-08. Total Investment made by the Company in the project as of September 30, 2013 is ₹ 1,075.69 crores, which comprises ₹ 901.08 crores purchase consideration paid to DDA towards cost of land and ₹ 174.61 crores further incurred on construction/development expenses (including interest & overheads) on the project. The Company is under litigation for recovery of this complete amount with DDA and is opposing the suit/claim of DDA for specific performance. The Company had also been under discussion with DDA through Delhi High Court Mediation Cell appointed by Hon'ble High Court of Delhi.

The management based upon opinions of legal experts believes that the investment made (classified under Capital Work in Progress) in the project is fully recoverable and accordingly no adjustment has been done in these financial results.

13. In terms of the definitive Business Transfer Agreement executed on January 31, 2013, between the Company and BLP Vayu (Project 1) Private Limited, a subsidiary of Bharat Light & Power Private Limited to transfer the Company's undertaking comprising of 150MW capacity wind turbines situated at Kutch, Gujarat. On receipts of required regulatory approvals and permissions, the Company has transferred the said undertaking including related assets and liabilities along with relevant long term loans on 'as is where is basis' by way of slump-sale for a lump sum consideration of ₹ 325.38 crores on July 05, 2013. Profit before tax on transfer of this undertaking amounting to ₹ 90.64 crores, is classified as exceptional item in these financial results.

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14. **Statement for utilisation of proceeds from Institutional Placement Programme ('IPP') as at September 30, 2013:**

Particulars	Received/Utilisation of the amount upto September 30, 2013
Proceeds	
Proceeds of Institutional Placement Programme ('IPP') of the Company pursuant to its Prospectus dated May 16, 2013:	
Equity Share Capital	1,620.37
Share Premium	184,721.99
Total Receipts	186,342.36
Utilisation	
General corporate purposes, working capital requirements and capital expenditure or other purposes	32,205.95
Repayment of borrowings	151,941.37
Fees and expenses in relation to IPP	2,195.04
Total Utilisation	186,342.36

15. The previous period figures have been regrouped/ recast wherever necessary to make them comparable with those of the current period.

On behalf of the Board of Directors

Place: New Delhi
Date: October 30, 2013

T. C. Goyal
Managing Director