

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014

₹ in crores

SL NO.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2014 (Reviewed)	30.06.2014 (Reviewed)	30.09.2013 (Reviewed)	30.09.2014 (Reviewed)	30.09.2013 (Reviewed)	31.03.2014 (Audited)
Part I							
1	Income from operations						
	Sales and other receipts	796.93	537.90	484.22	1,334.83	1,250.88	2,385.94
2	Expenditure						
	a) Cost of land, plots, development rights and constructed properties	146.20	142.62	119.05	288.82	293.70	634.77
	b) Employee benefits expense	20.70	24.04	33.78	44.74	59.19	108.48
	c) Depreciation, amortisation and impairment	13.94	14.88	14.28	28.82	50.08	77.98
	d) Other expenses #	153.23	75.14	249.54	228.37	339.06	409.19
	Total	334.07	256.68	416.65	590.75	742.03	1,230.42
3	Profit from operations before other income, finance costs and exceptional items (1-2)	462.86	281.22	67.57	744.08	508.85	1,155.52
4	Other income	208.98	224.48	393.22	433.46	664.39	1,439.94
5	Profit from operations before finance costs and exceptional items (3+4)	671.84	505.70	460.79	1,177.54	1,173.24	2,595.46
6	Finance costs	358.06	377.90	419.63	735.96	846.72	1,666.81
7	Profit from operations before exceptional items and tax (5-6)	313.78	127.80	41.16	441.58	326.52	928.65
8	Exceptional items (net)	-	(29.49)	92.61	(29.49)	24.61	(390.16)
9	Profit from operations before tax (7+8)	313.78	98.31	133.77	412.09	351.13	538.49
10	Tax expense *	91.68	25.67	50.74	117.35	117.94	8.82
11	Net Profit before prior period item for the period (9-10)	222.10	72.64	83.03	294.74	233.19	529.67
12	Prior period expense (net)	1.36	-	-	1.36	-	2.83
13	Net Profit (11-12)	220.74	72.64	83.03	293.38	233.19	526.84
14	Paid up equity share capital (face value ₹ 2 each)	356.39	356.32	356.16	356.39	356.16	356.29
15	Reserves excluding revaluation reserves	-	-	-	-	-	16,284.73
16	Basic EPS (₹) (on ₹ 2 per share) (not annualised)	1.24	0.41	0.47	1.65	1.34	2.98
17	Diluted EPS (₹) (on ₹ 2 per share) (not annualised)	1.24	0.41	0.47	1.64	1.34	2.97
Part II - Select information for the quarter and half year ended September 30, 2014							
A Particulars of shareholding							
1	Public shareholding						
	- Number of shares	44,71,24,247	44,68,19,699	44,60,12,311	44,71,24,247	44,60,12,311	44,66,48,187
	- Percentage of shareholding	25.09%	25.08%	25.05%	25.09%	25.05%	25.07%
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)	74.91%	74.92%	74.95%	74.91%	74.95%	74.93%
B Investor Complaints							
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	7					
	Disposed during the quarter	6					
	Remaining unresolved at the end of the quarter	1					

Figures of the current quarter ended September 30, 2014, includes ` 36.52 crores - amounts written off and figures for corresponding previous year quarter ended September 30, 2013 includes `121 crores - provision made for diminution in value of investment.

* 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 November 13, 2014 and have undergone 'Limited Review' by the Statutory Auditors of the Company.
2. The financial results have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013.
3. 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 read with Rule 7 of Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 is considered to be the only reportable business segment. The Company is primarily operating in India which is considered as a single geographical segment.
4. Dividend of ₹ 2 per share (100% on the face value of ₹ 2 per equity share) amounting to ₹ 356.35 crores declared at 49th Annual General Meeting held on August 29, 2014 was disbursed from September 05, 2014 onwards.
5. In terms of the accounting policy for revenue recognition, estimates of revenues and costs 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.
6. In accordance with the requirements of Schedule II to the Companies Act, 2013, the Company has re-assessed the useful lives of the fixed assets (including rented buildings classified under current assets). The depreciation for the quarter ended September 30, 2014 is lower by ₹ 2.25 crores due to change in useful lives. Further an amount of ₹ 5.39 crores (net of deferred tax) has been adjusted to the opening balance of the retained earnings whose remaining useful life is nil as at April 01, 2014.
7. During the quarter, as per the Employee Stock Option Scheme 2006:
 - a) ₹ 0.97 crores has been provided as employee benefit expenses, as the proportionate cost of 1,640,173 numbers of options outstanding as on September 30, 2014.
 - b) The Company has allotted 304,548 equity shares of face value of ₹ 2/- each to the eligible employees of the Company on account of exercise of vested stock options.
8. 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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Notes to the Standalone Financial Results

9. Statement of Assets and Liabilities:

(₹ in crores)

Particulars	As on September 30, 2014 (Reviewed)	As on March 31, 2014 (Audited)
A. Equity and Liabilities		
1. Shareholders' funds		
(a) Share capital	356.39	356.29
(b) Reserves and surplus	16,579.70	16,287.23
Sub-total - Shareholders' funds	16,936.09	16,643.52
2. Share application money pending allotment	0.00	0.02
3. Non-current liabilities		
(a) Long-term borrowings	7,809.14	7,152.77
(b) Deferred tax liabilities (net)	95.30	85.29
(c) Other long-term liabilities	672.25	802.83
(d) Long-term provisions	14.40	12.41
Sub-total - Non-current liabilities	8,591.09	8,053.30
4. Current liabilities		
(a) Short-term borrowings	2,572.68	2,510.35
(b) Trade payables	771.78	793.09
(c) Other current liabilities	7,409.56	9,204.50
(d) Short-term provisions	105.89	370.56
Sub-total - Current liabilities	10,859.91	12,878.50
Total – Equity and Liabilities	36,387.09	37,575.34
B. Assets		
1. Non-current assets		
(a) Fixed assets	3,631.60	3,409.50
(b) Non-current investments	7,466.60	7,460.71
(c) Long-term loans and advances	2,268.64	3,215.69
Sub-total - Non-current assets	13,366.84	14,085.90
2 Current assets		
(a) Current investments	1,445.81	-
(b) Inventories	7,794.71	8,112.24
(c) Trade receivables	161.51	200.82
(d) Cash and cash equivalents	1,223.81	551.47
(e) Short-term loans and advances	2,644.38	4,851.95
(f) Other current assets	9,750.03	9,772.96
Sub-total - Current assets	23,020.25	23,489.44
Total – Assets	36,387.09	37,575.34

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Notes to the Standalone Financial Results

10. **Certain matters pending with Competition Commission of India and various Courts/ Appellate authorities.**

- a. The Competition Commission of India (CCI) on a complaint filed by the Bellaire / Park Place owners Association had passed orders dated August 12, 2011 and August 29, 2011 wherein the CCI had imposed a penalty of ₹ 630 crores on DLF, restraining 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 were challenged by DLF on several grounds by filing appeals before the Competition Appellate Tribunal (COMPAT). The COMPAT pending hearing and till final orders had granted stay on demand of penalty of ₹ 630 Crores imposed by CCI.

COMPAT vide its order dated May 19, 2014 accepted the arguments of DLF that since the agreements were entered into prior to coming into force section 4 of the Act, the clauses of the agreements entered in 2006-07 could not be looked into for establishing contravention of section 4 of the Act, however COMPAT held that the company is a dominant player in Gurgaon being the relevant market and has abused its dominant position in relation to certain actions which is violative of Section 4 of the Act and has accordingly upheld the penalty imposed by CCI.

COMPAT further held that CCI could not have directed modifications of the Agreement as the power to modify the agreement under Section 27 is only in relation to Section 3 and cannot be applied for any action in contravention of Section 4 of the Act.

COMPAT allowed time of 60 days for payment of the penalty of ₹ 630 crores alongwith applicable interest.

The Company has filed an Appeal in the Supreme Court against the order dated May 19, 2014 passed by the COMPAT. The Hon'ble Supreme Court vide order dated August 27, 2014 admitted the appeal and directed the company to deposit penalty of ₹ 630 crore in the Court within 3 months out of which ₹ 50 crores was directed to be deposited within 3 weeks.

As per the direction, the Company has filed an undertaking for payment of interest if so applicable and deposited ₹ 50 crores on September 17, 2014 with the Hon'ble Supreme Court. The appeal will come up for hearing in due course.

- b. As already reported, in the earlier period(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 raising demands amounting to ₹ 73.09 crores for the assessment year 2011-12; ₹ 355.24 crores for the assessment year 2009-10 and ₹ 487.23 crores for assessment year 2008-09 respectively.

During the quarter ended September 30, 2014, further disallowance of SEZ profits u/s 80IAB of the Income Tax Act was made by the Income Tax Authority towards the Company raising demand amounting to ₹ 72.85 crores for the assessment year 2010-11.

The Company had filed appeals before the appropriate appellate authorities against these demands for the said assessment years. In certain cases partial/full relief has been granted by the Appellate Authorities. The Company and Income Tax Department have further preferred appeals before the higher authorities in those cases.

Notes to the Standalone Financial Results

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.

- c. 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 filed Special Leave petitions (SLP) challenging the orders in the Hon'ble Supreme Court of India.

The Hon'ble Supreme Court has admitted the matter and stayed the operation of the impugned judgments 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.

- d. i) Securities and Exchange Board of India (SEBI) had issued a Show Cause Notice (SCN) dated June 25, 2013 under Sections 11(1), 11(4), 11A and 11B of the SEBI Act, 1992 ("the Act") read with clause 17.1 of the SEBI (Disclosure & Investor Protection) Guidelines, 2000 ("DIP Guidelines") and Regulation 111 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), and levelled certain allegations in the same.

The Company filed its reply with SEBI, placed written submissions and participated in the hearings conducted by the Hon'ble Whole Time Member, in which it replied to each allegation levelled in the said Show Cause Notice (SCN).

The Hon'ble Whole Time member however rejected the reply filed by the Company and vide its order dated October 10, 2014 has restrained the Company and six others from accessing the securities market for a period of three years.

The Company has filed an appeal against the said order before Securities Appellate Tribunal (SAT). Vide order dated October 30, 2014 the Ld. Tribunal has taken the case on expeditious hearing and directed SEBI to file its reply to the appeal within four weeks and has listed the appeal for final hearing on December 10, 2014. Meanwhile, the Company applied for certain interim reliefs from SAT to redeem its mutual fund investments, which has been granted by SAT on November 05, 2014.

- ii) SEBI also issued a SCN dated August 28, 2013 under Sections 15HA and 15HB of the SEBI Act, 1992 and under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 ("Adjudication Rules"), hearing on which has been completed and the Company has filed its written synopsis/submissions. The order from SEBI on the said notice is awaited.

The company and its legal advisors believe that it has not acted in contravention of law either during its initial public offer or otherwise. The Company has full faith in the judicial process and is confident of vindication of its stand in the near future.

Notes to the Standalone Financial Results

11. ICRA & CRISIL has placed its ratings on the bank facilities and debt instruments of the Company on “Rating Watch with Negative Implications”.
12. 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 and Haryana has also amended the VAT Act vide notifications issued on August 12, 2014 & amnesty enabling provision has notified on November 05, 2014 for the period prior to March 31, 2014. Except from the state of Kerala, Haryana and Punjab, the Group 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. Further the Company’s plea for impleadment with L&T case in Hon’ble Supreme Court has been allowed, which will come up for hearing before regular bench for final order in due course of time.

Moreover 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 do not foresee any material liability

13. A petition was filed as a Public Interest Litigation (PIL) before the Hon’ble Punjab & Haryana High Court stating that the petitioner therein was a resident of Village Wazirabad, Gurgaon. The petitioner challenged the action of the Government to acquire the land belonging to Gram Panchayat of village Wazirabad, District Gurgaon for public purpose and thereafter selling the same to DLF whereby directions were sought from the court for quashing of the acquisition proceedings under Sections 4 & 6 dated August 08, 2003 and January 20, 2004.

The Petitioner therein also sought quashing of the award dated January 19, 2006 and the regular letter of allotment (RLA) dated February 09, 2010 issued in favour of the Company for 350.715 acres of land.

The High Court , vide its final order dated September 03, 2014, while upholding the acquisition of land has however disapproved the allotment in favor of the Company. The High Court passed an order to keep the RLA dated February 09, 2010 issued in favour of the Company in abeyance and further directed the Haryana State Industrial and Infrastructure Development Corporation (HSIIDC) to initiate fresh allotment process for higher returns in respect of the land in question with an option to state to revive the RLA in case no better bid is quoted by the public at large.

The Company has filed a special leave petition before the Hon’ble Supreme Court challenging the judgement dated September 03, 2014 passed by Punjab & Haryana High Court.

14. 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: November 13, 2014

T. C. Goyal
Managing Director