DLF Limited
Regd. Office: Shopping Mall 3rd Floor, Arjun Marg, Phase I DLF City, Gurgaon - 122 022 (Haryana)

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2013

₹ in crores

SL NO.	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2013 (Reviewed)	30.09.2013 (Reviewed)	31.12.2012 (Reviewed)	31.12.2013 (Reviewed)	31.12.2012 (Reviewed)	31.03.2013 (Audited)
Part I							
1	**Income from operations**						
	Sales and other receipts	702.53	484.22	184.43	1,953.41	1,332.85	2,150.04
2	**Expenditure**						
	a) Cost of land, plots, development rights and constructed properties	196.68	119.05	124.09	490.38	140.90	305.57
	b) Employee benefits expense	22.46	33.78	31.92	81.65	79.36	118.55
	c) Depreciation, amortisation and impairment	12.96	14.28	35.86	63.04	107.06	141.89
	d) Other expenses *	(3.78)	249.54	111.17	335.28	261.17	336.41
	Total	**228.32**	**416.65**	**303.04**	**970.35**	**588.49**	**902.42**
3	**Profit /(loss) from operations before other income, finance costs and exceptional items (1-2)**	**474.21**	**67.57**	**(118.61)**	**983.06**	**744.36**	**1,247.62**
4	Other income	132.21	393.22	480.09	796.60	967.96	1,154.80
5	**Profit from operations before finance costs and exceptional items (3+4)**	**606.42**	**460.79**	**361.48**	**1,779.66**	**1,712.32**	**2,402.42**
6	Finance costs	417.50	419.63	435.67	1,264.22	1,289.57	1,709.89
7	**Profit /(loss) from operations before exceptional items and tax (5-6)**	**188.92**	**41.16**	**(74.19)**	**515.44**	**422.75**	**692.53**
8	Exceptional items (net)	(411.39)	92.61	-	(386.78)	-	-
9	**(Loss)/ profit from operations before tax (7+8)**	**(222.47)**	**133.77**	**(74.19)**	**128.66**	**422.75**	**692.53**
10	Tax expense **	(106.81)	50.74	(32.08)	11.13	114.49	175.86
11	**Net (loss)/ profit before prior period item for the period (9-10)**	**(115.66)**	**83.03**	**(42.11)**	**117.53**	**308.26**	**516.67**
12	Prior period expense (net)	-	-	-	-	2.76	15.11
13	**Net (loss)/ profit (11-12)**	**(115.66)**	**83.03**	**(42.11)**	**117.53**	**305.50**	**501.56**
14	Paid up equity share capital (face value ₹ 2 each)	356.29	356.16	339.73	356.29	339.73	339.74
15	Reserves excluding revaluation reserves	-	-	-	-	-	14,271.96
16	Basic EPS (₹) (on ₹ 2 per share) (not annualised)	(0.65)	0.47	(0.25)	0.67	1.80	2.95
17	Diluted EPS (₹) (on ₹ 2 per share) (not annualised)	(0.65)	0.47	(0.25)	0.66	1.79	2.95
Part II - Select information for the quarter ended December 31, 2013							
A	**Particulars of shareholding**						
1	Public shareholding						
	- Number of shares	44,66,23,627	44,60,12,311	36,38,64,386	44,66,23,627	36,38,64,386	36,39,15,957
	- Percentage of shareholding	25.07%	25.05%	21.42%	25.07%	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)	74.93%	74.95%	78.58%	74.93%	78.58%	78.58%

B	**Investor Complaints**	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	10
	Disposed of during the quarter	10
	Remaining unresolved at the end of the quarter	Nil

* Includes reversal of ` 121 crores provision made durig the previous quarter for dimunition in value of investment on completion of transaction.
** 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 February 14, 2014 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. During the quarter, as per the Employee Stock Option Scheme 2006:

   a) ₹ 1.73 crores has been provided as employee benefit expenses, as the proportionate cost of 2,313,000 numbers of options outstanding as on December 31, 2013.

   b) The Company has allotted 611,316 equity shares of face value of ₹ 2 each to the eligible employees of the Company on account of exercise of vested stock options.

5. 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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6. **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. Post completion of all the conditions precedent including regulatory approvals, the Company has sold its entire 74% equity stake in its Life Insurance Joint Venture – DLF Pramerica Life Insurance Company Limited (DPLI) to Dewan Housing Finance Corporation Limited & its group entities. Subsequent to disinvestment, DPLI has ceased to be a subsidiary of the company w.e.f December 19, 2013.

10. The definitive agreement executed on July 11, 2013, between the Company and Goyal MG Gases Private Limited (GMGPL) for transferring it's 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. 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, the company is exploring to get legal clarifications from the appropriate Forum.

12. Subsequent to the quarter end, the Company entered into a final settlement with Delhi Development Authority ("DDA") in the Dwarka Convention Centre project. Pursuant to the terms of the settlement agreement, the Company received a refund of ₹ 675.81 crores from DDA as full and final settlement, after forfeiture of 25% of the earnest money. Though, the transaction was completed subsequent to the quarter end, a forseeable loss of ₹ 411.39 crores is recorded and disclosed as an exceptional item in these financial results.

13. 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: February 14, 2014

T. C. Goyal
Managing Director