

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

₹ in crores

Sl NO.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2014 (Audited)	31.12.2013 (Reviewed)	31.03.2013 (Audited)	31.03.2014 (Audited)	31.03.2013 (Audited)
Part I						
1	Income from operations					
	Sales and other receipts	432.53	702.53	817.19	2,385.94	2,150.04
2	Expenditure					
	a) Cost of land, plots, development rights and constructed properties	144.39	196.68	164.67	634.77	305.57
	b) Employee benefits expense	26.83	22.46	39.19	108.48	118.55
	c) Depreciation, amortisation and impairment	14.94	12.96	34.83	77.98	141.89
	d) Other expenses	73.91	(3.78)	75.24	409.19	336.41
	Total	260.07	228.32	313.93	1,230.42	902.42
3	Profit from operations before other income, finance costs and exceptional items (1-2)	172.46	474.21	503.26	1,155.52	1,247.62
4	Other income	643.34	132.21	186.84	1,439.94	1,154.80
5	Profit from operations before finance costs and exceptional items (3+4)	815.80	606.42	690.10	2,595.46	2,402.42
6	Finance costs	402.59	417.50	420.32	1,666.81	1,709.89
7	Profit from operations before exceptional items and tax (5-6)	413.21	188.92	269.78	928.65	692.53
8	Exceptional items (net)	(3.38)	(411.39)	-	(390.16)	-
9	Profit/ (loss) from operations before tax (7+8)	409.83	(222.47)	269.78	538.49	692.53
10	Tax expense *	(2.31)	(106.81)	61.37	8.82	175.86
11	Net Profit/(loss) before prior period item for the period (9-10)	412.14	(115.66)	208.41	529.67	516.67
12	Prior period expense (net)	2.83	-	12.35	2.83	15.11
13	Net Profit/ (loss) (11-12)	409.31	(115.66)	196.06	526.84	501.56
14	Paid up equity share capital (face value ₹ 2 each)	356.29	356.29	339.74	356.29	339.74
15	Reserves excluding revaluation reserves	16,284.73	-	-	16,284.73	14,271.96
16	Basic EPS (₹) (on ₹ 2 per share) (not annualised)	2.30	(0.65)	1.15	2.98	2.95
17	Diluted EPS (₹) (on ₹ 2 per share) (not annualised)	2.29	(0.65)	1.15	2.97	2.95

Part II - Select information for the quarter and year ended March 31, 2014

A Particulars of shareholding						
1	Public shareholding					
	- Number of shares	44,66,48,187	44,66,23,627	36,39,15,957	44,66,48,187	36,39,15,957
	- Percentage of shareholding	25.07%	25.07%	21.42%	25.07%	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%
	Percentage of Shares (as a % of the total share capital of the Company)	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
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	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%	74.93%	78.58%	74.93%	78.58%
B Investor Complaints						
	Pending at the beginning of the quarter	Nil				
	Received during the quarter	6				
	Disposed during the quarter	6				
	Remaining unresolved at the end of the quarter	Nil				

* Tax expense include deferred tax

Notes to the Standalone Financial Results

1. The above quarterly and annual financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 29, 2014 and have been audited by the Statutory Auditors of the Company. Figures for the quarters ended March 31, 2013 and 2014 represents the balancing figures between the audited figures for the full financial year and the published year to date figures upto the third quarter of the respective financial year.
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. The Board of Directors have recommended a dividend of ₹ 2/- per share (100%) on equity shares of ₹ 2/- each, for the financial year ended March 31, 2014 for the approval of shareholders.
4. 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.
5. During the quarter, as per the Employee Stock Option Scheme 2006:
 - a) ₹ 3.68 crores has been provided as employee benefit expenses, as the proportionate cost of 2,306,906 numbers of options outstanding as on March 31, 2014.
 - b) The Company has allotted 24,560 equity shares of face value of ₹ 2/- each to the eligible employees of the Company on account of exercise of vested stock options.

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6. Statement of Assets and Liabilities:

(₹ in crores)

Particulars	As on March 31, 2014 (Audited)	As on March 31, 2013 (Audited)
A. Equity and Liabilities		
1. Shareholders' funds		
(a) Share capital	356.29	339.74
(b) Reserves and surplus	16,287.23	14,274.46
Sub-total - Shareholders' funds	16,643.52	14,614.20
2. Share application money pending allotment	0.02	0.00
3. Non-current liabilities		
(a) Long-term borrowings	7,152.77	8,272.01
(b) Deferred tax liabilities (net)	85.29	97.47
(c) Other long-term liabilities	802.83	1,042.81
(d) Long-term provisions	12.41	11.43
Sub-total - Non-current liabilities	8,053.30	9,423.72
4. Current liabilities		
(a) Short-term borrowings	2,510.35	2,829.02
(b) Trade payables	793.09	879.35
(c) Other current liabilities	9,204.50	8,777.03
(d) Short-term provisions	370.56	433.18
Sub-total - Current liabilities	12,878.50	12,918.58
Total – Equity and Liabilities	37,575.34	36,956.50
B. Assets		
1. Non-current assets		
(a) Fixed assets	3,409.50	4,569.62
(b) Non-current investments	7,460.71	6,691.13
(c) Long-term loans and advances	3,215.69	2,631.12
(d) Other non-current assets	-	97.45
Sub-total - Non-current assets	14,085.90	13,989.32
2 Current assets		
(a) Current investments	-	185.42
(b) Inventories	8,112.24	8,875.60
(c) Trade receivables	200.82	402.48
(d) Cash and cash equivalents	551.47	389.39
(e) Short-term loans and advances	4,851.95	5,075.57
(f) Other current assets	9,772.96	8,038.72
Sub-total - Current assets	23,489.44	22,967.18
Total – Assets	37,575.34	36,956.50

7. 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”.

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

- a) 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 ₹ 355.24 crores for the assessment year 2009-10 and ₹ 487.23 crores for assessment year 2008-09.

During the quarter ended March, 31, 2014, further disallowance of SEZ profits u/s 80IAB of the Income Tax Act were made by the Income Tax Authorities towards the Company raising demand amounting to ₹ 73.09 crores for the assessment year 2011-12.

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 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 respective judgments 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 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.

- c) 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).

COMPAT by its order dated May 19, 2014 has held that the CCI could not have entered into an enquiry into the clauses of the Agreement which were entered into prior to the advent of Section 4 of the Act. 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.

However COMPAT held DLF a dominant player in Gurgaon and has considered certain actions by DLF to be violative of the Competition Act and has accordingly upheld the penalty imposed by CCI.

The Company shall file an appeal before the Supreme Court to challenge the order of COMPAT within 60 days.

COMPAT at the request of the Company, has allowed time of 60 days for payment of the penalty alongwith applicable interest. Pending the final decisions on the above matter, no adjustment has been done in these financial results.

9. On September 30, 2013, A Business Transfer Agreement was executed, between the Company and Rugby Renergy Private Limited, a subsidiary of Goyal MG Gases Private Limited to transfer the Company's undertaking comprising of 11.2 MW capacity wind turbines situated at Karnataka. 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 ₹ 26.25 crores on March 10, 2014. Profit before tax of ₹ 2.55 crores is classified as exceptional items in these financial results.
10. 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, 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.
11. 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 resulting loss amounting to ₹ 410.72 crores which is shown as exceptional item in these financial results.
12. ICRA has reaffirmed the long-term rating of [ICRA] A (pronounced ICRA A) assigned earlier to ₹ 4,000 crore NCD programme, ₹ 10,169 crore (reduced from the earlier ₹ 11,118 crore) fund based facilities and ₹ 1,160 crore (reduced from the earlier ₹ 1,636 crore) non-fund based facilities of Company. The long term rating carries a stable outlook.
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: May 29, 2014

T. C. Goyal
Managing Director