

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016

(₹ in crores)

SL NO.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2016 (Audited)*	31.12.2015 (Reviewed)	31.03.2015 (Audited)*	31.03.2016 (Audited)	31.03.2015 (Audited)
1	Income from operations					
	Sales and other receipts	1,133.87	75.58	817.86	2,451.34	3,016.69
2	Expenses					
	a) Cost of land, plots, development rights, constructed properties and others	465.75	230.51	249.38	1,202.24	874.71
	b) Employee benefits expense	25.45	24.58	35.90	87.19	107.58
	c) Depreciation, amortisation and impairment	27.18	18.04	12.95	74.74	55.82
	d) Other expenses	109.45	132.27	99.44	375.50	399.08
	Total Expenses	627.83	405.40	397.67	1,739.67	1,437.19
3	Profit/(Loss) from operations before other income, finance costs and exceptional item (1-2)	506.04	(329.82)	420.19	711.67	1,579.50
4	Other income	462.93	271.55	457.39	1,121.25	1,045.19
5	Profit/(Loss) from ordinary activities before finance costs and exceptional item (3+4)	968.97	(58.27)	877.58	1,832.92	2,624.69
6	Finance costs	319.57	363.54	324.63	1,377.50	1,403.34
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional item and tax (5-6)	649.40	(421.81)	552.95	455.42	1,221.35
8	Exceptional item	561.03	-	-	513.48	(29.49)
9	Profit/(Loss) from ordinary activities before tax (7+8)	1,210.43	(421.81)	552.95	968.90	1,191.86
10	Tax expense **	119.46	(182.69)	91.36	(8.68)	278.11
11	Net Profit/(Loss) from ordinary activities after tax but before prior period item (9-10)	1,090.97	(239.12)	461.59	977.58	913.75
12	Prior period expense (net)	2.03	0.37	(27.75)	3.02	(26.32)
13	Net Profit/(Loss) for the period/year (11-12)	1,088.94	(239.49)	489.34	974.56	940.07
14	Paid up equity share capital (face value ₹ 2 each)	356.74	356.63	356.39	356.74	356.39
15	Reserves excluding revaluation reserves				17,493.33	16,870.50
16	Basic EPS (₹) (on ₹ 2 per share) (not annualised)	6.11	(1.34)	2.75	5.47	5.28
17	Diluted EPS (₹) (on ₹ 2 per share) (not annualised)	6.10	(1.34)	2.74	5.46	5.27

* refer note 1

** 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 27, 2016 and have been audited by the Statutory Auditors of the Company. Figures for the quarters ended March 31, 2016 and 2015 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” specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (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 that the interim dividend of ₹ 2 per equity shares paid to those members of the Company whose names appear in the Register of the Members and as beneficial owners as on March 29, 2016 (‘the Record Date’), be considered as final dividend for the financial year ended March 31, 2016.
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) No amount has been provided as employee benefit expense and there are no options outstanding as on March 31, 2016.
 - b) The Company has allotted 590,155 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”.

Notes to the Standalone Financial Results

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

(₹ in crores)

Particulars	As on March 31, 2016 (Audited)	As on March 31, 2015 (Audited)
A. Equity and Liabilities		
1. Shareholders' funds		
(a) Share capital	356.74	356.39
(b) Reserves and surplus	17,493.33	16,873.00
Sub-total - Shareholders' funds	17,850.07	17,229.39
2. Share application money pending allotment	0.00	-
3. Non-current liabilities		
(a) Long-term borrowings	6,385.71	8,096.35
(b) Deferred tax liabilities (net)	-	91.49
(c) Other long-term liabilities	1,004.42	941.36
(d) Long-term provisions	17.64	16.63
Sub-total - Non-current liabilities	7,407.77	9,145.83
4. Current liabilities		
(a) Short-term borrowings	2,033.77	2,499.65
(b) Trade payables	563.06	548.22
(c) Other current liabilities	5,823.68	5,996.37
(d) Short-term provisions	11.43	565.40
Sub-total - Current liabilities	8,431.94	9,609.64
Total – Equity and Liabilities	33,689.78	35,984.86
B. Assets		
1. Non-current assets		
(a) Fixed assets	4,099.41	4,095.96
(b) Non-current investments*	3,618.06	7,476.30
(c) Deferred tax assets (net)	1.66	-
(d) Long-term loans and advances	5,438.41	3,389.98
Sub-total - Non-current assets	13,157.54	14,962.24
2 Current assets		
(a) Inventories	8,111.72	7,508.55
(b) Trade receivables	267.04	212.13
(c) Cash and cash equivalents	1,047.65	953.94
(d) Short-term loans and advances	2,121.58	1,973.22
(e) Other current assets	8,984.25	10,374.78
Sub-total - Current assets	20,532.24	21,022.62
Total – Assets	33,689.78	35,984.86

* During the current financial year, the preference shares amounting to ₹ 3,875 crores of two subsidiary companies are redeemed.

Notes to the Standalone Financial Results

8. **Key Pending matters:**

- a) The Competition Commission of India (CCI) on a complaint filed by the Belaire / 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 Limited (“DLF” or “the Company”) or, 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 of 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 Competition 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.

The Company has filed an Appeal in the Hon’ble Supreme Court of India against the order dated May 19, 2014 passed by the COMPAT. The Hon’ble Supreme Court of India vide order dated August 27, 2014 admitted the Appeal and directed the company to deposit penalty of ₹ 630 crores in the Court.

In compliance of the order, the Company has deposited ₹ 630 crores with the Hon’ble Supreme Court of India.

The Hon’ble Supreme Court vide its order dated May 05, 2016 has directed the Appeals to be listed for final hearing in the third week of July, 2016.

- b) During the year ended March 31, 2011, the Company received judgments from the Hon’ble High Court of Punjab and Haryana cancelling the 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 of India 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 of India. Pending the final decisions on the above matter, no adjustment has been made in these standalone financial results.

Notes to the Standalone Financial Results

- c) 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 restrained the Company and six others from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities, directly or indirectly, in any manner, whatsoever, for a period of three years.

The Company has filed an appeal against the said order before Securities Appellate Tribunal (SAT) vide majority order dated March 13, 2015 allowed all the appeals and the impugned order passed by SEBI has been quashed and set aside.

SEBI has filed a statutory appeal under section 15Z of SEBI Act before Hon’ble Supreme Court of India.

On April 24, 2015, the Hon’ble Supreme Court of India admitted the appeal (‘Appeal’) filed by SEBI and issued notice on interim application. No stay has been granted by Hon’ble Supreme Court of India in favour of SEBI.

SEBI had filed an application stating that proposed sale of Compulsory Convertible Preference Shares (‘CCPS’) in DLF Cyber City Developers Limited, one of the unlisted subsidiary of the Company, by the promoters, to third party Institutional Investors should not be allowed during the pendency of the appeal and have sought stay from the Hon’ble Supreme Court of India on the proposed transactions. The Hon’ble Supreme Court did not pass any order and has kept the application to be heard along with the Appeal.

- 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.

By way of order dated February 26, 2015, the adjudicating officer of SEBI imposed penalties upon Company, some of its directors and officer under Section 15HA and under Section 15HB of the SEBI Act, 1992.

The Company, its directors and officer have filed appeal before SAT impugning the order dated February 26, 2015 passed by an Adjudicating Officer of SEBI. The

Notes to the Standalone Financial Results

Appeal is listed before SAT and in its order dated April 15, 2015, SEBI has undertaken not to enforce the order dated February 26, 2015 during pendency of the appeal. The appeals are listed on July 13, 2016 for arguments before SAT.

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.

9. 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 ₹ 73.09 crores for the assessment year 2011-12; ₹ 72.85 crores for the assessment year 2010-11; ₹ 355.24 crores for the assessment year 2009-10 and ₹ 487.23 crores for assessment year 2008-09 respectively.

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.

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 standalone financial results.

- b) The petitions were filed before the Hon'ble Punjab & Haryana High Court challenging the action of the Haryana Government to acquire the land belonging to Gram Panchayat of village Wazirabad, District Gurgaon for public purpose and thereafter selling the same to the Company, seeking directions from the court for quashing of the acquisition proceedings under Section 4 & 6 dated August 8, 2003 and January 20, 2004.

The Petitioners therein also sought quashing of the award dated January 19, 2006 and the regular letter of allotment (RLA) dated February 9, 2010 issued in favour of the Company for 350.715 acres of land.

The Hon'ble Punjab & Haryana High Court, vide its final order dated September 3, 2014, while upholding the acquisition of land has however disapproved the allotment in favour of the Company. The Hon'ble High Court passed an order to keep the RLA dated February 9, 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 Special Leave Petition before the Hon'ble Supreme Court of India challenging the judgment dated September 3, 2014 passed by the Hon'ble Punjab & Haryana High Court. The Hon'ble Supreme Court of India issued notice to the Respondents and directed status quo to be maintained by the parties.

Notes to the Standalone Financial Results

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 of India. Pending the final decisions on the above matter, no adjustment has been made in these standalone financial results.

10. Based on the recommendations/approval of audit Committee, the Board of Directors at its meeting held on March 17, 2016 approved sale of "DLF Place, Saket", a shopping mall, having built up area of 5.16 lacs square feet (approx.) along with land parcel on which the said mall is situated to Nambi Buildwell Private Limited, a wholly-owned subsidiary of the Company, on arm's length basis for an aggregate consideration of ₹ 904.50 crore. Resultant profit before tax of ₹ 561.03 crores has been classified as exceptional item in these standalone financial result.
11. CRISIL has revised its rating outlook on the long term bank facilities and debt instruments of DLF Limited from 'Negative' to 'Stable' , while reaffirming the rating at 'CRISIL A'; the short term facilities has been reaffirmed at 'CRISIL A2+'
12. 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 27, 2016

Mohit Gujral
Whole-time Director

Rajeev Talwar
Whole-time Director

Notes to the Standalone Financial Results