

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

(₹ in crores)

SL NO.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2017 (refer note 1)	31.12.2016 (Reviewed)	31.03.2016 (refer note 1)	31.03.2017 (Audited)	31.03.2016 (Audited)
1	Income from operations					
	a) Revenue from operations	1,335.53	960.69	1,968.15	3,702.95	3,621.96
	b) Other income	81.44	174.68	477.71	702.35	1,187.10
	Total income	1,416.97	1,135.37	2,445.86	4,405.30	4,809.06
2	Expenses					
	a) Cost of land, plots, development rights, constructed properties and others	556.49	382.36	834.35	1,645.49	1,614.87
	b) Employee benefits expense	37.54	24.18	25.32	107.74	89.99
	c) Finance costs	300.28	314.21	297.14	1,236.08	1,384.82
	d) Depreciation and amortisation expense	22.99	24.54	27.26	98.96	74.82
	e) Other expenses	125.14	133.18	120.21	394.34	407.77
	Total expenses	1,042.44	878.47	1,304.28	3,482.61	3,572.27
3	Profit before exceptional items and tax (1-2)	374.53	256.90	1,141.58	922.69	1,236.79
4	Exceptional items (net)	-	-	561.03	(42.25)	513.49
5	Profit before tax	374.53	256.90	1,702.61	880.44	1,750.28
6	Tax expenses *	140.73	86.00	286.38	283.89	253.66
7	Net profit for the period/year (5-6)	233.80	170.90	1,416.23	596.55	1,496.62
8	Other comprehensive income					
	a) Items that will not be reclassified to profit and loss	1.61	-	1.95	(3.92)	1.95
	b) Income tax relating to items that will not be reclassified to profit and loss	(0.94)	-	(0.49)	0.97	(0.49)
	c) Items that will be reclassified to profit or loss	(11.92)	-	36.46	(11.92)	37.96
	d) Income tax relating to items that will be reclassified to profit or loss	4.12	-	(12.62)	4.12	(13.14)
	Other comprehensive income	(7.13)	-	25.30	(10.75)	26.28
9	Total comprehensive income for the period/year (7+8)	226.67	170.90	1,441.53	585.80	1,522.90
	Earnings per equity share (face value of ₹ 2 per share) (not annualised)					
	Basic (₹)	1.31	0.96	7.94	3.34	8.39
	Diluted (₹)	1.31	0.96	7.94	3.34	8.39

*Tax expense includes deferred tax expense amounting to ₹ 372.14 Crores (previous year: ₹ 169.19 Crores) for the year ended March 31, 2017.

Notes to the Standalone Financial Results

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 26, 2017 and have been audited by the Statutory Auditors. Figures for the quarters ended March 31, 2017 and 2016 represents the balancing figures between the audited figures for the full financial year and the published year to date reviewed figures upto the third quarter of the respective financial year.
2. 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, 2017 for the approval of shareholders.
3. The Company has adopted Indian Accounting Standards ("IND AS") from 1 April 2016 as prescribed under Section 133 of the Companies Act 2013, read with the relevant rules issued thereunder and accordingly, these financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles as stated therein.
4. In line with the provisions of Ind AS 108 – operating segments and basis the review of operations being done by the senior Management, the operations of the Company fall under colonization & real estate business, which is considered to be the only reportable segment by the management.
5. 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 or in the opening balance sheet of April 2015, pursuant to the transition to IND AS as appropriate.
6. During the quarter, as per the Employee Stock Option Scheme 2006, the Company has allotted 9,498 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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Notes to the Standalone Financial Results

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

(₹ in crores)

Particulars	As on March 31, 2017 (Audited)	As on March 31, 2016 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	360.36	431.60
Capital work in progress	28.08	27.99
Investment property	3,631.45	3,585.13
Other intangibles assets	167.36	171.68
Financial assets		
Investments	7,335.17	3,805.95
Loans	511.94	4,024.79
Other financial assets	65.76	144.57
Deferred tax assets (net)	1,821.82	2,103.39
Non-current tax assets (net)	409.08	280.22
Other non-current assets	748.01	788.97
Total of non-current assets	15,079.03	15,364.29
Current assets		
Inventories	9,573.42	8,971.87
Financial assets		
Trade receivables	2,084.34	1,522.82
Cash and cash equivalents	811.43	941.17
Other bank balances	111.08	110.20
Loans	697.82	2,257.96
Other financial assets	96.28	57.91
Other current assets	466.89	358.95
Total of current assets	13,841.26	14,220.88
Total of assets	28,920.29	29,585.17
EQUITY AND LIABILITIES		
Equity		
Equity share capital	356.80	356.74
Other equity	14,346.58	13,761.23
Total of equity	14,703.38	14,117.97
Non-current liabilities		
Financial liabilities		
Borrowings	4,759.62	6,375.06
Trade payables	794.19	794.19
Other financial liabilities	124.16	78.43
Provisions	25.02	17.64
Other non-current liabilities	71.52	58.79
Total of non-current liabilities	5,774.51	7,324.11
Current liabilities		
Financial Liabilities		
Borrowings	3,007.76	2,033.77
Trade payables	847.30	555.78
Other financial liabilities	1,815.20	2,248.33
Other current liabilities	2,754.52	3,293.78
Provisions	17.62	11.43
Current tax liabilities (net)		
Total of current liabilities	8,442.40	8,143.09
Total of equity and liabilities	28,920.29	29,585.17

Notes to the Standalone Financial Results

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 Ind AS 33, "Earnings per share".

9. **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 appeals are listed for arguments before Hon'ble Supreme Court of India.

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 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 have been listed for hearing before SAT.

Notes to the Standalone Financial Results

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.

10. 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 assessments of the Company raising demands amounting to ₹ 10.56 crores for the assessment year 2014-15; ₹ 68.34 crores for the assessment year 2013-14; ₹ 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 the 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.

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Notes to the Standalone Financial Results

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.

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.

11. Reconciliation of total equity as at March 31, 2016:-

Sl No.	Description	March 31, 2016 (₹ in crores)
	Total equity as per previous GAAP	17,850.08
1	Impact on account of change in project accounting as per new guidance note on real estate	(3,117.67)
	Impact on account of change in measurement of revenue from real estate development (net of cost)	(2,666.71)
2	Impact of hedge accounting	(56.67)
3	Impact of financial instruments measured at amortised cost	199.69
4	Other miscellaneous adjustments	(129.73)
5	Tax impact of above adjustments	2,038.98
	Total equity as per Ind AS	14,117.97

Notes to the Standalone Financial Results

12. Reconciliation of net profit after tax as previously reported under Indian GAAP and Ind AS for the quarter and year ended March 31, 2016.

Sl.	Particulars	Quarter ended March 31, 2016	Previous year ended March 31, 2016
1	Net profit for the period as per previous GAAP	1,088.94	974.56
2	Revenue recognition of developed properties (net of cost)	473.13	750.97
3	Impact of hedge accounting	40.41	20.28
4	Amortised cost classified under finance cost	22.23	(7.52)
5	Other miscellaneous adjustments	(3.67)	60.58
6	Tax impact of above adjustments	(179.51)	(275.97)
	Total comprehensive income for the year under Ind AS	1,441.53	1,522.90

On behalf of the Board of Directors

Place: New Delhi
Date: May 26, 2017

Mohit Gujral
CEO & Whole-time Director

Rajeev Talwar
CEO & Whole-time Director