

DLF Limited

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STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

(₹ in crores)

SL NO.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2019 (Audited)	31.12.2018 (Unaudited)	31.03.2018 (Audited)	31.03.2019 (Audited)	31.03.2018 (Audited)
1	Income					
	a) Revenue from operations	943.24	924.34	1,067.31	3,295.39	3,055.90
	b) Other income	92.42	119.60	293.13	413.38	747.89
	Total income	1,035.66	1,043.94	1,360.44	3,708.77	3,803.79
2	Expenses					
	a) Cost of land, plots, development rights, constructed properties and others	498.09	422.42	626.41	1,595.52	1,487.43
	b) Employee benefits expense	62.06	48.82	44.21	197.71	143.88
	c) Finance costs	194.33	177.63	193.29	739.94	1,023.49
	d) Depreciation and amortisation expense	32.08	30.60	33.37	124.86	131.82
	e) Other expenses	75.23	74.69	15.01	285.08	351.06
	Total expenses	861.79	754.16	912.29	2,943.11	3,137.68
3	Profit before exceptional items and tax (1-2)	173.87	289.78	448.15	765.66	666.11
4	Exceptional items (net)		-	-	-	(120.66)
5	Profit before tax	173.87	289.78	448.15	765.66	545.45
6	Tax expenses *	(79.46)	85.56	147.94	78.06	180.25
7	Net profit for the period /year (5-6)	253.33	204.22	300.21	687.60	365.20
8	Other comprehensive income/(loss)					
	a) Items that will not be reclassified to profit and loss in subsequent period	(1.00)	-	(4.50)	(0.89)	(3.30)
	b) Income tax relating to items that will not be reclassified to profit and loss	0.35	-	1.12	0.31	0.70
	c) Items that will be reclassified to profit or loss in subsequent period	(39.02)	13.23	2.74	-	19.33
	d) Income tax relating to items that will be reclassified to profit or loss	13.64	(4.63)	(0.95)	-	(6.69)
	Other comprehensive income/(loss)	(26.03)	8.60	(1.59)	(0.58)	10.04
9	Total comprehensive income/(loss) for the period / year (7+8)	227.30	212.82	298.62	687.02	375.24
10	Paid-up equity share capital (face value of ₹ 2 per share)	441.44	356.90	356.81	441.44	356.81
11	Other equity (Including warrants)				22,638.48	23,077.97
12	Earnings per equity share (face value of ₹ 2 per share) (not annualised)					
	Basic (₹)	1.41	1.14	1.68	3.85	2.05
	Diluted (₹)	1.15	0.93	1.37	3.13	1.93

* Tax expense includes current tax , deferred tax and minimum alternate tax.

Notes to the Standalone Financial Results

1. The above standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 21, 2019 and have been audited by the Statutory Auditors. The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year up to March 31, 2019 and the unaudited published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the financial year which were subject to limited review by the statutory auditors
2. These standalone financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
3. During the quarter:-
 - a) On March 29, 2019, the Company issued 17,30,00,000 equity share of ₹ 2 each at an issue price of ₹183.40 per shares, aggregating to ₹ 3,172.82 crores. The Issue was made through eligible Qualified Institutional Investors in terms of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI Regulations”) , and Section 42 and other applicable provisions of the Companies Act, 2013 (including the rules made thereunder) (the “QIP”) in order to achieve minimum public shareholding of 25% and
 - b) The Company allotted 24,97,46,836 equity shares by converting equal number of Compulsory Convertible Debentures (“CCDs”) of ₹ 217.25 each allotted to Promotor/Promotor group companies into Equity shares of ₹ 2/- each.

Pursuant to the allotment of Equity Shares in the QIP the paid-up equity share capital of the Company stands increased to ₹ 391.49 crore comprising 1,95,74,75,112 Equity Shares. Upon conversion of CCDs, the paid-up equity share capital of the Company stands increased to ₹ 441.44 crore comprising 2,20,72,21,948 Equity Shares

4. The Company has received a sum of ₹ 3,172.82 crores on March 29, 2019 by way of the QIP. However, no amount has been utilized during the period ended March 31, 2019.
5. In line with the provisions of Ind AS 108 – Operating Segments, the operations of the Company fall primarily under colonization & real estate business, which is considered by the management to be the only reportable segment.
6. Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The application of Ind AS 115 has impacted the Company’s accounting for recognition of revenue from real estate projects.

The Company has applied the modified retrospective approach to contracts that were not completed as of April 1, 2018 and has given impact of Ind AS 115 application by debit to retained earnings as at the said date by ₹ 3,964.00 crores (net of tax) pertaining to recognition of revenue based on satisfaction of performance obligation at a point in time. Accordingly, the figures for the comparative previous periods have not been restated and hence the current period figures are not comparable with previous period figures. Due to the application of Ind AS 115 for the quarter and year ended March 31, 2019, revenue from operations is higher by ₹ 672.97 crores and ₹ 1,797.42 crores respectively and net profit after tax for the quarter and year ended March 31, 2019 is higher by ₹ 225.18 crores and ₹ 804.88 crores respectively, than what it would have been if replaced standards were applicable. Similarly, the basic EPS for the quarter and year ended March 31, 2019 is higher by ₹ 1.25 per share and ₹ 4.50 per share respectively and diluted EPS for the quarter and year ended March 31, 2019 is higher by ₹ 1.02 per share and ₹ 3.66 per share respectively.

Notes to the Standalone Financial Results

7. Statement of Assets and Liabilities:

(₹ in crores)

	As on March 31, 2019 (Audited)	As on March 31, 2018 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	280.47	309.10
Capital work-in-progress	18.80	15.17
Investment property	1273.95	3,469.76
Other intangibles assets	157.83	162.72
Investment in subsidiaries, associates, joint venture and partnership firms	9535.90	9,154.00
Financial assets		
Investments	91.89	97.33
Loans	457.41	470.75
Other financial assets	132.90	48.81
Deferred tax assets (net)	3,674.51	1,624.39
Non-current tax assets (net)	613.77	512.28
Other non-current assets	681.63	666.47
	16,919.06	16,530.78
Current assets		
Inventories	11,357.26	9,731.64
Financial assets		
Investments	-	949.60
Trade receivables	170.80	404.91
Cash and cash equivalents	3,545.03	896.50
Other bank balances	67.80	112.34
Loans	2,219.56	2,394.58
Other financial assets	487.07	1,630.95
Other current assets	230.65	296.15
	18,078.17	16,416.67
Assets classified as held for sale	2158.11	-
	20,236.28	16,416.67
Total assets	37,155.34	32,947.45

Notes to the Standalone Financial Results

Statement of Assets and Liabilities:

(₹ in crores)

	As on March 31, 2019 (Audited)	As on March 31, 2018 (Audited)
EQUITY AND LIABILITIES		
Equity		
Equity share capital	441.44	356.81
Warrant	750.10	750.10
Other equity	21,888.38	22,327.87
Total equity	23,079.92	23,434.78
Non-current liabilities		
Financial liabilities		
Borrowings	1,999.89	2,689.64
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	794.19	794.19
Other non-current financial liabilities	162.49	158.09
Long term provisions	26.75	23.17
Other non-current liabilities	42.85	82.86
	3,026.17	3,747.95
Current liabilities		
Financial liabilities		
Borrowings	1,378.97	956.00
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	14.43	3.02
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	706.38	819.15
Other current financial liabilities	1,270.06	2,475.77
Other current liabilities	7,661.16	1,492.94
Provisions	18.29	17.84
Total liabilities	11,049.29	5,764.72
Total equity and liabilities	37,155.35	32,947.45

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.

The Company had 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 had deposited ₹ 630 crores with the Hon’ble Supreme Court of India.

The appeals are awaiting final hearing for arguments before Hon’ble Supreme Court of India.

- b) During the year ended March 31, 2011, the Company and two of its group companies received judgments from the Hon’ble High Court of Punjab and Haryana cancelling the sale deeds of land/removal of construction relating to two IT SEZ/ IT Park Projects in Gurgaon admeasuring 49.05 acres. The Company filed Special Leave petitions (SLPs) challenging the orders in the Hon’ble Supreme Court of India.

The Hon’ble Supreme Court of India had admitted the matter and stayed the operation of the impugned judgments till further orders.

Management believes there is reasonable likelihood of succeeding before the Hon’ble Supreme Court of India in matters stated in point (a) & (b) above based on the advice of the independent legal counsels. 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) The 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 SEBI 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 sale of Compulsory Convertible Preference Shares (“CCPS”) in DLF Cyber City Developers Limited, a group 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 of India 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 was listed before SAT and in its order dated April 15, 2015, SEBI had undertaken not to enforce the order dated February 26, 2015 during pendency of the appeal.

The appeals were listed for hearing before SAT on April 25, 2018. The SAT vide its order passed on April 25, 2018, held that in view of SAT’s majority decision dated March 13, 2015, the Adjudication Officer’s decision dated February 26, 2015 cannot be sustained.

Accordingly, the Hon’ble SAT disposed of the appeals, along with intervention application. According to the judgement, the said appeals shall stand automatically revived once Hon’ble Supreme Court disposes of the Civil Appeals filed by SEBI against the SAT’s judgment dated March 13, 2015.

Notes to the Standalone Financial Results

The above litigations as mentioned in point 8 (a), (b) and (c) are subject matter of 'Emphasis of Matter' in Statutory Auditor's Limited Review Report.

9. 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 tax assessments of the Company raising demands amounting to ₹ 1,068.40 crores in respect of Assessment Years from 2008-09 to 2015-16.

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.

10. Change in composition of Board of Directors:
- a) During the quarter, the Board of Directors in its meeting held on March 29, 2019 has appointed Ms. Priya Paul as an additional director of the Company w.e.f. April 1, 2019 (in the capacity of Independent Director) subject to approval of shareholders and statutory and regulatory authorities.
 - b) Effective from April 1, 2019, Mr. Brijender Bhushan Deora, an Independent Director ceased to be a Director of the Company, pursuant to the expiry of his term of appointment.
11. 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, 2019 for the approval of shareholders.
12. Subsequent to the quarter ended March 31, 2019, the Company has transferred assets related to one of the retail mall to one of its subsidiaries for a consideration of ₹ 2,950 crores. Accordingly, in line with applicable Ind AS- 105 "Non – Current Assets Held for Sale and Discontinued Operations", the Company has classified these assets as "held for Sale".
13. Subsequent to the quarter ended March 31, 2019, ICRA has reaffirmed its ratings on the long term and short term bank facilities/ debt instruments of DLF Limited at [ICRA]A+(Positive) and [ICRA]A1 respectively.

Notes to the Standalone Financial Results

14. Disclosure under Regulation 52(4) and Regulation 54 (2) of SEBI (LODR) Regulations, 2015:-

In compliance with the above SEBI (LODR) Regulations, 2015, we are submitting herewith the following information as on March 31, 2019 on stand-alone basis in respect of Redeemable Non-Convertible Debentures (NCDs):-

Sl. No.	Heading	As at 31.03.2019	As at 31.03.2018
1	Asset Cover available	(Note 1)	(Note 1)
2	Debt Equity Ratio (Note 2)	0.19	0.24
3	Debt Service Coverage Ratio (Note 3)	0.68	0.38
4	Interest Service Coverage Ratio (Note 4)	2.03	1.65
5	Outstanding redeemable preference shares	Not Applicable	Not Applicable
6	Debenture Redemption Reserve (In ₹ crore)	155.25	218.31
7	Net worth (In ₹. crore)	23,079.93	23,434.78
8	Net profit after tax (In ₹ crore)	687.60	365.20
9	Earnings per share (In ₹) – Basic	3.85	2.05
10	Earnings per share (In ₹) – Diluted	3.13	1.93

Note:

- 1) Listed NCDs are secured and asset cover is more than hundred percent of principal outstanding. NCDs are secured by way of pari passu charge on the immovable property situated at New Delhi, owned by a subsidiary Company.
- 2) Debt Equity Ratio = [Loans Funds/Shareholders Funds (Share Capital + Reserve & surplus)]
- 3) Debt Service Coverage Ratio = [Earnings before interest expenses and tax/(Interest Charged + Net principal repayment)]
- 4) Interest Service Coverage Ratio = [Earnings before interest and tax/Interest Charged]

(₹ in crores)

S. No.	ISIN Nos	Previous due date of			Next due date of			
		Interest payment	Principal payment	Interest/ principal has been paid or not	Interest payment	Interest Amount Due	Principal payment	Principal Amount Due
1	INE271C07129	30.04.2019	NA	Paid	31.05.2019	2.60	9-Aug-19	250.00
2	INE271C07137	30.04.2019	NA	Paid	31.05.2019	2.60	11-Aug-20	250.00
3	INE271C07160	30.04.2019	NA	Paid	31.05.2019	0.99	9-Aug-19	95.00
4	INE271C07178	30.04.2019	NA	Paid	31.05.2019	0.99	11-Aug-20	95.00

The credit rating of aforesaid listed Redeemable NCDs has been assigned as ICRA A+(Positive).

Notes to the Standalone Financial Results

15. The figures for the corresponding previous period have been regrouped/reclassified, wherever considered necessary.

On behalf of the Board of Directors

Place: New Delhi
Date: May 21, 2019

Mohit Gujral
CEO & Whole-time Director

Rajeev Talwar
CEO & Whole-time Director