

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(₹ in crores)

| SL NO. | PARTICULARS | QUARTER ENDED | | | YEAR ENDED | |
|--------|--|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| | | 31.03.2018 (Audited) | 31.12.2017 (Reviewed) | 31.03.2017 (Audited) | 31.03.2018 (Audited) | 31.03.2017 (Audited) |
| | | Refer Note 1 | | | | |
| 1 | Income | | | | | |
| | a) Revenue from operations | 1,067.31 | 502.94 | 1,335.53 | 3,055.90 | 3,702.95 |
| | b) Other income | 293.13 | 326.11 | 81.44 | 747.89 | 702.35 |
| | Total income | 1,360.44 | 829.05 | 1,416.97 | 3,803.79 | 4,405.30 |
| 2 | Expenses | | | | | |
| | a) Cost of land, plots, development rights, constructed properties and others | 626.41 | 277.58 | 556.49 | 1,487.43 | 1,645.49 |
| | b) Employee benefits expense | 44.21 | 50.89 | 37.54 | 143.88 | 107.74 |
| | c) Finance costs | 193.29 | 303.97 | 300.28 | 1,023.49 | 1,236.08 |
| | d) Depreciation and amortisation expense | 33.37 | 50.31 | 22.99 | 131.82 | 98.96 |
| | e) Other expenses | 15.01 | 138.70 | 125.14 | 351.06 | 394.34 |
| | Total expenses | 912.29 | 821.45 | 1,042.44 | 3,137.68 | 3,482.61 |
| 3 | Profit before exceptional items and tax (1-2) | 448.15 | 7.60 | 374.53 | 666.11 | 922.69 |
| 4 | Exceptional items (net) | - | (120.66) | - | (120.66) | (42.25) |
| 5 | (Loss)/Profit before tax | 448.15 | (113.06) | 374.53 | 545.45 | 880.44 |
| 6 | Tax expenses * | 147.94 | (54.29) | 140.73 | 180.25 | 283.89 |
| 7 | Net (loss)/profit for the period /year (5-6) | 300.21 | (58.77) | 233.80 | 365.20 | 596.55 |
| 8 | Other comprehensive income/(loss) | | | | | |
| | a) Items that will not be reclassified to profit and loss in subsequent period | (4.50) | 1.27 | 1.61 | (3.30) | (3.92) |
| | b) Income tax relating to items that will not be reclassified to profit and loss | 1.12 | (0.44) | (0.94) | 0.70 | 0.97 |
| | c) Items that will be reclassified to profit or loss in subsequent period | 2.74 | 6.83 | (11.92) | 19.33 | (11.92) |
| | d) Income tax relating to items that will be reclassified to profit or loss | (0.95) | (2.36) | 4.12 | (6.69) | 4.12 |
| | Other comprehensive income/(loss) | (1.59) | 5.30 | (7.13) | 10.04 | (10.75) |
| 9 | Total comprehensive income/(loss) for the period / year (7+8) | 298.62 | (53.47) | 226.67 | 375.24 | 585.80 |
| 10 | Paid-up equity share capital (face value of ₹ 2 per share) | 356.81 | 356.81 | 356.80 | 356.81 | 356.80 |
| 11 | Other equity | - | - | - | 23,077.97 | 14,346.58 |
| 12 | Earnings per equity share (face value of ₹ 2 per share) (not annualised) | | | | | |
| | Basic (₹) | 1.68 | (0.33) | 1.31 | 2.05 | 3.34 |
| | Diluted (₹) | 1.37 | (0.33) | 1.31 | 1.93 | 3.34 |

* Tax expense includes deferred tax and minimum alternate tax

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 21, 2018 and have been audited by the Statutory Auditors. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to March 31, 2018 and the unaudited published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the financial year which were subjected to limited review.
2. **Dividend**
 - a. The Board of Directors in their meeting held on March 20, 2018 has approved an interim dividend of ₹ 1.20/- per Share on equity share of ₹ 2/- each. The same was paid to the respective shareholders on March 31, 2018.
 - b. Further subject to the shareholders approval, the Board of Directors have recommended final dividend of ₹ 0.80 per share on equity share of ₹ 2/- each as a final dividend (after adjusting the interim dividend of ₹ 1.20/- paid in the month of March 2018).
3. 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.
4. 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 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.

Notes to the Standalone Financial Results

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

(₹ in crores)

| | As at March 31, 2018 (Audited) | As at March 31, 2017 (Audited) |
|--|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 309.10 | 360.36 |
| Capital work-in-progress | 15.17 | 28.08 |
| Investment property | 3,469.76 | 3,631.45 |
| Other intangibles assets | 162.72 | 167.36 |
| Investment in subsidiaries, associates, joint ventures and partnership firms | 9,154.00 | 7,241.95 |
| Financial assets | | |
| Investments | 97.33 | 93.22 |
| Loans | 470.75 | 511.94 |
| Other financial assets | 48.81 | 65.76 |
| Deferred tax assets (net) | 1,624.39 | 1,821.82 |
| Non-current tax assets (net) | 512.28 | 409.08 |
| Other non current assets | 666.47 | 694.16 |
| | 16,530.78 | 15,025.18 |
| Current assets | | |
| Inventories | 9,731.64 | 9,673.38 |
| Financial assets | | |
| Investments | 949.60 | - |
| Trade receivables | 404.91 | 596.04 |
| Cash and cash equivalents | 896.50 | 811.43 |
| Other bank balances | 112.34 | 111.08 |
| Loans | 2,394.58 | 586.28 |
| Other financial assets | 1,630.95 | 1,678.94 |
| Other current assets | 296.15 | 197.37 |
| | 16,416.67 | 13,654.52 |
| | 32,947.45 | 28,679.70 |

Notes to the Standalone Financial Results

(₹ in crores)

| | As at March 31, 2018 (Audited) | As at March 31, 2017 (Audited) |
|---------------------------------|--------------------------------------|--------------------------------------|
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 356.81 | 356.80 |
| Share warrant pending allotment | 750.10 | - |
| Other equity | 22,327.87 | 14,346.58 |
| Total Equity | 23,434.78 | 14,703.38 |
| Non-current liabilities | | |
| Financial liabilities | | |
| Borrowings | 2,689.64 | 4,759.62 |
| Trade payables | 794.19 | 794.19 |
| Other financial liabilities | 158.09 | 124.16 |
| Provisions | 23.17 | 16.94 |
| Other non-current liabilities | 82.86 | 71.52 |
| | 3,747.95 | 5,766.43 |
| Current liabilities | | |
| Financial liabilities | | |
| Borrowings | 956.00 | 3,007.75 |
| Trade payables | 822.17 | 605.94 |
| Other financial liabilities | 2,475.77 | 1,812.21 |
| Other current liabilities | 1,492.94 | 2,758.29 |
| Provisions | 17.84 | 25.70 |
| | 5,764.72 | 8,209.89 |
| | 32,947.45 | 28,679.70 |

Notes to the Standalone Financial Results

7. **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 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) 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 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.

Notes to the Standalone Financial Results

- 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, 2018.

The above litigations as mentioned in point 7 (a), (b) and (c) are subject matter of ‘Emphasis of Matter’ in Statutory Auditor’s Audit Report.

8. 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 ₹ 1.09 crores for the Assessment Year 2015-16; ₹ 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.

Notes to the 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 Company has paid ₹ 1000.81 crores towards installments against bid amount of ₹ 1,703 crores.

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 had 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.

9. The Board of Directors in its meeting held on February 13, 2018 has appointed Mr Vivek Mehra as an Additional Director (in the capacity of Independent Director) subject to approval of shareholders at the ensuing Annual General Meeting.
10. During the previous quarter, the Company has received ₹ 9,000 crore by way of allotment of share warrants and compulsorily convertible debentures, on preferential basis against which ₹ 7,944 crores (₹ 3,453 crore upto December 31, 2017) has been utilized towards repayment of loans and investment in subsidiary companies. The balance amount of ₹ 1,056 crore is invested in Fixed Deposit/ Mutual funds for further utilization.

Notes to the Standalone Financial Results

11. Disclosure under Regulation 52(4) of SEBI (LODR) Regulations, 2015:-

In compliance with Regulation 52(4) of the SEBI (LODR) Regulations, 2015, we are submitting herewith the following information as on March 31, 2018 on stand-alone basis in respect of Redeemable Non-Convertible Debentures (NCDs):-

| Sl. No. | Heading | As at 31.03.2018 | As at 31.03.2017 |
|---------|---|------------------|------------------|
| 1 | Asset Cover available (Note 1) | | |
| 2 | Debt Equity Ratio (Note 2) | 0.24 | 0.62 |
| 3 | Debt Service Coverage Ratio (Note 3) | 0.38 | 1.36 |
| 4 | Interest Service Coverage Ratio (Note 4) | 1.65 | 1.75 |
| 5 | Outstanding redeemable preference shares | Not Applicable | Not Applicable |
| 6 | Debenture Redemption Reserve (In ₹ crore) | 218.31 | 248.25 |
| 7 | Net worth (In ₹. crore) | 23,434.78 | 14,703.38 |
| 8 | Net profit after tax (In ₹ crore) | 365.20 | 596.55 |
| 9 | Earnings per share (In ₹) – Basic | 2.05 | 3.34 |
| 10 | Earnings per share (In ₹) – Diluted | 1.93 | 3.34 |

Note:

- 1) Listed NCDs are secured and asset cover is more than hundred per cent of principal outstanding.
- 2) Debt Equity Ratio = [Loans Funds / Shareholders Funds (Share Capital + Reserve & surplus)]
- 3) Debt Service Coverage Ratio= [Earnings before interest 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 | INE271C07095 | 28-Mar-18 | 28-Apr-17 | Yes | 27-Apr-18 | 0.60 | 27-Apr-18 | 62.50 |
| 2 | INE271C07111 | 28-Feb-18 | NA | Yes | 3-Apr-18 | 2.85 | 10-Aug-18 | 250.00 |
| 3 | INE271C07129 | 28-Feb-18 | NA | Yes | 3-Apr-18 | 2.85 | 9-Aug-19 | 250.00 |
| 4 | INE271C07137 | 28-Feb-18 | NA | Yes | 3-Apr-18 | 2.85 | 11-Aug-20 | 250.00 |
| 5 | INE271C07152 | 28-Feb-18 | NA | Yes | 3-Apr-18 | 1.08 | 10-Aug-18 | 95.00 |
| 6 | INE271C07160 | 28-Feb-18 | NA | Yes | 3-Apr-18 | 1.08 | 9-Aug-19 | 95.00 |
| 7 | INE271C07178 | 28-Feb-18 | NA | Yes | 3-Apr-18 | 1.08 | 11-Aug-20 | 95.00 |

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

Notes to the Standalone Financial Results

12. Rajdhani Investment & Agencies Private Limited has become holding company of DLF Limited w.e.f. March 12, 2018 and holds 54.58% equity share capital of the Company.
13. The figures for the corresponding previous period have been regrouped/reclassified, wherever necessary, to make them comparable.

On behalf of the Board of Directors

Place: New Delhi
Date: May 21, 2018

Mohit Gujral
CEO & Whole-time Director

Rajeev Talwar
CEO & Whole-time Director

Notes to the Standalone Financial Results