The information in this Red Herring Prospectus is not complete and may be changed. The Issue is meant only for Eligible QIBs and is not an offer to any other class of investors to purchase the Equity Shares. This Red Herring Prospectus is not soliciting an offer to subscribe to or buy Equity Shares in any jurisdiction where such offer or subscription is not permitted.

RED HERRING PROSPECTUS
Dated April 29, 2013

BUILDING INDIA

DLF LIMITED

(DLF Limited was originally incorporated as American Universal Electric (India) Limited on July 4, 1963 under the Companies Act, 1956. On June 18, 1980, the name was changed to DLF Universal Electric Limited. Subsequently, the name was changed to DLF Universal Limited on May 28, 1981 and to DLF Limited on May 27, 2006.)

Issue of up to 81,018,417 equity shares of face value ₹ 2 each (the "**Equity Shares**") of DLF Limited (the "**Company**") at a price determined according to the Allotment Criteria (as defined hereinafter), aggregating to ₹ [●] million (the "**Issue**"). The Issue Price (as defined hereinafter) is ₹ [●] per Equity Share.

THIS ISSUE AND THE DISTRIBUTION OF THIS RED HERRING PROSPECTUS (THE "RED HERRING PROSPECTUS") IS BEING MADE IN RELIANCE ON CHAPTER VIII-A OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI REGULATIONS"). THIS RED HERRING PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO ANY PERSON OR CLASS OF INVESTORS OTHER THAN ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS ("ELIGIBLE QIBs") (AS DEFINED IN "DEFINITIONS AND ABBREVIATIONS") WITHIN OR OUTSIDE INDIA.

ISSUE ONLY TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS

The Issue is being made through the Institutional Placement Programme, wherein at least 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds (as defined hereinafter) and Insurance Companies (as defined hereinafter), subject to valid ASBA Applications (as defined hereinafter) being received at or above the Issue Price, provided that if this portion or any part thereof to be Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such unsubscribed portion or part thereof may be Allotted to other Eligible QIBs. Eligible QIBs may participate in this Issue only through an application supported by blocked amount ("**ASBA**") providing details about the ASBA Account (as defined hereinafter) in which funds equal to the Application Amount will be blocked by the Self Certified Syndicate Bank. For details, see "**Issue Procedure**".

This Red Herring Prospectus has not been reviewed or approved by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**", together with the NSE, the "**Stock Exchanges**"), and is intended only for use by Eligible QIBs. A copy of this Red Herring Prospectus has been delivered to the Stock Exchanges and SEBI and for registration to the Registrar of Companies, National Capital Territory of Delhi and Haryana (the "**RoC**"). Copies of the Prospectus will be filed with the Stock Exchanges, SEBI and the RoC. This Red Herring Prospectus will only be circulated or distributed to Eligible QIBs, and will not constitute an offer to any other class of investors in India or any other jurisdiction. The Equity Shares offered in the Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus.

The Equity Shares of the Company are listed and traded on the Stock Exchanges. The Equity Shares offered in the Issue are securities of the Company of the same class and in all respects uniform as the Equity Shares listed and traded on the Stock Exchanges. In-principle approvals under Clause 24(a) of the Equity Listing Agreement (as defined hereinafter) for listing of the Equity Shares offered in the Issue have been received from the Stock Exchanges. Applications will be made to the Stock Exchanges for obtaining listing and trading approvals for the Equity Shares offered through this Red Herring Prospectus. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares offered in the Issue to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of the Company or such Equity Shares.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" OF THIS RED HERRING PROSPECTUS BEFORE MAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS RED HERRING PROSPECTUS.

Invitations, offers and issuances of Equity Shares offered in the Issue shall only be made pursuant to this Red Herring Prospectus together with the ASBA Applications and Confirmation of Allocation Notes. For details, see "**Issue Procedure**". The distribution of this Red Herring Prospectus or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares offered in the Issue is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Red Herring Prospectus, agrees to observe the foregoing restrictions and make no copies of this Red Herring Prospectus or any documents referred to in this Red Herring Prospectus.

The information on the website of the Company or any website directly or indirectly linked to the website of the Company, other than this Red Herring Prospectus, does not form part of this Red Herring Prospectus and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "Eligible QIBs", and (b) outside the United States in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS

Standard Chartered		BofA Merrill Lynch	J.P.Morgan
Standard Chartered Securities (India) Limited 1st Floor, Standard Chartered Tower 201B/1, Western Express Highway, Goregaon (East) Mumbai 400 063. Tel: (91 22) 4205 6117 Fax: (91 22) 4205 5999 E-mail: dlf.ipp@sc.com Investor grievance e-mail: investor@sc.com Website: www.standardcharteredsecurities.co.in Contact person: Rohan Saraf SEBI registration No.: INM000011542	**Deutsche Equities India Private Limited** Hazarimal Somani Marg, Fort Mumbai 400 001. Tel: (91 22) 7158 4600 Fax: (91 22) 2200 6765 E-mail: dlf.ipp@db.com Investor grievance e-mail: db.redressal@db.com Website: www.db.com/India Contact person: Krishan Kapur SEBI registration No.: INM000010833* * *The SEBI registration of Deutsche Equities India Private Limited was valid up to February 23, 2013. An application for renewal of registration has been made by Deutsche Equities India Private Limited on November 22, 2012, to SEBI. The approval from SEBI is currently awaited.*	**DSP Merrill Lynch Limited** 8th Floor, Mafatlal Center, Nariman Point Mumbai 400 021. Tel: (91 22) 6632 8000 Fax: (91 22) 2204 8518 E-mail: dg.dlf_ipp@baml.com Investor grievance e-mail: dg.india_merchantbanking@baml.com Website: www.dspml.com Contact person: Vikram Khaitan SEBI registration No.: INM000011625	**J. P. Morgan India Private Limited** J. P. Morgan Tower, Kalina, Off C. S. T. Road, Santacruz (East), Mumbai 400 098. Tel: (91 22) 6157 3000 Fax: (91 22) 6157 3911 E-mail: dlf_ipp@jpmorgan.com Investor grievance e-mail: investorsmb.jpmipl@jpmorgan.com Website: www.jpmipl.com Contact person: Rahul Bajaj SEBI registration No.: INM000002970

BOOK RUNNING LEAD MANAGERS			
CLSA	HSBC	kotak Investment Banking	UBS
CLSA India Limited 8/F, Dalamal House, Nariman Point Mumbai 400 021. Tel: (91 22) 6650 5050 Fax: (91 22) 2285 6524 E-mail: dlf.ipp@clsa.com Investor grievance e-mail: investor.helpdesk@clsa.com Website: www.india.clsa.com Contact person: Sarfaraz Agboatwala SEBI registration No.: INM000010619	**HSBC Securities and Capital Markets (India) Private Limited** 52/60, Mahatma Gandhi Road, Fort Mumbai 400 001. Tel: (91 22) 2268 1285 Fax: (91 22) 2263 1984 E-mail: dlfipp@hsbc.co.in Investor grievance e-mail: investorgrievance@hsbc.co.in Website: http://www.hsbc.co.in/1/2/corporate/equitiesglobalinvestment-banking Contact person: Sonam Jalan SEBI registration No.: INM000010353	**Kotak Mahindra Capital Company Limited** 1st Floor, Bakhtawar 229, Nariman Point, Mumbai 400 021. Tel: (+91 22) 6634 1100 Fax: (+91 22) 2284 0492 E-mail: dlf.ipp@kotak.com Investor grievance e-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact person: Ganesh Rane SEBI registration No.: INM000008704	**UBS Securities India Private Limited** 2/F, 2 North Avenue, Maker Maxity Bandra-Kurla Complex, Bandra East Mumbai 400 051. Tel: (91 22) 6155 6108 Fax: (91 22) 6155 6292 E-mail: OL-CCS+-DLFIPP@ubs.com Investor grievance e-mail: customercare@ubs.com Website: www.ubs.com/indianoffers Contact person: Sudipto Shome SEBI registration No.: INM000010809
CO-BOOK RUNNING LEAD MANAGER	**REGISTRAR TO THE ISSUE**		
IIFL	KARVY Computershare		
India Infoline Limited IIFL Centre, Kamala City Senapati Bapat Marg Lower Parel (West) Mumbai 400 013. Tel: (91 22) 4646 4600 Fax: (91 22) 2493 1073 E-mail: dlf.ipp@iiflcap.com Investor grievance e-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact person: Pinak R. Bhattacharyya/Sachin Kapoor SEBI registration No.: INM000010940	**Karvy Computershare Private Limited** Plot No. 17 to 24, Vithal Rao Nagar Madhapur, Hyderabad 500 081. Tel: (91 40) 4465 5000 FaX: (91 40) 2343 1551 E-mail: einward.ris@karvy.com Investor grievance e-mail: dlf.ipp@karvy.com Website: http:\\karisma.karvy.com Contact person : M. Murali Krishna SEBI registration No.: INR000000221		

ISSUE PROGRAMME *			
ISSUE OPENS ON	**[●]**	**ISSUE CLOSES ON**	**[●]**

* *Details of the Issue programme shall be disclosed in the Floor Price / Price Band Announcement (as defined hereinafter) to be issued at least one day prior to the Issue Opening Date. Investors should refer to the pre-Issue advertisement and the Floor Price / Price Band Announcement for further details. Investors are advised to read the above mentioned announcements together with this Red Herring Prospectus.*

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NOTICE TO INVESTORS

The Company has furnished and accepts full responsibility for all the information contained in this Red Herring Prospectus and, having made all reasonable enquiries confirms that this Red Herring Prospectus contains all information with respect to the Company and the Equity Shares offered in the Issue that is material in the context of the Issue. The statements contained in this Red Herring Prospectus relating to the Company and the Equity Shares are, in every material respect, true, accurate and not misleading. The opinions and intentions expressed in this Red Herring Prospectus with regard to the Company and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to the Company and are based on reasonable assumptions. There are no other facts in relation to the Company and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Red Herring Prospectus misleading in any material respect. Further, all reasonable enquiries have been made by the Company to ascertain such facts and to verify the accuracy of all such information and statements.

No person is authorised to give any information or to make any representation not contained in this Red Herring Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company or the Managers or the Syndicate Member. The delivery of this Red Herring Prospectus at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in this Issue have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any other federal or state authorities in the U.S. or the securities authorities of any non-U.S. jurisdiction or any other U.S. or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Red Herring Prospectus. Any representation to the contrary is a criminal offence in the U.S. and may be a criminal offence in other jurisdictions.

Within the United States, this Red Herring Prospectus is being provided only to U.S. QIBs who have been deemed to have made the representations set forth. Distribution of this Red Herring Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without the prior written consent of the Company, is prohibited. Any reproduction or distribution of this Red Herring Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Red Herring Prospectus and the Issue may be restricted by law in certain countries or jurisdictions. As such, this Red Herring Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Company, the Managers or the Syndicate Member which would permit an offering of the Equity Shares offered in the Issue or distribution of this Red Herring Prospectus in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares to be issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Red Herring Prospectus nor any Issue materials in connection with the Equity Shares offered in the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

This Red Herring Prospectus has been filed with SEBI and the Stock Exchanges and delivered to the RoC for registration, and has been displayed on the websites of the Stock Exchanges and the Company stating that it is in connection with the Institutional Placement Programme and that the offer is being made only to Eligible QIBs.

In making an investment decision, investors must rely on their own examination of the Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Red Herring Prospectus as business, legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting, investment and related matters concerning the Issue. In addition, none of the Company, the Managers or the Syndicate Member is making any representation to any offeree or subscriber of the Equity Shares offered in the Issue regarding the legality of an investment in such Equity Shares by such subscriber or purchaser under applicable laws or regulations.

Each Eligible QIB subscribing to the Equity Shares offered in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Company under applicable Indian

law, including Chapter VIII-A of the SEBI Regulations, and is not prohibited by SEBI or any other statutory authority from buying, subscribing to, selling or dealing in securities.

The information on the Company's website, except this Red Herring Prospectus, or the website of any of the Managers does not constitute nor form part of this Red Herring Prospectus. Prospective investors should not rely on the information contained in, or available through such websites, except this Red Herring Prospectus. This Red Herring Prospectus contains summaries of terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The Equity Shares offered in this Issue have not been, and will not be, registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to U.S. QIBs, and (b) outside the United States only to Eligible QIBs in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses the definitions and abbreviations set forth below which, unless otherwise specified, you should consider when reading the information contained herein. References to any legislation, act, regulation or statutory provision in this Red Herring Prospectus shall be construed as reference to such term as amended, modified or re-enacted from time to time.

Company and Business Related Terms

Term	Description
"the Company" or "our Company"	DLF Limited, a public limited company incorporated under the Companies Act and having its registered office at Shopping Mall, 3rd Floor, Arjun Marg Phase-I, DLF City, Gurgaon 122 002, Haryana.
"Articles of Association" or "Articles"	The Articles of Association of the Company, as amended from time to time.
Associate	An entity which is an associate of the Company in accordance with Accounting Standard 23 issued by ICAI.
Auditors	The statutory auditors of the Company, M/s. Walker, Chandiok & Co.
"Board" or "Board of Directors"	The board of directors of the Company.
Caraf	Caraf Builders and Constructions Private Limited, a subsidiary of our Company, which prior to Fiscal 2010, was controlled by our Promoters.
Caraf Promoters	The promoters and controlling shareholders of Caraf, namely, Rajdhani Investments and Agencies Private Limited, Buland Consultants & Investments Private Limited and Sidhant Housing and Development Company, taken together.
Caraf Transaction	The transaction pursuant to which our Company integrated the operations of Caraf and its subsidiaries, including DAL, with that of its subsidiary, DCCDL.
Chandigarh Tri-City	The city of Chandigarh along with certain areas in and around Panchkula and Mullanpur
Company Architects	Architects Rajesh Bindlish, Shankar Mukkavilli, Akansha Moudgil, Alok Kumar, Anil Gupta, Rahul Vatsyayan, Arvind Pandey, Sunil Koul and Giri Raj Shah, who are our employees.
Completed Projects	The projects which had been completed as of December 31, 2012 and in respect of which we had received occupancy or completion certificates as of that date.
DAL	DLF Assets Private Limited, a subsidiary of Caraf, and a step-down subsidiary of our Company, which prior to Fiscal 2010, was controlled by our Promoters.
DCCDL	DLF Cyber City Developers Limited.
Delhi Metropolitan Region	The region in and around Delhi which includes New Delhi and Noida in Uttar Pradesh, but excludes Gurgaon in Haryana.
Development Business	Our business stream that involves the development and sale of residential properties; our Development Business also consists of the development and sale of certain commercial and shopping complexes including those that are integral to our residential developments they are attached to.
Development Potential	The aggregate of the total Saleable Area and total Leasable Area.
Directors	Directors on the Board, as may be appointed from time to time.
DLF Utilities	DLF Utilities Limited.
DLF Foundation	DLF Foundation, the trust.
Equity Shares	Equity shares of face value of ₹ 2 each of the Company.
Joint Venture	An entity which is a joint venture of the Company in accordance with Accounting Standard 27 issued by ICAI.
Land Reserves	The land parcels where, as of December 31, 2012, we have title, economic interest or other rights to undertake construction on, and development of, land and derive economic benefits therefrom in accordance with applicable laws. For avoidance of doubt, our Land Reserves exclude lands over which our Completed Projects are situated.
Leasable Area	In respect of commercial and retail developments, our economic interest in the total area that we have developed and leased, or which is available for development and lease, as per the applicable laws and regulations.

Term	Description
Lease Business	Our business stream that involves the development and leasing of commercial and retail properties.
Net Debt	The aggregate of (a) our repayment obligations to banks and financial institutions under our debt facilities and (b) the outstanding compulsorily convertible preference shares issued to third parties, less (x) cash and cash equivalents (including mutual funds, bonds and fixed deposits), the impact of fluctuation in exchange rates on foreign currency denominated debt, third party loans of our Joint Ventures and (y) equity investments in certain of our Joint Ventures that are treated as debt.
Noida IT Park JV	A joint venture company which owns an IT park commercial development in Noida, Uttar Pradesh.
Occupancy Rate	The portion of Leasable Area in respect of which lease deeds or other form of definitive agreements for lease of space in our commercial or retail portfolio properties has been entered into with our tenants.
Planned Projects	The planned projects in respect of which we had received approvals for conversion of land use as of December 31, 2012, but construction activities were yet to commence as of that date.
POC Method	The percentage of completion method of accounting for long-term contracts under Indian GAAP.
Projects under Construction	The projects in respect of which approvals for commencing construction and development had been received and construction activities had commenced as of December 31, 2012.
Promoters	Mr. Kushal Pal Singh, Mr. Rajiv Singh, Panchsheel Investment Company and Sidhant Housing and Development Company.
Promoter Group	The promoter group of the Company as determined in terms of Regulation 2(1)(zb) of the SEBI Regulations.
Registered Office	Registered office of the Company at Shopping Mall, 3rd Floor, Arjun Marg Phase-I, DLF City, Gurgaon 122 002, Haryana.
Saleable Area	Our economic interest in the total area in each project that we develop and sell, or intend to develop and sell, as per the applicable laws and regulations.
Silverlink	Silverlink Resorts Limited.
Subsidiary	An entity which is a subsidiary of the Company in accordance with the provisions of Section 4 of the Companies Act.
TPR	Timely Payment Rebate.
Vacancy Rate	The portion of the Leasable Area in respect of which no lease deeds or other form of definitive agreements for lease have been entered into with our tenants.
"we" or "us" or "our"	DLF Limited and its Subsidiaries, Joint Ventures, partnership firms and Associates on a consolidated basis.

Issue Related Terms

Term	Description
"Allocation" or "Allocated"	Allocation of the Equity Shares offered in the Issue following the determination of the Issue Price to Applicants on the basis of the ASBA Applications submitted by them and in accordance with the Allotment Criteria.
"Allotment" or "Allotted" or "Allot"	Unless the context otherwise requires, the issue and allotment of the Equity Shares.
Allottees	Eligible QIBs to whom the Equity Shares are Allotted.
Allotment Criteria	The method as finalised by the Company based on which the Equity Shares offered in the Issue will be Allocated and Allotted to successful Applicants, in this case being the proportionate method.
Applicant	An Eligible QIB that submits an ASBA Application in accordance with the provisions of this Red Herring Prospectus.
Application Amount	The highest value indicated by the Applicant in the ASBA Application to subscribe for the Equity Shares applied for in the ASBA Application.
ASBA	Application supported by blocked amount.
ASBA Application	An application by an Applicant, whether physical or electronic, offering to subscribe for the Equity Shares in the Issue at any price at or above the Floor Price or within the Price Band, as the case may be, including any revisions thereof, pursuant to the terms

Term	Description
	of this Red Herring Prospectus and which shall also be an authorisation to an SCSB to block the Application Amount in the ASBA Account maintained with such SCSB. The ASBA Application will also be considered as the application for Allotment for the purposes of this Red Herring Prospectus and the Prospectus. The price per Equity Share and the number of Equity Shares applied for under an ASBA Application may only be revised upwards and any downward revision in price per Equity Share and/or the number of Equity Shares applied for under an ASBA Application or withdrawal of the ASBA Application is not permitted.
ASBA Account	An account maintained with the SCSB by the Applicant and specified in the ASBA Application for blocking the Application Amount.
Basis of Allocation	The basis on which Equity Shares offered in the Issue will be Allocated to successful Applicants in the Issue and the CAN will be dispatched, as described in "**Issue Procedure**".
Book Running Lead Managers	CLSA India Limited, HSBC Securities and Capital Markets (India) Private Limited, Kotak Mahindra Capital Company Limited and UBS Securities India Private Limited.
"CAN" or "Confirmation of Allocation Note"	Note, advice or intimation sent to the Applicants who have been Allocated Equity Shares offered in the Issue, confirming the Allocation of Equity Shares to such Applicants after the determination of the Issue Price in terms of the Basis of Allocation approved by the Stock Exchanges, and shall constitute a valid, binding and irrevocable agreement on part of the Applicant to subscribe to the Equity Shares Allocated to such Applicant at the Issue Price.
Cap Price	The higher end of the Price Band, if any, announced by the Company, above which the Issue Price will not be finalised and above which no ASBA Applications will be accepted.
CLSA India	CLSA India Limited.
Co-Book Running Lead Manager	India Infoline Limited.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html.
Designated Date	The date on which funds blocked by the SCSB are transferred from the ASBA Accounts of the successful Applicants to the Public Issue Account or unblocked, as the case may be, after the Prospectus is filed with the RoC.
Deutsche Equities	Deutsche Equities India Private Limited.
DSP Merrill Lynch	DSP Merrill Lynch Limited.
"Eligible QIB" or Eligible Qualified Institutional Buyer"	A qualified institutional buyer, as defined under Regulation 2(1)(zd) of the SEBI Regulations, provided that, with respect to this Issue, this term shall not include foreign venture capital investors and multilateral and bilateral development financial institutions.
Floor Price	The price below which the Issue Price will not be finalised and the Equity Shares offered in the Issue shall not be Allotted. The Floor Price, will be decided by the Company in consultation with the Managers and shall be announced at least one day prior to the Issue Opening Date. Any ASBA Application made at a price per Equity Share below the Floor Price will be rejected.
Floor Price / Price Band Announcement	The announcement of either the Floor Price or the Price Band, made by the Company at least one day prior to the Issue Opening Date.
Global Coordinators and Book Running Lead Managers	Standard Chartered Securities (India) Limited, Deutsche Equities India Private Limited, DSP Merrill Lynch Limited and J. P. Morgan India Private Limited.
HSBC Securities	HSBC Securities and Capital Markets (India) Private Limited.
India Infoline	India Infoline Limited.
"Institutional Placement Programme" or "IPP"	Institutional placement programme in which offer, allocation and allotment of equity shares is made under Chapter VIII-A of the SEBI Regulations.
Issue	The offer and issuance of up to 81,018,417 Equity Shares to Eligible QIBs, pursuant to Chapter VIII-A of the SEBI Regulations.
Issue and Placement Agreement	The issue and placement agreement dated April 25, 2013, entered into among the Company and the Managers in relation to the Issue.

Term	Description
Issue Closing Date	The last date up to which the ASBA Applications shall be accepted, which date shall be announced along with the Floor Price / Price Band Announcement.
Issue Opening Date	The date on which the Designated Branches and the members of the Syndicate will start accepting the ASBA Applications, which date shall be announced along with the Floor Price / Price Band Announcement.
Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates during which Eligible QIBs can submit their ASBA Applications to the SCSBs and the members of the Syndicate (in the Specified Cities).
Issue Price	The price at which the Equity Shares offered in the Issue will be Allotted to the successful Applicants, and indicated in the CAN, which shall be equal to or greater than the Floor Price, or within the Price Band, as the case may be.
Issue Size	The aggregate size of the Issue, comprising of up to 81,018,417 Equity Shares, each Allotted at the Issue Price.
J.P. Morgan	J. P. Morgan India Private Limited.
Kotak	Kotak Mahindra Capital Company Limited.
Managers	Global Coordinators and Book Running Lead Managers, Book Running Lead Managers and Co-Book Running Lead Managers.
Price Band	Price band, if any, announced by the Company for the Issue, of a minimum price (Floor Price) and a maximum price (Cap Price), which will be decided by the Company in consultation with the Managers and which shall be announced at least one day prior to the Issue Opening Date.
Pricing Date	The date on which the Company in consultation with the Managers finalises the Issue Price.
Prospectus	The prospectus to be filed with the RoC in accordance with the provisions of the Companies Act, containing, *inter alia*, the Issue Size, the Issue Price and certain other information.
Public Issue Account	The account opened with the Public Issue Account Bank in terms of Section 73 of the Companies Act to receive monies from the ASBA Accounts on the Designated Date.
Public Issue Account Agreement	Public issue account agreement dated [●], 2013 among the Company, the Managers, the Syndicate Member, the Registrar and the Public Issue Account Bank.
Public Issue Account Bank	The bank which is clearing member and registered with SEBI as a banker to the issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited.
Red Herring Prospectus	This red herring prospectus issued in accordance with the provisions of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered in the Issue and the size of the Issue. This Red Herring Prospectus will be filed with the RoC at least three days before the Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Registrar to the Issue	Karvy Computershare Private Limited.
Revision Form	The form used by the Applicants, to modify the number of Equity Shares applied for or the price per Equity Share in any of their ASBA Applications or any previous Revision Form(s). Applicants are not allowed to revise downwards the price per Equity Share or the number of Equity Shares applied for.
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the issue registered with SEBI, which offers the facility of ASBA and a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html.
Specified Cities	Cities as specified in the SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat.
Standard Chartered Securities	Standard Chartered Securities (India) Limited.
Stock Exchanges	The BSE and the NSE.
Syndicate or members of the Syndicate	The Managers and the Syndicate Member.
Syndicate Agreement	The agreement dated [●] among the Syndicate and the Company in relation to the Issue
Syndicate ASBA Bidding Centres	Centres in the Specified Cities where the Applicants can register their ASBA Applications with a member of the Syndicate.

Term	Description
Syndicate Member	Kotak Securities Limited.
TRS or Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the ASBA Application.
UBS Securities	UBS Securities India Private Limited.
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Issue Closing Date and listing of the Equity Shares offered pursuant to the Issue on the Stock Exchanges, "Working Days", shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI Circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010.

Conventional and General Terms and reference to other entities

Term	Description
Acre	43,560 sq. ft.
Alternative Investment Fund/AIF	Alternative Investment Fund as defined in and registered under SEBI AIF Regulations.
AY	Assessment Year.
BFSI	Banking, Financial Services and Insurance.
BSE	BSE Limited.
CAGR	Compounded annual growth rate.
CCI	Competition Commission of India.
CCPS	Compulsorily Convertible Preference Shares.
CDSL	Central Depository Services (India) Limited.
Central Statistics Office	Central Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.
CERs	Certified Emission Reductions.
Civil Procedure Code	Code of Civil Procedure, 1908.
Client ID	Beneficiary account identity.
Companies Act	Companies Act, 1956.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	Circular 1 of 2013 dated April 5, 2013 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, effective from April 5, 2013.
Depositories	NSDL and CDSL.
Depositories Act	Depositories Act, 1996.
Depository Participant or DP	A depository participant as defined under the Depositories Act.
DP ID	Depository participant identity.
EPC	Engineering, procurement and construction.
EPS	Earnings per share, i.e., profit after tax for a financial year divided by the weighted average number of equity shares during the financial year.
Equity Listing Agreement	The equity listing agreements entered by the Company with each of the Stock Exchanges.
ERP	Enterprise Resource Planning.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
FIIs	Foreign institutional investors (as defined under the FII Regulations) registered with SEBI.
Financial year or fiscal year or fiscal or FY	Period of 12 months ended March 31 of that particular year.
FSI	Floor space index, which means the quotient of the ratio of the combined gross floor area of all floors, excepting areas specifically exempted, to the total area of the plot.

Term	Description
FVCI or foreign venture capital investors	Foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
GDP	Gross Domestic Product.
GoI or Government	Government of India.
Hectare	107,639 sq. ft.
HUDA	Haryana Urban Development Authority.
HUF	Hindu Undivided Family.
I.T. Act	Income Tax Act, 1961.
IBEF	The India Brand Equity Foundation, a public-private partnership between the Ministry of Commerce and Industry, Government of India, and the Confederation of Indian Industry.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
IMF	International Monetary Fund.
IND AS	Indian Accounting Standards converged with International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
Insurance Company	An insurance company registered with the Insurance Regulatory and Development Authority in India.
IT/ ITeS	Information Technology and Information Technology Enabled Services.
ITNL	IL&FS Transportation Networks Limited.
JDAs	Joint Development Arrangements.
JV	Joint Venture.
JVAs	Joint Venture Arrangements.
Limited liability partnership	A limited liability partnership registered with the registrar of companies under the Limited Liability Partnership Act, 2008.
MAT	Minimum Alternate Tax.
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of Understanding.
msf	Million square feet.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
NCR	National Capital Region.
Non-Resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
Old Schedule VI	The format of presentation of financial statements prescribed under Schedule VI to the Companies Act which was followed by Indian companies until the issuance of Notification S.O. 447(E) dated February 28, 2011 by the MCA.
PAN	Permanent Account Number allotted under the I.T. Act.
RBI	Reserve Bank of India.
Real Estate Accounting Guidance Note	The Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by ICAI on February 11, 2012.
Regulation S	Regulation S under the U.S. Securities Act.
Revised Schedule VI	The revised format of presentation of financial statements prescribed under Schedule VI to the Companies Act which is followed by Indian companies after the issuance of Notification S.O. 447(E) dated February 28, 2011 by the MCA.
RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana.
Rs./ ₹/INR	Indian Rupees.
Rule 144A	Rule 144A under the U.S. Securities Act.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act.

Term	Description
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
SEZ	Special Economic Zone.
SEZ Act	Special Economic Zones Act, 2005.
SPV	Special purpose vehicle.
Sq ft	Square Foot.
STT	Securities Transaction Tax.
Supreme Court	Supreme Court of India.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
U.S. QIB	A qualified institutional buyer, as defined in Rule 144A under the U.S. Securities Act.
U.S. Securities Act	The U.S. Securities Act of 1933.
VCF(s) or Venture capital funds	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.
VERs	Voluntary Emission Reductions.

Notwithstanding the foregoing, terms in the sections titled, “Statement of Tax Benefits” and “Financial Statements” have the meanings given to such terms in these respective sections.

REPRESENTATIONS BY INVESTORS

By subscribing to any Equity Shares offered in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to the Company, the Managers and the Syndicate Member, as follows:

- You are an "Eligible QIB" (hereinafter defined), having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares offered in the Issue that are Allotted to you in accordance with Chapter VIII-A of the SEBI Regulations;

- You are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You are aware that this Red Herring Prospectus has not been reviewed, verified or affirmed by SEBI, RBI, the Stock Exchanges or any other regulatory or listing authority, other than the RoC pursuant to applicable provisions of the Companies Act, and is intended only for use by Eligible QIBs;

- If you are Allotted the Equity Shares, you shall not, for a period of one year from the date of Allotment, sell such Equity Shares so acquired except on the Stock Exchanges;

- You are entitled to subscribe for the Equity Shares offered in the Issue under the laws of all relevant jurisdictions that apply to you and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Red Herring Prospectus), and will honour such obligations;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents (the "**Company Presentations**") with regard to the Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Syndicate (as defined hereafter) may not have knowledge of the statements that the Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Syndicate have advised you not to rely in any way on any information that was provided to you at any such Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material or price sensitive information relating to the Company and the Issue that was not made publicly available by the Company;

- Neither the Company nor the Managers nor the Syndicate Member nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares offered in the Issue, be a client of the Managers or the Syndicate Member. Neither the Managers nor the Syndicate Member nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to its or their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- All statements other than statements of historical facts included in this Red Herring Prospectus, including those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the

Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Red Herring Prospectus;

- You are aware of and understand that the Equity Shares to be issued pursuant to the Issue are being offered only to Eligible QIBs and are not being offered to the general public and the Allocation and Allotment shall be in accordance with the Basis of Allocation (as defined hereinafter), Allotment Criteria and the CAN (as defined hereinafter). For details, see "**Issue Procedure**";

- You have read this Red Herring Prospectus in its entirety, including in particular, "**Risk Factors**";

- In making your investment decision, you have (i) relied on your own examination of the Company and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of the Company on a consolidated basis, the Equity Shares offered in the Issue and the terms of the Issue based solely on the information contained in this Red Herring Prospectus and publicly available information about the Company and no other disclosure or representation by us or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, the effects of local laws, (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of the Company and the Equity Shares offered in the Issue, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the Managers nor the Syndicate Member nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares offered in the Issue (including the Issue and the use of proceeds from such Equity Shares). You will obtain your own independent tax advice and will not rely on the Managers, the Syndicate Member or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares offered in the Issue (including, in relation to the Issue and the use of proceeds from the Equity Shares offered in the Issue). You waive, and agree not to assert any claim against any of the Company, the Managers, the Syndicate Member or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares offered in the Issue or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor who is seeking to subscribe to the Equity Shares offered in the Issue for your own investment and not with intent to distribute such Equity Shares and have such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares offered in the Issue. You and any accounts for which you are subscribing to the Equity Shares offered in the Issue (i) are each able to bear the economic risk of the investment in the Equity Shares to be issued pursuant to the Issue, (ii) are able to sustain a complete loss on the investment in the Equity Shares to be issued pursuant to the Issue, (iii) have no need for liquidity with respect to the investment in the Equity Shares offered in the Issue, (iv) have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of subscribing to the Equity Shares offered in the Issue, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares offered in the Issue. You acknowledge that an investment in the Equity Shares offered in the Issue involves a high degree of risk and that such Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares offered in this Issue for your own investment and not with a view to resale or distribution;

- If you are acquiring the Equity Shares offered in the Issue, for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and make the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

- You are neither a Promoter nor a person related to the Promoters, either directly or indirectly, and your ASBA Application does not directly or indirectly represent the Promoters or the Promoter Group (hereinafter defined) or persons related to the Promoters. For the purposes of this representation you will be deemed to be related to the Promoters if you have any rights under any shareholders' agreement or voting agreement entered into with the Promoters or persons related to the Promoters, any veto rights or any right to appoint any nominee director on the Board (as defined hereinafter), other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares;

- You have no right to withdraw your ASBA Application or revise downwards the price per Equity Share or the number of Equity Shares mentioned in your ASBA Application;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or within any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance upon an exemption from the registration requirements of the U.S. Securities Act;

- If you are within the United States, you are an institutional investor meeting the requirements of a U.S. QIB, are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the requirements of a U.S. QIB for investment purposes only, and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part;

- You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act and the Equity Shares may not be eligible for resales under Rule 144A;

- You are eligible to apply for and hold the Equity Shares offered in the Issue, which are Allotted to you together with any Equity Shares held by you prior to the Issue. You confirm that your aggregate holding after the Allotment of the Equity Shares offered in the Issue shall not exceed the level permissible as per any applicable regulations;

- The ASBA Application submitted by you would not result in triggering a tender offer under the Takeover Regulations (hereinafter defined);

- You, together with other Eligible QIBs that belong to the same group as you or are under common control as you, shall not be Allotted Equity Shares in excess of 25% of the aggregate number of Equity Shares Allotted in the Issue. You agree that in the event that the aggregate number of Equity Shares Allotted in the Issue is less than the original Issue Size, the Company will reduce the number of Equity Shares that may be Allotted to you such that you are not Allotted Equity Shares in excess of 25% of the final Issue Size. For the purposes of this representation:

  i. The expression ‘belong to the same group’ shall have the same meaning as ‘companies under the same group’ as provided in sub-section (11) of Section 372 of the Companies Act; and
  ii. The expression ‘control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations;

  For meaning of the terms ‘companies under the same group’ under sub-section (11) of Section 372 of the Companies Act and ‘control’ under Regulation 2(1)(e) of the Takeover Regulations, see “**Issue Procedure**”;

- You shall not undertake any trade in the Equity Shares issued pursuant to the Issue and credited to your Depository Participant (as defined hereinafter) account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Clause 24(a) of the Equity Listing Agreement, for listing and admission of the Equity Shares offered in the Issue and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares issued pursuant to the Issue will be obtained in time, or at all. The Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

- By participating in the Issue, you confirm that you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Managers, the Syndicate Member or the Company or any of their respective affiliates or any other person acting on their behalf and neither the Managers, the Company, the Syndicate Member nor any of their respective affiliates or other person acting on their behalf will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares offered in the Issue is contained in this Red Herring Prospectus, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares offered in the Issue and neither the Managers nor the Company nor the Syndicate Member will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- The Syndicate do not have any obligation to purchase or acquire all or any part of the Equity Shares subscribed for by you or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by the Company of any of its obligations or any breach of any representations and warranties by the Company, whether to you or otherwise;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in New Delhi, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Issue, this Red Herring Prospectus and the Prospectus;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares issued pursuant to the Issue on the Stock Exchanges;

- You agree to indemnify and hold the Company, the Managers, the Syndicate Member and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach or alleged breach of the representations, warranties, acknowledgements and undertakings made by you in this Red Herring Prospectus. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares issued pursuant to the Issue by, or on behalf of, the managed accounts;

- You agree to abide by the Basis of Allocation provided in this Red Herring Prospectus, and the Allocation done in accordance with Basis of Allocation as overseen by the Stock Exchanges; and

- You agree to provide additional documents as may be required by the Company and the Syndicate for finalisation of the Basis of Allocation along with the Stock Exchanges. The Company, the Managers, the Syndicate Member and their affiliates may rely on the accuracy of such documents provided by you.

The Company, the Managers, the Syndicate Member, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Syndicate on their own behalf and on behalf of the Company, and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 (the "**FII Regulations**"), an FII may issue or otherwise deal in offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments issued overseas against underlying securities, listed or proposed to be listed on any recognized stock exchange in India, such as the Equity Shares offered in the Issue (all such offshore derivative instruments are referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities subject to compliance with applicable 'know your client' requirements. An FII shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by an appropriate foreign regulatory authority. No sub-account of an FII is permitted to directly or indirectly issue P-Notes. P-Notes have not been and are not being offered, issued or sold pursuant to this Red Herring Prospectus. This Red Herring Prospectus does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company, the Managers or the Syndicate Member. The Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to the P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to the Company, the Managers or the Syndicate Member. The Company, the Managers and the Syndicate Member do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with the P-Notes. Any P-Notes that may be issued are not securities of the Managers or the Syndicate Member and do not constitute any obligations of or claims on the Managers or the Syndicate Member. Affiliates of the Managers that are registered as FIIs may purchase, to the extent permissible under law, the Equity Shares offered in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE

As required, a copy of this Red Herring Prospectus has been delivered to each of the Stock Exchanges and SEBI and for registration with the RoC. The Stock Exchanges, SEBI and the RoC do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of this Red Herring Prospectus;
(2) warrant that the Equity Shares issued pursuant to the Issue will be listed or the Equity Shares will continue to be listed on the Stock Exchanges; or
(3) take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company.

It should not for any reason be deemed or construed to mean that this Red Herring Prospectus has been reviewed or approved by the Stock Exchanges or SEBI. Every person who desires to apply for or otherwise acquire any Equity Shares offered in the Issue may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges, SEBI and the RoC whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Red Herring Prospectus, unless the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors in the Issue, references to 'the Company' or 'our Company' are to DLF Limited, and references to 'we', 'us' or 'our' are to DLF Limited, its subsidiaries, joint ventures, partnership firms and associates on a consolidated basis, unless otherwise specified.

In this Red Herring Prospectus, all references to "INR", "Indian Rupees", "₹" or "Rs." are to Indian Rupees and all references to "U.S. dollars", "USD" or "U.S.$" are to United States dollars. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions and all references to "India" are to the Republic of India and its territories and possessions. All references herein to the "Government" or the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

In this Red Herring Prospectus, references to the words "Lakh" or "Lac" mean "100 thousand", the word "million" means "10 lakh", the word "crore" means "10 million" or "100 lakhs" and the word "billion" means "1,000 million" or "100 crores".

All references in this Red Herring Prospectus to the word "acre" mean "43,559.6 sq ft" and "hectare" mean "107,639.1 sq ft".

In this Red Herring Prospectus, certain information relating to the Occupancy Rate and the Vacancy Rate of our commercial and retail leased properties, the outstanding contractual payments for the acquisition of our Land Reserves, mortgaged land parcels, the percentage contribution to gross income by 10 largest tenants for our commercial and retail properties, the description of our projects, our DT Cinemas business, Hotel Hilton Garden Inn, The Lodhi and our fire stations is based on management estimates and has not been verified independently. Further, the square footage information presented in this Red Herring Prospectus regarding Development Potential, Saleable Area or Leasable Area is based on management estimates and has not been verified independently to the extent it does not relate to our Projects under Construction and Planned Projects.

Financial information

The financial year of the Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'fiscal year', 'Fiscal' or 'FY' are to the twelve month period ended on March 31 of that year.

The Company publishes its consolidated and unconsolidated financial statements in Indian Rupees. The Company's audited consolidated financial statements included herein have been prepared in accordance with Indian GAAP and the Companies Act. Unless otherwise indicated, all financial data in this Red Herring Prospectus are derived from the Company's financial statements prepared in accordance with Indian GAAP. Indian GAAP differs in certain significant respects from International Financial Reporting Standards ("**IFRS**") and U.S. GAAP and accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's familiarity with the respective accounting policies. The Company does not provide a reconciliation of its financial statements to IFRS or U.S. GAAP financial statements. See "Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition" and "Summary of Significant Differences between Indian GAAP and IFRS".

The audited consolidated financial statements of the Company as of and for the years ended March 31, 2010, 2011 and 2012 included in this Red Herring Prospectus (collectively, the "**Audited Consolidated Financial Statements**") have been prepared in accordance with Indian GAAP and the Companies Act. The Company's unaudited condensed consolidated balance sheet as of December 31, 2012 and the related unaudited condensed consolidated statement of profit and loss and the unaudited condensed consolidated cash flow statement for the nine month period ended December 31, 2012 (the "**Unaudited Condensed Interim Consolidated Financial Statements**", and together with the Audited Consolidated Financial Statements, the "**Financial Statements**") have been prepared in accordance with Accounting Standard 25 "Interim Financial Reporting" notified pursuant to the Companies (Accounting Standards) Rules, 2006, as amended, and have been reviewed in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India.

An issuer intending to increase public shareholding pursuant to an institutional placement programme under Chapter VIII-A of the SEBI Regulations is required to ensure that the audited financial statements disclosed in the red herring prospectus and prospectus are not older than six months from the issue opening date. The Company’s financial statements as of and for the nine month period ended December 31, 2012 have not been audited. However, pursuant to a letter dated February 22, 2013, the SEBI has permitted us to disclose the Financial Statements in this Red Herring Prospectus in the manner described above.

Pursuant to Notification S.O. 447(E) dated February 28, 2011, the old format prescribed under Schedule VI to the Companies Act (the “**Old Schedule VI**”) was replaced with the revised Schedule VI (the “**Revised Schedule VI**”), which significantly changes the presentation of, and disclosure made in, the financial statements of Indian companies. Accordingly, the Company has modified the manner in which it presents its financial statements as of and for the Fiscal 2012 so that the presentation of the Company’s financial statements is consistent with the Revised Schedule VI, which became applicable to the Company in Fiscal 2012. In connection with this exercise, the Company has also reclassified its financial statements as of and for the financial year ended March 31, 2011 in order to provide comparability with its financial statements as of and for the financial year ended March 31, 2012. The Company’s historical audited financial statements for Fiscal 2011 and Fiscal 2010, however, have been presented in this Red Herring Prospectus in accordance with the Old Schedule VI. The adoption of the Revised Schedule VI does not impact the recognition and measurement principles followed for the preparation of the Company’s financial statements. However, it does have a significant impact on the presentation of, and disclosure made in, the Company’s financial statements, particularly with respect to the presentation of the statement of assets and liabilities. For financial periods ending subsequent to March 31, 2012, the Company has been, and will be, presenting its financials statements in accordance with the Revised Schedule VI.

In this Red Herring Prospectus, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Non-GAAP Financial Measure

We define “**Net Debt**” as “the aggregate of (a) our repayment obligations to banks and financial institutions under our debt facilities and (b) the outstanding compulsorily convertible preference shares issued to third parties, less (x) cash and cash equivalents (including mutual funds, bonds and fixed deposits), the impact of fluctuation in exchange rates on foreign currency denominated debt, third party loans of our Joint Ventures and (y) equity investments in certain of our Joint Ventures that are treated as debt”.

Our Net Debt is a supplemental measure of indebtedness, and is not required by or presented in accordance with Indian GAAP, and should not be considered an alternative to any other measures derived to calculate indebtedness in accordance with Indian GAAP. Other companies or entities may calculate Net Debt differently from us, limiting its usefulness as a comparative measure. Further, Net Debt has limitations as an analytical tool, and you should not consider Net Debt in isolation from, or as a substitute for, analysis of our financial condition, as reported under Indian GAAP.

INDUSTRY AND MARKET DATA

Market and industry related information used in this Red Herring Prospectus has generally been obtained or derived from publicly available documents as well as industry publications and sources. These documents and publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry and market related information used in this Red Herring Prospectus is reliable, it has not been independently verified. Neither the Company nor the Managers or any Syndicate Member have independently verified this information and do not make any representation regarding the accuracy of such information. The extent to which industry and market related information used in this Red Herring Prospectus is meaningful depends on the readers' familiarity with and understanding of the methodologies used in compiling such information. Similarly, while the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither the Company, nor the Managers or any Syndicate Member can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". All statements contained in this Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements. Investors can generally identify forward-looking statements by the use of terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "may", "will", "will continue", "will pursue", "contemplate", "future", "goal", "propose", "will likely result", "will seek to" or other words or phrases of similar import. All forward-looking statements, whether made by us or any third party, are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the real estate industry, and our ability to respond to them, our ability to successfully implement our strategy, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities, the monetary and fiscal policies of India, inflation, deflation, unanticipated volatility in interest rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and incidence of any natural calamities or acts of violence.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- the performance of the real estate market in the regions in which we operate;
- global and Indian economic conditions and the availability of real estate financing in India;
- our ability to reduce our indebtedness and to service our existing debt;
- impairment of our title to land;
- our ability to identify suitable projects and obtain government approvals;
- our ability to complete construction and development of projects in timely manner;
- the availability of certain taxation benefits;
- the outcome of legal or regulatory proceedings that we are currently, or might in the future become, involved in;
- adverse changes in laws and regulations, including tax statutes, governing the real estate sector in India;
- the loss of key tenants, or a decline in the financial stability of our key tenants;
- contingent liabilities, environmental problems and uninsured losses; and
- other factors beyond our control and our ability to manage risks that arise from these factors.

For further discussion of factors that could cause our actual results to differ, see the sections titled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of the date of this Red Herring Prospectus. None of the Company, the Managers or any Syndicate Member, or any of their respective directors, officers, affiliates or associates have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information concerning exchange rates between the Rupee and the U.S. dollar for the periods indicated. Exchange rates are based on the reference rates released by RBI, which are available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all. On March 28, 2013, the exchange rate (RBI reference rate) was INR 54.3893 to U.S. $1.00 (Source: http://www.rbi.org.in).

	Period End	Average[1]	High	Low
Financial Year:	(₹ Per U.S.$1.00)			
2013	54.1665	54.2173	55.3278	52.9730
2012	51.1565	47.9458	54.2355	43.9485
2011	44.6500	45.5763	47.5700	44.0300
2010	45.1400	47.4161	50.5300	44.9400
Quarter Ended:				
March 31, 2013	54.3893	54.1726	55.3278	52.9730
December 31, 2012	54.7773	54.1386	55.7045	51.6185
September 30, 2012	52.6970	55.2443	56.3755	52.6970
June 30, 2012	56.3090	54.2214	57.2165	50.5645

(1) Average of the official rate for each working day of the relevant period.

(Source : www.rbi.org.in)

SUMMARY OF OUR BUSINESS

The following summary has been extracted from, and should be read in conjunction with, the section titled "Our Business" in this Red Herring Prospectus.

Certain information presented in this section that relates to the Occupancy Rate of our commercial and retail leased properties, the percentage contribution to gross income by 10 largest tenants for our commercial and retail properties, the description of our projects, our DT Cinemas business, Hotel Hilton Garden Inn, The Lodhi and our fire stations is based on management estimates and has not been verified independently. Further, certain information presented in this section regarding Development Potential, Saleable Area or Leasable Area is based on management estimates and has not been verified independently to the extent it does not relate to our Projects under Construction or Planned Projects.

Unless otherwise stated, references in this section to "DLF", "the Company" or "our Company" are to DLF Limited, and references to "we", "our" or "us" are to the Company along with its Subsidiaries, Joint Ventures, Associates and partnerships on a consolidated basis.

OVERVIEW

We are one of the leading publicly listed real estate development companies in India. We are primarily engaged in the business of development and sale of residential properties (the "**Development Business**") and the development and leasing of commercial and retail properties (the "**Lease Business**").

Our Development Business spans all activities related to residential real estate development, from the identification and acquisition of land through to the planning, execution, marketing and sales of our development projects. Our residential properties include plotted developments, houses, villas and apartments of varying sizes, with a focus on luxury and high end residential developments, as well as integrated townships. Our Development Business also consists of the development and sale of certain commercial and shopping complexes including those that are integral to the residential developments they are attached to.

Our Lease Business involves leasing of our commercial and retail properties. Our commercial properties include corporate offices, IT Parks, IT SEZs and built-to-suit facilities, with a focus on properties that attract large multinational tenants. Our retail properties include shopping malls, which in many cases include multiplex cinemas and food courts. Our utilities and facility management services business supports and complements our Lease Business.

As of December 31, 2012, we had developed 105 real estate projects over approximately 262.4 msf of area, with approximately 231.9 msf of Saleable Area and approximately 30.6 msf of Leasable Area. As of December 31, 2012, we had 34 Projects under Construction over approximately 46.1 msf of Saleable Area and 5.8 msf of Leasable Area. As of that date, we were working on seven Planned Projects with approximately 11.0 msf of Saleable Area and 0.2 msf of Leasable Area. Set out below are certain details in relation to the aggregate Saleable Area and Leasable Area for our Completed Projects, Projects under Construction and Planned Projects, as of December 31, 2012.

Type of Real Estate Development	Completed Projects [Ω]		Projects under Construction		Planned Projects	
	Saleable Area	Leasable Area	Saleable Area	Leasable Area	Saleable Area	Leasable Area
			(msf)			
Development Business						
Residential	226.5	--	42.1[∝]	--	11.0	--
Commercial and shopping complexes*	5.4	--	3.9	--	--	--
Sub-Total	***231.9***	--	***46.1***[∝]	--	***11.0***	--
Lease Business						
Commercial	--	29.0	--	3.8[☼]	--	--
Retail	--	1.6	--	2.0	--	0.2
Sub-Total	--	***30.6***	--	***5.8***[☼]	--	--
Total	**231.9**	**30.6**	**46.1**[∝]	**5.8**[☼]	**11.0**	**0.2**

**Constitutes a miniscule portion of our Development Business.*
[Ω] *This information is based on management estimates and has not been verified independently.*
[∝] *Represents our economic interest in the projects and excludes 10.3 msf of Saleable Area being developed by us pursuant to certain joint development and joint venture arrangements.*
[☼] *Represents our economic interest in the projects and excludes 0.4 msf of Leasable Area being developed by us pursuant to certain joint development and joint venture arrangements.*

Historically, we have focused our business on the Delhi Metropolitan Region and Gurgaon. While we have expanded our operations in recent years to other metro cities and certain other regions in India, we expect markets in and around Chennai, Bengaluru, Kolkata, Hyderabad and Chandigarh to be our principal markets in the near future, in addition to the Delhi Metropolitan Region and Gurgaon.

We have Land Reserves across India, and as of December 31, 2012, we had approximately 6,175 acres of land parcels, with an aggregate estimated Development Potential of approximately 332.4 msf. Of these, approximately 274.9 msf, or 82.7% of the total Development Potential, relates to our Development Business and approximately 57.5 msf, or 17.3% of the total Development Potential, relates to our Lease Business. See "Our Business—Our Operations—Our Land Reserves" below.

During the nine month period ended December 31, 2012, our consolidated sales and other income was ₹67,769.5 million and our consolidated net profit was ₹7,161.1 million. In Fiscal 2012, Fiscal 2011 and Fiscal 2010, our consolidated sales and other income was ₹102,238.5 million, ₹101,444.4 million and ₹78,509.0 million, respectively, and our consolidated net profit was ₹12,008.2 million, ₹16,396.1 million and ₹17,198.3 million, respectively.

History and Recent Developments

We and our predecessors have been steadily building our real estate business since 1946 and have developed many of Delhi's well known urban colonies including Krishna Nagar, South Extension, Greater Kailash, Kailash Colony and Hauz Khas. We have also developed DLF City, which is an integrated township in Gurgaon that includes residential, commercial and retail properties in a modern city infrastructure with schools, shopping malls and a leading golf and country club. *DLF City* also incorporates *DLF Cyber-City*, our leading commercial development.

During the period from 2003 to 2008, the Indian real estate sector witnessed significant growth and demand, led by increasing affluence and an expanding middle-class with higher levels of disposable income, as well as increased demand for commercial and retail space from multinational businesses and retail operators. Our business grew steadily during this period, and we commenced and launched several new commercial, retail and residential projects and expanded our operations across India. Following our initial public offering and listing on the BSE and the NSE in 2007, we sought to diversify our operations into areas such as hospitality, wind power, SEZs and insurance.

In Fiscal 2009, the Indian economy started feeling the impact of the global financial crisis. This led to an increase in interest rates and a shortage of affordable credit, accompanied by inflationary pressures. These factors have had an adverse effect on the Indian real estate sector as a whole. The period of activity prior to the financial crisis had seen a build-up of large quantities of oversupply in the Indian real estate market, across the commercial leasing, retail leasing and residential housing sectors and this, combined with a lack of liquidity, high interest rates and investor uncertainty, resulted in reduced demand and downward pressure on prices for properties as well as a reduction in the volume of leasing and lease income. The outlook towards the Indian real estate sector changed significantly during this period and stricter provisioning and risk weightage norms adopted by banks resulted in a lack of affordable financing for the sector. As a consequence, our business was adversely affected by lower revenues and cash flows, on the one hand, and higher input and financing costs, on the other.

In order to effectively respond to the adverse effects of the macro-economic situation and in order to stabilize our business, we restructured our operations into two business streams – the Development Business and the Lease Business, and integrated the operations of Caraf and its subsidiaries, including DAL, with our Lease Business in Fiscal 2010. See "Our Business—Our Operations". This resulted in a substantial consolidation of our lease properties and provided us with relatively stable cash flows from lease income. Further, we implemented a strategy of focusing on our core business of real estate development and leasing while seeking to unlock the value of non-strategic businesses and non-core assets, and the divestment process is currently on-going. Set out below are certain key transactions that formed part of this process.

- Divested certain non-strategic and non-core land parcels in various regions in India.
- Divested a portion of our interest in an IT park commercial development in Noida, Uttar Pradesh (the "**Noida IT Park JV**") to IDFC Limited, in December 2011.[∞]
- Divested our interest in DLF Ackruti Info Parks (Pune) Limited, our joint venture with Hubtown Limited, which holds a land parcel notified as an IT/ITeS SEZ located in Pune, Maharashtra, in December 2011.
- Divested our interest in Adone Hotels and Hospitality Limited, our joint venture with Hilton International, which held certain land parcels in Chennai, Kolkata, Mysore and Thiruvananthapuram for the development of hotels and other hospitality projects, in June 2012.*

- Divested our interest in Jawala Real Estate Private Limited, which owns the NTC Mills land at Lower Parel in Mumbai, in August 2012.
- Entered into a definitive agreement in December 2012 for the sale of our shareholding in Silverlink Resorts Limited, which owns hotels and resorts operating under the "*Aman Resorts*" brand.**
- Entered into a definitive agreement in January 2013 for the sale of our wind energy undertaking in Gujarat with an aggregate capacity of 150MW. $^{\Omega}$
- Entered into a definitive agreement in April 2013 for the sale of our wind energy undertakings in Tamil Nadu and Rajasthan with an aggregate capacity of 67.5 MW. $^{\Omega}$

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$^{\infty}$ *Under the terms of the share purchase agreement, IDFC Limited is required to purchase our remaining shareholding in the Noida IT Park JV in proportion to the occupancy rate for this property.*
* *For further details, see "Our Business—Other Businesses—Hotels".*
** *This sale does not include The Lodhi hotel property located in New Delhi. See "Our Business—Other Businesses—Hotels".*
$^{\Omega}$ *These transactions did not include our wind energy undertaking in the state of Karnataka with an aggregate capacity of 11.2 MW, the sale of which is currently under discussion. See "Our Business—Other Businesses—Wind Energy".*

Economic conditions in Fiscal 2012 and the nine month period ended December 31, 2012 remained challenging, and our net profits have continued to experience a downward trend during these periods. However, we believe that demand conditions in the real estate sector are exhibiting early signs of improvement, and signs of declining interest rates as well as renewed activity in the lending and public capital markets are expected to ease funding pressures. As we continue to build on our core business of real estate development and leasing and streamline our restructured organization structure, we believe that we are well placed to achieve our targets of reducing our overall indebtedness, executing our real estate development and leasing operations and taking advantage of a potential revival in economic growth and its resultant positive effects on the real estate sector.

STRENGTHS

We believe that the following are our primary competitive strengths:

An established, reputable developer with a strong brand name

We are one of the leading publicly listed real estate development companies in India. Since 1946, we have developed 105 real estate projects over approximately 262.4 msf of area, which included approximately 231.9 msf of Saleable Area and approximately 30.6 msf of Leasable Area**.** We believe that we have developed some of the most identifiable landmarks in the Delhi Metropolitan Region and Gurgaon.

We believe that our position as one of the leading real estate developers in India is largely due to our diversified product offering and established execution capabilities. Several of our office and retail lease properties are Grade-A spaces that are well-designed, energy efficient buildings with all modern amenities and high safety, maintenance and service standards. We continually offer our customers new designs and concepts. We believe that supporting facilities and infrastructure that we continue to develop, such as multi-level car parking facilities, fire stations, connecting roads, highways and rapid rail transit systems, benefit our customers and enhance the value of our developments. We also provide utilities and facility management services for all our lease properties and certain residential developments, including environment-friendly power and power back-up. Our developments typically integrate high construction and safety standards.

Our reputation as an established developer attracts high-income customers and multinational corporates seeking to occupy multiple locations. Further, we believe that our reputation for prompt payment, execution of projects and transparent business operations has created a relationship of trust with our suppliers, agents, customers and tenants, many of whom have been involved with us over a long period of time. We retain internationally and nationally renowned architectural, design and engineering consultant firms, and reputable construction and project management contractors, for our projects.

We and our development projects have received several awards and accolades in the last five years, including the "*Best Global Developer Award*" for 2009 by the Euromoney magazine and the "*Most Respected Real Estate Company in India*" award from the Business World magazine in 2011. We believe that these awards are a recognition of our strong brand and established track record.

Large Land Reserves and projects at strategic locations

We believe that our large Land Reserves are an important component of our real estate development business. We have Land Reserves across India, amounting to approximately 6,175 acres, with an aggregate estimated Development Potential of approximately 332.4 msf. Approximately 48.0% of our Land Reserves are located in Gurgaon, 7.0% in the Delhi Metropolitan Region, 7.0% in Chennai, 7.0% in the Chandigarh Tri-City, 6.0% in

Hyderabad, 2.0% in Kolkata, 9.0% in Bengaluru and the remaining 14.0% in various other key locations such as Lucknow, Indore, Gandhi Nagar, Jalandhar, Shimla, Nagpur, Panipat, Sonepat, Kochi, Bhubaneswar and Nagpur. See "Our Business—Our Operations—Our Land Reserves". We believe that our current Land Reserves, of which approximately 90.0% are fully paid for, are sufficient for our planned developments and our intended growth plans for the foreseeable future. This, we believe, is one of our key competitive strengths and protects us against inflation in land prices.

Our Land Reserves provide us with the ability to develop projects at strategic locations, which we believe command higher values and growth rates resulting in relatively higher margins and higher lease income. Further, appreciation in the value of our Land Reserves has in the past resulted in the profitable sale of certain land parcels and plotted developments.

We believe that our strategically located luxury residential developments such as *The Aralias* and *The Magnolias* appeal to our higher income customers, while our townships such as *DLF City* are developed with easy access to city centers. Our commercial developments such as *DLF Cyber-City, Hyderabad IT SEZ* and *Chennai IT SEZ* are located in areas that are attractive to our multinational and Indian tenants. We believe that our strategically located retail shopping malls such as *DLF Emporio* at Vasant Kunj in New Delhi attract international and national luxury and designer brands as tenants. We further believe that our retail shopping malls such as *DLF Promenade* at Vasant Kunj, New Delhi, *DLF Place* at Saket, New Delhi and *City Centre DLF* at Chandigarh with integrated multiplex cinemas and food courts afford convenient access to target customers of our retail tenants, both in city centers and suburban locations. See the description of our key projects under "Our Business—Our Operations".

Large scale of operations

The size of our operations allows us to benefit from economies of scale and is one of the contributing factors to the greater credibility that we enjoy with sellers of land as well as buyers of our properties. We believe that our ability to purchase large plots of land from multiple sellers enables us to create large, contiguous parcels of land, which enables us to undertake projects with sizeable development potential such as DLF City, our integrated township in Gurgaon. In addition, our expansive Land Reserves also allow us to respond more effectively to changes in market conditions and demand. We are able to undertake large scale projects in multiple phases, which provides us the opportunity to monitor market acceptance and modify or vary the scale of our projects in accordance with customer preferences. The scale of our developments also creates demand for our other businesses such as the utilities and facility management services business. Additionally, the multiplicity of our projects, locations and size allows us to build strong, long-term relationships with construction and project management firms and contractors. We are also able to generate economies of scale for the acquisition of raw materials.

Diversified real estate portfolio

We believe that our portfolio of projects is diversified across locations, income groups and price-points, and also across the residential, commercial and retail segments. We offer our portfolio of residential projects and plotted developments across varying price-points for different income groups, while seeking to prevent excessive exposure to lower margin segments. We offer a wide spectrum of commercial and retail developments across all formats that cater to the requirements of the IT/ ITeS sector, the BFSI sector as well as the retail industry. We believe that our projects are strategically located and carefully planned. We conduct comprehensive market research and analysis of our projects to analyze absorption trends, competitive factors, market prices and product gaps, which we believe helps us customize our product offerings to cater to market demand in a particular location. We believe that this diversity of projects, locations and product offerings helps us cater to different market segments and mitigate the risk of dependence on a particular segment or region.

Recurring income from a strong portfolio of leased properties

We believe that we benefit from recurring income streams in our Lease Business, and that this income from our Lease Business provides us with a stable source of revenue and cash flow. We also generate revenues from the provision of utilities and facility management services as well as certain other ancillary services. The income from our Lease Business during the nine month period ended December 31, 2012 and in Fiscal 2012 was ₹12,098.3 million and ₹15,504.2 million, respectively, which constituted 17.9% and 15.2%, respectively, of our total sales and other income. Further, during these periods, we earned ₹9,909.0 million and ₹12,082.0 million in income from maintenance and other services and generation of power, which constituted 14.6% and 11.8%, respectively, of our total income during these periods.

Several of our commercial and retail developments are located in key Indian cities and locations that have experienced high growth in recent years. This has resulted in a strong demand for rental space in such locations. A majority of our commercial developments are conveniently located within the primary and secondary central business districts within such cities and locations, close to residential developments, amenities and an effective transportation system. Moreover, certain of these developments are located within certain notified SEZs that entitle us and our tenants to certain tax and other benefits. Our shopping malls are characterized by aesthetic design, high quality infrastructure as well as leisure and entertainment options such as multiplex cinemas, food courts and restaurants. The locations of our malls, as well as the mix of retail outlets within them, are carefully planned based on the profile of the relevant catchment areas as well as our understanding of consumer preferences, with the aim of attracting shoppers and ensuring an attractive mix of international brands, national retailers and leading local retailers.

A majority of our portfolio properties have been designed to be environment-friendly, are equipped with modern facilities and infrastructure such as power, power back-up, central air-conditioning and seamless voice and data connectivity as well as amenities that include restaurants, cafeterias, convenience stores, banks, ATMs and health clubs. We believe that these high quality, integrated building facilities enhance the attractiveness of our leased portfolio properties. We offer our tenants large floor plates, with wide column span and high floor-to-floor clearance for optimal space utilization. Certain internal structures within our portfolio properties have been specially constructed and customized to meet the requirements of our tenants.

Further, our ability to achieve strong recurring income is also driven by our ability to successfully establish and nurture relationships with reputable commercial and retail tenants. A significant proportion of our tenants are large multinational and Indian corporations which we believe provides us stability of operations and is evidence of the quality and competitive advantage our properties have over other competing developments.

Experienced and dedicated management

We have an experienced, highly qualified and dedicated management team, many of whom have over 25 years of experience in their respective fields. Our professional staff covers a variety of disciplines, including land acquisition, finance, engineering, project management, architecture, accounting, marketing and sales. Because of our established brand name and reputation, we have been able to recruit high caliber management and employees. We provide our staff with competitive compensation packages and a corporate environment that encourages responsibility, autonomy and innovation.

We believe that the experience of our management team and its in-depth understanding of the real estate market in India will enable us to continue to take advantage of both current and future market opportunities and identify strategic locations for land acquisitions, new markets and potential sites for development, as well as provide assistance in the design, engineering, construction management, supervision and marketing of our projects.

STRATEGY

The key elements of our business strategy are as follows:

Focus on our core business

We intend to focus on our core business of real estate development and leasing. As part of this strategy, we intend to focus on a volume, product and price combination that helps us achieve relatively better operating cash flows and realizations, i.e., average selling price per square foot of developed area. As a result, our Development Business is focused primarily on the development of premium and luxury residential projects. Over the last few years, we have launched several plotted developments, which we believe offer shorter cash flow cycles, reduce our exposure to commodity inflation and other macro-economic considerations and help in working capital management. We believe that our product mix of premium or luxury residential developments and plotted "gated" colonies is well balanced to achieve our margin and cash flow targets. We intend to continue outsourcing most of our construction related activities as well as project management to third-party contractors and firms. This, we believe, will improve our execution timetable and will enable our management to focus on our core activity of real estate development. We also believe that this will improve the quality of construction in our developments and will allow us to embark on more complex and ambitious projects.

Launch certain select residential and commercial projects

We believe that a revival in economic growth in India could result in increased demand for residential projects in the country, particularly in non-metro cities. Further, a reduction in interest rates would further enhance the ability of our potential customers to access finance. We propose to take advantage of such increased demand through the launch of certain select projects. We plan to focus on the development and launch of residential projects under our Development Business in certain key locations, particularly in the Delhi Metropolitan Region, Gurgaon and the Chandigarh Tri-City. As of December 31, 2012, we had 24 Projects under Construction and six Planned Projects for residential properties in our Development Business with expected Saleable Area of approximately 42.1 msf and 11.0 msf, respectively. We believe that these projects, when developed, will attract a premium on account of their strategic locations. Further, we plan to focus on certain commercial and shopping complexes under the Development Business in select locations, mainly in non-metro cities, with approximately 3.9 msf of Saleable Area under construction.

Continue to focus on the growth of our Lease Business

With respect to our Lease Business, we believe that demand for commercial office spaces will increase as the BFSI, IT/ITeS, knowledge processing and business outsourcing sectors grow and continue to drive real estate demand. We also expect increased demand from the manufacturing, consulting and telecom sectors. In addition, we expect significant demand for retail developments on account of factors such as scope for penetration of organized retail in India, relaxation of norms for FDI in multi-brand and single-brand retail trading and absorption of existing supply of retail space in certain key regions.

We believe that the income from our Lease Business will continue to increase over a period of time on account of an escalation in lease income in accordance with the terms of our lease deeds with our tenants, besides an increase in market rates in general. We intend to continue to maintain our existing relationships with our tenants as well as establish new relationships in order to improve our Occupancy Rates. We believe that the high quality and convenient location of our commercial and retail properties, as well as the modern facilities, infrastructure and amenities that we offer to our tenants, will assist us in differentiating our leased portfolio properties from those offered by our competitors. We propose to increase our leased commercial portfolio properties in order to meet increased demand over the medium term and intend to develop certain retail projects such as the *Mall of India* project in Noida and the *Yashwant Singh Place* project in Chanakyapuri, New Delhi to increase our leased retail properties in the near future.

Complete divestiture of selected non-core assets and businesses

We intend to complete our planned divestiture of select, non-core assets and non-strategic businesses. We have in the past divested our interests in certain non-core assets which included land parcels identified for IT parks, IT SEZs, hospitality projects and long gestation projects with no immediate development plans and integrated township projects, as well as certain businesses the monetization of which we believe would not enhance our financial performance over the long-term, such as hospitality, construction, retail brands and wind energy.

We commenced the divestment process in Fiscal 2010. Against an initial target of ₹100,000.0 million that we had set internally at the end of Fiscal 2011, we were able to realize cumulative proceeds of ₹48,410.0 million until Fiscal 2012 from the divestment of non-core assets and businesses. Subsequently, we realized proceeds of ₹31,600.0 million during the nine month period ended December 31, 2012 from the divestment of non-core assets and businesses. We intend to realize a sizeable portion of the remaining amount from certain divestments in the foreseeable future. Further, we are currently in discussions with prospective buyers for the sale of our wind energy undertaking in the state of Karnataka with an aggregate capacity of 11.2 MW. In addition, the terms of our share purchase agreement with IDFC Limited require it to purchase our remaining shareholding in the Noida IT Park JV in proportion to the occupancy rate of the property.

Reduce debt and rationalize costs

Our aggregate Net Debt amounted to ₹214,199.6 million, ₹226,997.2 million and ₹214,330.1 million as of March 31, 2011, March 31, 2012 and December 31, 2012, respectively. However, on account of successive hikes in the bank rate by the Reserve Bank of India between March 2010 and October 2011 and the lack of any significant reductions thereafter, our average cost of debt has continued to increase from 11.3% at the end of Fiscal 2011 to 12.7% at the end of Fiscal 2012. Our average cost of debt as of December 31, 2012 ranged between 12.5% and 13.0%. In Fiscal 2012 and the nine month period ended December 31, 2012, we incurred finance costs of ₹22,464.8 million and ₹17,258.7 million, or 22.0% and 25.5%, respectively, of our sales and other income during these periods. We therefore believe that it is important to reduce our overall indebtedness and to reduce the cost of our debt in order to improve our performance. Towards this end, we intend to utilize a portion of the proceeds from the divestiture process described above as well as a portion of the proceeds from this Issue to repay a portion of our debt.

Further, we believe that we have rationalized our capital expenditure. In particular, we do not expect to incur significant capital expenditure for our commercial projects as a substantial portion of capital expenditure for such projects has already been incurred. We will however continue to incur residual capital expenditure to complete projects where a significant portion of the planned expenditure has already been incurred, or where a major portion of the property has been pre-leased. We also plan to incur capital expenditure towards development of certain retail projects in the near future. See "—*Continue to focus on the growth of our Lease Business*" above. Further, in order to mitigate the risks relating to commodity inflation and rising labor costs, we have recently introduced an escalation clause in some of our development projects. We believe that this will assist us in partially mitigating an increase in construction costs in a fair, efficient and transparent manner.

Rationalize our Land Reserves and increase our presence in strategic locations

In furtherance of the strategies discussed above, we seek to concentrate on and expand our operations in certain key geographic markets that we consider to be strategically important. We intend to continue to focus on rationalizing portions of our Land Reserves that we do not consider having significant development potential. Towards this end, we divested our interests in certain identified, non-core land parcels in select cities related to hospitality projects, IT Parks or IT/ITeS SEZs, or other long-gestation projects with no immediate development plans. See "—History and Recent Developments" above. We intend to continue to do so in the near future. At the same time, we intend to continue to selectively replenish our Land Reserves to the extent consistent with our strategic imperative of contiguity and so far as it is required to implement our strategy of achieving the appropriate product and price mix. See "—*Focus on our core business*", discussed above. In this regard, we have acquired certain additional land parcels in New Gurgaon and the Chandigarh Tri-City in recent years, and may continue to do so in the near future in these and certain other regions.

Continue to develop supporting infrastructure for our key developments

We intend to continue to invest in the development of supporting infrastructure in certain select, strategic locations to ensure the high quality of our commercial and retail portfolio properties as well as certain residential developments. Since a significant portion of our developments are located in *DLF City* and *Phase-V* in Gurgaon, we have initiated the implementation of this strategy in areas within or surrounding this integrated township, in addition to certain areas in the Delhi Metropolitan Region.

In this regard, we have undertaken the joint development of a rapid metro-railway network around *DLF Cyber-City*, Gurgaon, which would be interconnected with the Delhi-Gurgaon metro link. When operational, this rapid metro-railway network will have a track length of approximately five kilometers with stops at six stations. The project is a joint venture with ITNL Enso Rail Systems Limited ("**IERS**") and ITNL, which are subsidiaries of IL&FS. We are also making investments in a joint project with HUDA, on a 50:50 cost-sharing basis, which involves upgrading a road network between National Highway-8 and Sector 55/56 in Gurgaon in accordance with the design specifications prescribed by the HUDA. When developed, the total length of this road network is expected to be approximately 10.2 kilometers, and will connect the Gurgaon Toll Plaza to Sector 55/56 through the *DLF Cyber-City* and the *DLF Phase-V* developments and several other residential developments in the vicinity. Further, we have set up two fire stations in Gurgaon, one at *DLF Cyber-City* and the second at *Phase-V*. The hydraulic platform at the *DLF Cyber-City* fire station is 90.0 meters in height, which we believe is the highest available to date in India. Further, we have built, and currently operate, two multi-level car parking facilities in New Delhi. We also offer certain retail and office space to our tenants at these facilities. See "Our Business—Strategy—Continue to develop supporting infrastructure for key developments".

We believe that development of these infrastructure projects will benefit our customers and enhance the quality of our leased portfolio properties, resulting in higher lease income from such developments as well as an appreciation in value of our existing and future residential developments in the vicinity.

SUMMARY OF THE ISSUE

This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including in "**Risk Factors**", "**Use of Proceeds**", "**Placement**" and "**Issue Procedure**".

The following is a general summary of the terms of the Issue:

Issuer	DLF Limited.
Issue Size	Up to 81,018,417 Equity Shares.
Issue Price	The price at which the Equity Shares offered in the Issue will be Allotted to the successful Applicants in terms of the Basis of Allocation, Allotment Criteria and the CAN.
Eligible Investors	Eligible QIBs.
Class of Equity Shares	The Equity Shares offered in the Issue are securities of the Company of the same class and in all respects uniform with the Equity Shares listed and traded on the Stock Exchanges. For details, see "**Description of the Equity Shares**".
Equity Shares issued and outstanding immediately prior to the Issue*	1,698,719,077 Equity Shares. For further details, see "**Board of Directors and Senior Management**".
Equity Shares issued and outstanding immediately after the Issue*	[●] Equity Shares. For further details, see "**Board of Directors and Senior Management**".
Price Band	The Price Band, if any, as decided by the Company in consultation with the Managers, which shall be announced at least one day prior to the Issue Opening Date.
Floor Price	The Floor Price, as decided by the Company in consultation with the Managers, which shall be announced at least one day prior to the Issue Opening Date.
Cap Price	The higher end of the Price Band, if any, announced by the Company, above which the Issue Price will not be finalised and above which no ASBA Applications will be accepted.
Listing	(i) Applications for in-principle approval, in terms of clause 24(a) of the Equity Listing Agreement, for listing and admission of the Equity Shares offered in the Issue and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges vide letters dated April 25, 2013 and April 26, 2013 from the BSE and the NSE respectively; and (ii) the application for the final listing and trading approval will be made after Allotment.
Transferability Restrictions	The Equity Shares Allotted shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges.
Closing	The Allotment of the Equity Shares offered pursuant to this Issue is expected to be made on or about [●], 2013.
Use of Proceeds	Net proceeds of the Issue (after deduction of fees, commissions and expenses) are expected to total approximately ₹ [●] million. For details, see "**Use of Proceeds**".
Risk Factors	For details, see "**Risk Factors**" for a discussion of factors you should consider before deciding whether to subscribe for the Equity Shares offered in the Issue.
Ranking	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum and the Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of voting and dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by the Company after the Allotment of the Equity Shares issued, in compliance with the Companies Act, the Equity Listing Agreement and other applicable laws and regulations.
Security Codes for the Equity Shares	**ISIN: INE271C01023** **BSE Stock Code: 532868** **NSE Stock Code: DLF**

* *As on March 31, 2013, the total number of options granted by our Company to purchase Equity Shares pursuant to our Company's ESOP 2006 is 9,812,903, of which 1,603,991 have vested and 5,166,461 are outstanding. For details, see "Board of Directors and Senior Management– Employee Stock Option Scheme".*

SELECTED FINANCIAL INFORMATION

The following selected financial information is extracted from, and should be read in conjunction with, our Audited Consolidated Financial Statements and the notes thereto and the Unaudited Condensed Interim Consolidated Financial Statements included elsewhere in this Red Herring Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operation".

Pursuant to Notification S.O. 447(E) dated February 28, 2011, the Old Schedule VI was replaced with the Revised Schedule VI, which significantly changes the presentation of, and disclosure made in, the financial statements of Indian companies. Accordingly, the Company has modified the manner in which it presents its financial statements as of and for Fiscal 2012 so that the presentation of the Company's financial statements is consistent with the Revised Schedule VI, which became applicable to the Company in Fiscal 2012. In connection with this exercise, the Company has also reclassified its financial statements as of and for Fiscal 2011 in order to provide comparability with its financial statements as of and for Fiscal 2012. The Company's historical audited financial statements for Fiscal 2011 and Fiscal 2010, however, have been presented in this Red Herring Prospectus in accordance with the Old Schedule VI. The adoption of the Revised Schedule VI does not impact the recognition and measurement principles followed for the preparation of the Company's financial statements. However, it does have a significant impact on the presentation of, and disclosure made in, the Company's financial statements, particularly with respect to the presentation of the statement of assets and liabilities. For financial periods ending subsequent to March 31, 2012, the Company has been, and will be, presenting its financials statements in accordance with the Revised Schedule VI. See "Management's Discussion and Analysis of Financial Conditions and Results of Operations".

Condensed Consolidated Interim Balance Sheet as at December 31, 2012

(₹ Lacs)	**As at December 31, 2012**	**As at March 31, 2012**
	(Unaudited)	**(Audited)**
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	213,893.29	213,887.65
Reserves and surplus	2,585,553.06	2,509,703.60
	2,799,446.35	**2,723,591.25**
Share application money pending allotment	0.02	0.02
Minority interests	37,794.25	42,066.03
Non-current liabilities		
Long-term borrowings	1,621,560.04	1,682,416.34
Other long term liabilities	228,718.32	232,178.42
Long-term provisions	6,381.82	4,851.95
	1,856,660.18	**1,919,446.71**
Current liabilities		
Short-term borrowings	328,550.02	339,874.45
Trade payables	253,180.58	258,070.34
Other current liabilities	1,215,093.13	980,430.42
Short-term provisions	26,916.01	75,465.02
	1,823,739.74	**1,653,840.23**
	6,517,640.54	**6,338,944.24**
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	1,816,649.67	1,861,913.49
Intangible assets	21,632.66	9,491.22
Capital work-in-progress	770,407.64	887,362.69
Intangible assets under development	-	11,918.18
Goodwill on consolidation	156,743.27	162,478.57
Non-current investments	115,926.21	97,327.53

Deferred tax assets (net)	53,655.16	33,492.70
Long-term loans and advances	335,289.47	314,625.29
Other non-current assets	9,804.63	14,410.52
	3,280,108.71	**3,393,020.19**
Current assets		
Current investments	154,125.34	15,348.94
Inventories	1,714,068.31	1,617,557.14
Trade receivables	155,168.90	176,590.50
Cash and bank balances	175,477.69	150,623.48
Short-term loans and advances	193,272.02	202,787.17
Other current assets	845,419.57	783,016.82
	3,237,531.83	**2,945,924.05**
	6,517,640.54	**6,338,944.24**

Condensed Consolidated Interim Statement of Profit and Loss for the nine months ended December 31, 2012

(₹ Lacs)	Nine months ended December 31, 2012 (Unaudited)	Nine months ended December 31, 2011 (Unaudited)
Income		
Sales and other income	677,695.10	747,640.67
	677,695.10	**747,640.67**
Expenses		
Cost of revenues	230,506.88	269,912.11
Employee benefits expense	45,080.93	43,738.19
Finance costs	172,586.95	164,259.35
Depreciation, amortisation and impairment	61,017.92	52,522.09
Other expenses	89,099.00	76,940.55
	598,291.68	**607,372.29**
Profit before tax and minority interest/share of profit in associates	79,403.42	140,268.38
Tax expense	14,470.51	41,063.22
Profit before minority interests/share of profit in associates	**64,932.91**	**99,205.16**
Share of profit in associates (net)	89.06	203.77
Minority interests	6,203.38	(565.29)
Profit after tax, minority interests, share of profit in associates and before prior	**71,225.35**	**98,843.64**
Prior period items		
Income tax (net)	(80.71)	344.44
Deferred tax	844.76	0.07
Other income/(expense), net	(378.02)	(277.19)
Net Profit for the period	71,611.38	98,910.96
Earnings per share		
Basic earning per share	4.22	5.83
Diluted earning per share	4.21	5.81

Condensed Consolidated Interim Cash Flow Statement for the nine months ended December 31, 2012

(₹ Lacs)	Nine months ended December 31,2012 (Unaudited)	Nine months ended December 31,2011 (Unaudited)
Cash flows from operating activities	155,613.69	151,098.89
Cash flows from investing activities	53,591.13	541.10
Cash flows used in financing activities	(225,639.01)	(163,908.65)
Net decrease in cash and cash equivalents	**(16,434.19)**	**(12,268.66)**
Cash and cash equivalents at the beginning of period	93,175.18	124,594.01
Cash and cash equivalents at end of the period	76,740.99	112,325.35

Consolidated Balance Sheet as at March 31, 2012

(₹ Lacs)	**As at March 31, 2012**	**As at March 31, 2011**
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	213,887.65	214,977.58
Reserves and surplus	2,509,703.60	2,418,232.34
	2,723,591.25	**2,633,209.92**
Share application money pending allotment	0.02	0.02
Minority interests	**42,066.03**	**57,520.48**
Non-current liabilities		
Long-term borrowings	1,682,416.34	1,830,762.76
Other long-term liabilities	232,178.42	244,201.00
Long-term provisions	4,851.95	3,120.74
	1,919,446.71	**2,078,084.50**
Current liabilities		
Short-term borrowings	339,874.45	334,453.31
Trade payables	258,070.34	226,362.58
Other current liabilities	980,430.42	685,765.84
Short-term provisions	75,465.02	66,374.67
	1,653,840.23	**1,312,956.40**
	6,338,944.24	**6,081,771.32**
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	1,861,913.49	1,784,917.21
Intangible assets	9,491.22	2,293.62
Capital work-in-progress	887,362.69	1,008,603.91
Intangible assets under development	11,918.18	14,839.66
Goodwill on consolidation	162,478.57	138,404.43
Non-current investments	97,327.53	71,524.29
Deferred tax assets (net)	33,492.70	16,327.95
Long-term loans and advances	314,625.29	201,728.55
Other non-current assets	14,410.52	18,766.34
	3,393,020.19	**3,257,405.96**
Current assets		
Current investments	15,348.94	28,052.52
Inventories	1,617,557.14	1,503,876.29
Trade receivables	176,590.50	156,597.29
Cash and bank balances	150,623.48	132,177.63
Short-term loans and advances	202,787.17	214,916.37
Other current assets	783,016.82	788,745.26
	2,945,924.05	**2,824,365.36**
	6,338,944.24	**6,081,771.32**

Consolidated Statement of Profit and Loss for the year ended March 31, 2012

(₹ Lacs)	Fiscal 2012	Fiscal 2011
INCOME		
Sales and other income	1,022,385.33	1,014,444.43
	1,022,385.33	1,014,444.43
EXPENSES		
Cost of revenues	396,747.44	429,994.04
Employee benefits expense	58,617.61	57,213.15
Finance costs	224,648.29	170,561.88
Depreciation, amortisation and impairment	68,882.89	63,071.65
Other expenses	117,141.22	93,583.34
	866,037.45	814,424.06
Profit before exceptional items, tax and minority interest / share of profit (loss) in associates	156,347.88	200,020.37
Exceptional items	1,598.02	-
Profit before tax and minority interest / share of profit (loss) in associates	154,749.86	200,020.37
Tax expense	36,934.55	45,941.11
Profit before minority interests / share of profit (loss) in associates	117,815.31	154,079.26
Share of (loss) /profit in associates (net)	(150.19)	882.62
Minority interests	3,363.98	(723.82)
Profit after exceptional items, tax, minority interests and before prior period items	121,029.10	154,238.06
Prior period items		
Income tax (net)	320.01	1,733.66
Deferred tax	(652.96)	0.09
Other income/ (expense), net	(614.18)	8,050.06
Depreciation, amortisation and impairment	-	(60.99)
Net profit for the year	120,081.97	163,960.88
EARNINGS PER SHARE		
Basic earnings per share	7.07	9.66
Diluted earnings per share	7.06	9.64

Consolidated Cash Flow Statement for the year ended March 31, 2012

(₹ Lacs)	Fiscal 2012	Fiscal 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax, prior period items and minority interest	154,749.86	200,020.37
Adjustments for:		
Depreciation, amortisation and impairment	68,882.89	63,071.65
Loss /(profit) on sale of fixed assets, (net)	313.98	(6,600.48)
Interest / guarantee charges	224,648.29	170,561.88
Income from investment in trust	(375.83)	(149.52)
(Profit)/ loss from partnership firms, (net)	(295.04)	394.15
Provision for doubtful debts and advances	15,585.29	5,007.23
Advances / assets written off (including preliminary expenses)	1,953.68	883.75
Exchange fluctuations (net)	260.24	(939.28)
Prior period items, (net)	(614.18)	8,050.06
Profit on sale of shares / investments, (net)	(26,048.09)	(15,867.90)
Unclaimed balances and excess provisions written back	(2,354.08)	(2,517.05)
Amortisation of deferred employees compensation, (net)	3,889.80	5,039.89
Amount forfeited on properties	(2,923.09)	(3,094.32)
Provision for employee benefits	(667.67)	354.90
Interest/ dividend income	(23,191.67)	(26,098.53)
Operating profit before working capital changes	413,814.38	398,116.80
Movements in working capital :		
Increase in trade and other receivables	(56,084.83)	(301,859.44)
Increase in inventories	(61,081.02)	(203,493.13)
Increase in trade and other payables	70,339.10	459,502.09
Cash generated from operations	366,987.63	352,266.32
Direct taxes paid (net of refunds)	(115,012.61)	(74,696.93)
Net cash generated from operating activities (A)	251,975.02	277,569.39
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress)	(57,583.26)	(110,127.58)
Proceeds from sale of fixed assets	53,389.27	41,485.43
Interest/dividend received	30,656.41	26,594.59
Movement in share/debenture application money paid (net)	(2,543.07)	(1,872.00)
Movement in fixed deposits with maturity more than 3 months (net)	(19,121.98)	(19,450.62)
Purchase of investments	(70,157.07)	(39,949.94)
Proceeds from sale of investment	62,994.55	486,723.60
Net cash generated from investing activities (B)	(2,365.15)	383,403.48
C. CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ proceeds from issue of debentures (net)	(30,000.00)	50,000.00
Proceeds from borrowings	642,907.44	928,390.04
Repayment of borrowings	(505,386.45)	(746,819.38)
Redemption of preference shares	(1,106.20)	(410,960.03)
Premium on redemption of preference shares	-	(123,787.18)
Proceeds from issue of capital (including securities premium)	10,542.67	13,215.84
Dividend paid	(51,072.82)	(82,967.38)
Dividend tax paid	(8,449.56)	(8,280.74)
Interest/ guarantee charges paid	(301,251.32)	(259,131.82)
Net cash used in financing activities (C)	(243,816.24)	(640,340.65)
Net increase in cash and cash equivalents (A + B + C)	5,793.63	20,632.22
Cash and cash equivalents at the beginning of the year	87,381.55	66,749.33

(₹ Lacs)	Fiscal 2012	Fiscal 2011
Cash and cash equivalents at the end of the year	93,175.18	87,381.55
	5,793.63	**20,632.22**
Note:		
Cash and cash equivalents	92,914.94	88,144.76
Less: Exchange (loss) /gain	(260.24)	763.21
	93,175.18	**87,381.55**

Consolidated Balance Sheet as at March 31, 2011

(₹ Lacs)	**As at March 31, 2011**	**As at March 31, 2010**
SOURCES OF FUNDS		
Shareholders' funds		
Share capital	214,977.58	625,933.99
Reserves and surplus	2,418,232.34	2,417,338.50
	2,633,209.92	**3,043,272.49**
Minority Interests	57,520.48	62,777.51
Loan funds		
Secured loans	2,227,619.23	1,930,158.61
Unsecured loans	171,407.94	237,506.38
	2,399,027.17	**2,167,664.99**
Deferred tax liability (net)	-	25,149.11
	5,089,757.57	**5,298,864.10**
APPLICATION OF FUNDS		
Goodwill	138,404.43	126,798.91
Fixed assets		
Gross block	1,982,772.76	1,788,445.59
Less: accumulated depreciation and amortisation	195,561.93	132,645.83
Net block	1,787,210.83	1,655,799.76
Capital work in progress (including capital advances)	1,031,203.58	1,112,881.95
Deferred tax asset (net)	16,327.95	-
Investments	99,576.81	550,519.96
Current assets, loans and advances		
Stocks	1,503,876.29	1,248,059.10
Sundry debtors	172,573.26	161,896.41
Cash and bank balances	134,605.00	92,823.22
Loans and advances	727,119.61	759,330.10
Other current assets	789,000.26	468,467.44
	3,327,174.42	**2,730,576.27**
Less : Current liabilities and provisions		
Current liabilities	922,505.77	463,696.91
Provisions	387,634.68	414,015.84
	1,310,140.45	877,712.75
Net current assets	**2,017,033.97**	**1,852,863.52**
	5,089,757.57	**5,298,864.10**

Consolidated Profit & Loss Account for the year ended March 31, 2011

(₹ Lacs)	**Fiscal 2011**	**Fiscal 2010**
INCOME		
Sales and other income	1,014,444.43	785,089.77
	1,014,444.43	**785,089.77**
EXPENDITURE		
Cost of revenues	429,994.04	256,688.36
Establishment expenses	57,213.15	47,028.99
Finance charges	170,561.88	111,003.91
General, administrative and selling expenses	93,583.34	87,412.61
Depreciation, amortisation and impairment	63,071.65	32,493.28
	814,424.06	**534,627.15**
Profit before tax and minority interests / share of profit (loss) in associates	200,020.37	250,462.62
Tax expense	45,941.11	70,224.92
Profit before minority interests / share of profit (loss) in associates	**154,079.26**	**180,237.70**
Share of profit in associates (net)	882.62	81.83
Minority interests	(723.82)	1,078.62
Profit after tax, minority interests and before prior period items	154,238.06	181,398.15
Prior period items		
Income tax (net)	1,733.66	(1,601.59)
Deferred tax	0.09	(6,269.73)
Other income/ (expense), net	8,050.06	(1,419.73)
Depreciation	(60.99)	(124.07)
Net profit after tax, minority interest and prior period items	163,960.88	171,983.03
Balance available for appropriation	163,960.88	171,983.03
APPROPRIATION		
Transfer to general reserve	23,099.47	16,668.21
Transfer to capital redemption reserve	3,250.00	35.00
Proposed dividend on equity / preference shares	70,499.91	36,168.53
Tax on dividend	9,225.04	5,509.43
Excess provision of previous year written back	-	(0.06)
Balance carried to reserves and surplus	57,886.46	113,601.92
	163,960.88	171,983.03
EARNING PER SHARE		
Basic earning per share	9.66	10.13
Diluted earning per share	9.64	10.11

Consolidated Cash Flow Statement for the year ended March 31, 2011

(₹ Lacs)	Fiscal 2011	Fiscal 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation and minority interest	200,020.37	250,462.62
Adjustments for:		
Depreciation, amortisation and impairment	63,071.65	32,493.28
Profit on sale of fixed assets, net	(6,600.48)	(5,790.59)
Interest / guarantee charges	170,561.88	111,003.91
Income from investment in trust	(149.52)	(358.54)
(Profit)/ loss from partnership firms, net	394.15	-
Provision for doubtful debts and advances	5,007.23	8,189.10
Advances / assets written off (including preliminary expenses)	883.75	5,847.56
Exchange fluctuations (net)	(939.28)	(1,012.47)
Prior period items	8,050.06	(1,419.73)
Profit on sale of investments, net	(15,867.90)	(854.52)
Unclaimed balances and provisions written back	(2,517.05)	(2,416.19)
Amortisation of deferred employees compensation, net	5,039.89	4,147.20
Amount forfeited on properties	(3,094.32)	(3,202.52)
Provision for employee benefits	354.90	2,207.95
Interest/ dividend income	(26,098.53)	(25,590.23)
Operating profit before working capital changes	398,116.80	373,706.83
Movements in working capital :		
(Increase) / decrease in trade and other receivables	(303,731.44)	589,194.76
Increase in inventories	(203,493.13)	(91,253.39)
Increase in current liabilities and provisions	459,502.25	76,376.45
Cash generated from operations	350,394.48	948,024.65
Direct taxes paid (net of refunds)	(74,696.93)	(85,601.73)
Net cash generated from operating activities (A)	275,697.55	862,422.92
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Capital work in progress)	(110,127.58)	(1,390,757.06)
Proceeds from sale of fixed assets	41,485.43	58,306.70
Interest / dividend received	26,594.59	12,742.17
Purchase of investments	(38,979.76)	(1,823,417.22)
Proceeds from sale of investment	486,723.60	1,512,882.43
Net cash generated from / (used in) investing activities (B)	405,696.28	(1,630,242.98)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of debentures (net)	50,000.00	106,703.70
Proceeds from long term borrowings	913,848.92	1,109,768.57
Repayment of long term borrowings	(746,819.38)	(614,018.81)
Proceeds from (redemption) / issuance of preference shares	(410,960.03)	452,387.97
Premium on redemption of preference shares	(123,787.18)	-
Proceeds from short term borrowings (net)	14,541.12	(64,346.67)
Proceeds from issue of capital (including securities premium)	13,215.84	4.81
Dividend paid	(82,967.38)	(35,442.25)

(₹ Lacs)	Fiscal 2011	Fiscal 2010
Dividend tax paid	(8,280.74)	(2,892.08)
Buy back of equity shares	-	(77.80)
Interest / guarantee charges paid	(259,131.82)	(210,341.67)
Net cash (used in) / generated from financing activities (C)	(640,340.65)	741,745.77
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	41,053.18	(26,074.29)
Cash and cash equivalents at the beginning of the year	83,540.83	109,615.12
Cash and cash equivalents at the end of the year	124,594.01	83,540.83
	41,053.18	**(26,074.29)**
Note:		
Cash and bank balance (as per Schedule 10 to the financial statements)	134,605.00	92,823.22
Less: Fixed deposit (pledged/under lien/earmarked)	8,649.28	6,911.03
Margin money	397.64	2,048.94
Unclaimed dividend	200.86	160.38
Exchange gain	763.21	162.04
	124,594.01	**83,540.83**

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, results of operations and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be material, actually occur, our business, financial condition and results of operations could suffer, and the trading price of, and the value of your investment in, the Equity Shares could decline and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.

This section should be read together with "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the financial statements and other financial information included elsewhere in this Red Herring Prospectus.

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Red Herring Prospectus.

Certain information presented in this section that relates to the Vacancy Rate of our commercial and retail leased properties, the outstanding contractual payments for the acquisition of our Land Reserves and mortgaged land parcels is based on management estimates and has not been verified independently. Further, certain information presented in this section regarding Development Potential, Saleable Area or Leasable Area is based on management estimates and has not been verified independently to the extent it does not relate to our Projects under Construction or Planned Projects.

Unless otherwise stated, references in this section to "DLF", "the Company" or "our Company" are to DLF Limited, and references to "we", "our" or "us" are to the Company along with its Subsidiaries, Joint Ventures, Associates and partnerships on a consolidated basis.

RISKS RELATING TO OUR COMPANY AND OUR BUSINESS

We have a significant amount of debt, which exposes us to liquidity, refinancing and interest rate risks.

As of December 31, 2012, our outstanding consolidated indebtedness was ₹254,885.2 million and our Net Debt as of that date was ₹214,330.1 million, with our average cost of debt ranging between 12.5% and 13.0%, and as of that date, our Net Debt to equity ratio was 0.77. Our indebtedness could have several consequences, including but not limited to the following:

- a portion of our cash flow will be used towards paying interest expenses and the repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditure, acquisitions and other general corporate requirements. During the nine month period ended December 31, 2012 and in Fiscal 2012, our finance costs were ₹17,258.7 million and ₹22,464.8 million, which amounted to 25.5% and 22.0%, respectively, of our sales and other income for these periods;
- our ability to obtain additional financing in the future at reasonable terms may be restricted; and
- fluctuations and increases in prevailing interest rates may affect the cost of our borrowings with respect to existing floating rate obligations which amounted to approximately 77.0% of our outstanding consolidated indebtedness as of December 31, 2012, and new loans.

We may not be able to reduce our indebtedness and borrowing costs, and may have to incur new debt or refinance existing debt. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt. We may not be successful in obtaining additional funds in a timely manner, on favorable terms or at all. If we do not have access to these funds, we may be required to delay or abandon some or all of our Projects under Construction or Planned Projects or may have to substantially reduce our currently planned capital expenditure and the scale of our operations, which in turn may materially and adversely affect our business, results of operations, financial condition and prospects.

Our outstanding trade payables and contractual obligations account for a material portion of our cash outflows, and our outstanding financial guarantees, if invoked, could exert further pressure on our cash flows.

As of December 31, 2012, we had trade payables to third parties of ₹25,318.1 million, which primarily comprised payments due to our suppliers, contractors and firms to which we have outsourced our construction and project management activities. As of that date, we had outstanding ₹21,876.9 million towards contractual payments for the acquisition of Land Reserves before we can commence development of certain Land Reserves.

Certain of these payments are required to be made over the next few years.

Further, our Company has provided corporate guarantees for certain debt incurred by our Subsidiaries and Associates which as of December 31, 2012 had outstanding amounts aggregating to ₹75,741.0 million. These debt facilities are included within our overall indebtedness. If these Subsidiaries and Associates default in their payment obligations, the relevant lenders may enforce the guarantee obligations against our Company. Further, as of December 31, 2012, we have provided guarantees aggregating to ₹7,500.0 million to secure the payment obligations of certain third party land owners pursuant to our arrangements with them to undertake construction on, and development of, the land parcels owned by them and derive economic benefits therefrom in accordance with applicable laws.

In the event our Subsidiaries, Associates or the third parties referred to above are unable to service their debt and the guarantees provided by us are invoked, we may be required to make the relevant payments, which would adversely affect our cash flows and financial condition.

The unavailability of certain taxation benefits, or any adverse change in tax laws in India, could materially and adversely affect our business, results of operations, financial condition and cash flows.

We are liable to pay income tax in India in accordance with the provisions of the Indian Income Tax Act, 1961 (the "**I.T. Act**"). In addition, we are also subject to certain service tax, customs duties and other taxes, duties and surcharges introduced on a permanent or temporary basis from time to time. We believe that we are entitled to certain tax and policy benefits such as those provided under Sections 80IAB, 80IA and 54EC of the I.T. Act, and that these tax holidays and exemptions result in a lower effective tax rate for us. For example, we believe that the four SEZs that we currently operate in Chennai, Gurgaon and Hyderabad are entitled to certain benefits such as (a) an income tax holiday for any consecutive period of 10 years which can be used anytime during the first 15 years of operation from the date of the notification of the SEZ; (b) service tax exemptions on input services and central sales tax benefits; (c) customs duty and excise duty benefits; and (d) stamp duty concessions. For further details, see "Statement of Tax Benefits".

However, the Indian tax authorities may have a contrary view with respect to our entitlement to these tax holidays and exemptions which, while inconsistent with our interpretation, could result in the non-availability of such tax holidays or exemptions, and may lead to adjudication proceedings. In addition, the central and state tax scheme in India is extensive and subject to change from time to time, and certain of these tax benefits may be withdrawn. Tax statutes in India are complex and their interpretation or application by taxation authorities may vary in different states. In addition, certain tax benefits claimed by us in the past may be denied and we may be required to pay the amounts in relation to the claimed tax benefits to the relevant tax authorities. In the past, amendments in tax statutes or rules have been enacted in India with retrospective effect. We cannot assure you that all our past actions and business operations will be in compliance with such retrospective changes in law.

We cannot assure you that these tax incentives will continue in the future or that certain tax credits will be available to us for the periods claimed, or at all. The loss or unavailability of such tax holidays and exemptions, any adverse change in the taxation policies of the Government of India or state governments, or the imposition of new taxes might increase our tax obligations in the future and any such increase could be significant. As a result, our results of operations, financial condition and cash flows could be materially and adversely affected.

Further, the Government of India has proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the central and state governments into one unified rate structure. While both the Government of India and other state governments of India have publicly announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure might be affected by any disagreement between certain state governments, which could create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

The Direct Tax Code, or "**DTC**", proposes to replace the I.T. Act and other direct tax laws, with a view to simplify and rationalize the tax provisions into one unified code. The DTC is proposed to come into effect in the near future. Various proposals related to the DTC are subject to review by the Indian parliament and as such their impact, if any, is not quantifiable at this stage.

Further, certain recent changes to the I.T. Act provide that income arising directly or indirectly through the sale of a capital asset, including shares, will be subject to tax in India, if such shares derive indirectly or directly their value substantially from assets located in India and whether or not the seller of such shares has a residence, place of business, business connection, or any other presence in India. The term "substantially" has not been defined under the I.T. Act. Further, the applicability and implications of the changes are largely unclear. Due to these recent changes, investors may be subject to Indian income taxes on the income arising directly or indirectly through the sale of our Equity Shares.

Regulations governing taxes and duties affecting the real estate sector in India, as well as the interpretation and application of such regulations, are subject to change.

Real estate developers in India are required to comply with a number of laws and regulations including, among others, those related to payment of stamp duty, registration of property documents and compliance with the policies and procedures established by certain local authorities. In addition, real estate developers are required to adhere to a number of tax statutes, including those related to payment of income tax, property tax, service tax and state government charges and levies. Any adverse changes in these laws, regulations or policies, particularly statutes related to property tax, service tax or stamp duty, or an adverse change in their interpretation and application, may result in an increase in our expenses. In addition, in the past, certain laws have been enacted in India with retrospective effect. We cannot assure you that all our past actions and business operations will be in compliance with such retrospective changes in law. Further, we may be required to revise our strategies and plans in order to comply with such changes. We believe that our projects are in compliance with applicable laws and regulations. However, given the complex nature of taxation statutes and other laws governing the real estate industry in India as well as the evolving interpretation of regulatory requirements by authorities, there may be instances where we could face charges of non-compliance, which may subject us to regulatory action in the future, including penalties and other legal proceedings. The amount of expenditure that we may be required to incur in the future in order to comply with the changed regulatory or taxation requirements may vary substantially from that required to comply with those currently in effect.

Certain restructuring transactions may reduce our share in the results of operations of DCCDL.

In Fiscal 2010, a special committee of our Board consisting of independent Directors was set up to examine the feasibility of integrating certain lease businesses held by the Promoter Group with our lease business with the intention of, among other things, eliminating conflicts of interest and achieving management integration. Upon acceptance of the recommendations of the special committee by our Board, we integrated the operations of Caraf and its subsidiaries, including DAL, with that of our subsidiary, DCCDL (the "**Caraf Transaction**").

Under the terms of the Caraf Transaction, three Promoter Group companies, namely Rajdhani Investments and Agencies Private Limited, Buland Consultants & Investments Private Limited and Sidhant Housing and Development Company (together, the "**Caraf Promoters**"), who were also the controlling shareholders of Caraf, transferred the entire issued share capital of Caraf to DCCDL. The Caraf Promoters were issued 159,699,999 fully paid-up 9% compulsorily convertible preference shares (the "**CCPS**") by DCCDL, which upon conversion into equity shares would constitute 40.0% of the post-conversion issued and paid-up capital of DCCDL on a fully diluted basis. The terms of the CCPS require that the right of conversion should be exercised by the Caraf Promoters, in one or more tranches, on or before March 18, 2015.

As of the date of this Red Herring Prospectus, we own the entire equity share capital of DCCDL. We consolidated the entire results of operations of DCCDL and its subsidiaries such as Caraf and DAL from the date of their respective acquisition in Fiscal 2010. We have continued to consolidate DCCDL and its subsidiaries in our financial statements in Fiscal 2011, Fiscal 2012 and during the nine month period ended December 31, 2012. No dividends will be payable on the CCPS to the extent they are converted by the Caraf Promoters into equity shares of DCCDL. However, to the extent the Caraf Promoters decide to convert their CCPS into equity shares of DCCDL, they will own up to 40.0% of the diluted equity ownership of DCCDL, and accordingly, we will be required to adjust for a minority interest of up to 40.0% of the consolidated profits of DCCDL while preparing our consolidated financial statements.

We cannot determine with certainty the net effect of the foregoing on our consolidated financial statements in future financial periods. In Fiscal 2012, the 9% dividend on the CCPS amounted to ₹1,437 million (excluding any Dividend Distribution Tax paid). DCCDL presently does not prepare consolidated financial statements and does not consolidate the results of operations and financial condition of its subsidiaries with its results of operations and financial condition. However, 40.0% of the consolidated net profits of DCCDL and its subsidiaries during Fiscal 2012 would have been ₹2,448 million, calculated by computing 40.0% of the aggregate of the net profit (without accounting for minority interests, if any) of DCCDL and each of its subsidiaries[∞], namely, Caraf, DAL, DLF Utilities, Beverly Park Maintenance Service Limited, Jawala Real Estate Private Limited[*], DLF Info City Developers (Chandigarh) Limited, DLF Info City Developers Kolkata Limited, Ariadne Builders & Developers Private Limited, Hyacintia Real Estate Developers Private Limited and

DLF Energy Private Limited, and does not take into account any eliminations as a result of inter-company transactions among these entities.

**We divested our interest in Jawala Real Estate Private Limited in August 2012. See "Our Business—History and Recent Developments".*

*∝As of the date of this Red Herring Prospectus, DCCDL owns fully convertible debentures ("**FCDs**") in our subsidiary, DLF City Centre Limited ("**DCCL**"), and does not own any equity shares in DCCL. These FCDs were issued on October 16, 2009 and are convertible into equity shares of DCCL within a period of 10 years from their date of issuance. Once DCCDL converts these FCDs into equity shares, it will own 99.0% of the equity share capital of DCCL.*

Our contingent liabilities could adversely affect our financial condition and results of operations.

We have substantial contingent liabilities which could adversely affect our financial condition and results of operations. As of December 31, 2012, the contingent liabilities as disclosed in our Unaudited Interim Consolidated Financial Statements consist of the following:

Particulars	Amount (₹ *million*)
Guarantees on behalf of third parties	8,180.3
Claims against the Group (including [unasserted] claims) not acknowledged as debts*	8,624.7
Demand in excess of provisions (pending in appeals):	--
(i) Income-tax	35,196.1
(ii) Other taxes	8,642.0
Letter of credit issued on behalf of the Group	--
Liabilities under export obligations in EPCG scheme	838.5
Compensation for delayed possession	474.5
Miscellaneous	58.3
Total	**62,014.4**

** Interest on certain claims may be payable as and when the outcome of the related claim is finally determined and has not been included above.*

In the event that any of these contingent liabilities materialize, our results of operations and financial condition may be adversely affected.

Our revenues and profits are difficult to predict and can vary significantly from period to period.

We derive our revenues and profits primarily from the sale of residential and commercial properties, the sale of plotted developments and the leasing of commercial and retail properties. While income from our present lease arrangements may be relatively stable, revenues from sales are dependent on various factors such as the size of our developments, competition, demand for our developments in the regions we operate in, the rights of third parties, receipt of approvals from governmental authorities and general market conditions.

Our revenues and profits from the Development Business are also determined by the extent to which they qualify for revenue recognition under the percentage of completion method, or the "**POC Method**", in accordance with our accounting policies as well as the relevant accounting standards issued by the ICAI. Under the POC Method, our revenue from sales depends upon the volume of bookings we are able to obtain for our developments and the timing of such revenue recognition depends on achieving a certain threshold of completion of our projects. Our bookings depend upon our ability to identify suitable types of developments that will meet customer preferences and market trends, and to market our projects. Further, our ability to recognize revenue and profits also depends on our customers paying us the remaining amounts due under contract, after the payment of initial deposit.

The POC Method is applicable to developments that we intend to sell and is not applicable to developments that we intend to lease. Accordingly, for projects to which the POC Method of revenue recognition is applicable, the extent to which we can recognize revenues is also dependent on the volume of sales. Further, we recognize revenues based on estimated costs. We cannot assure you that these estimates will not require further adjustments based on the actual cost incurred with respect to a particular project. The effect of such changes to estimates is recognized in the financial statements of the period in which such changes are determined. This may lead to significant fluctuations in revenue recognition.

We typically aim to develop and sell our projects within 48 to 60 months from the time the projects are launched. The rate of construction progress depends on various factors, including the availability of labor and raw materials, the prompt receipt of regulatory clearances, access to utilities such as electricity and water, and the absence of contingencies such as litigation (including adverse title claims) and adverse weather conditions. These factors may cause significant fluctuations in our revenues from period to period. For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting

Our Financial Condition and Results of Operations—Revenue recognition and progress of construction and development" and "—Critical Accounting Policies—Revenue Recognition".

A combination of the factors discussed above may result in significant variations in our revenues and profits, and our financial position in a particular period may not accurately reflect our level of activity in that period. Similarly, our level of activity for a particular period may not accurately reflect our financial position in that period. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance. If in the future our results of operations are below market expectations, the price of our Equity Shares could decline.

Adoption of a recent guidance note on accounting for real estate transactions and its treatment of the POC Method of revenue recognition may result in delayed recognition of revenue.

We have applied with effect from April 1, 2012, the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) (the "**Real Estate Accounting Guidance Note**") issued by the Institute of Chartered Accountants of India ("**ICAI**") on February 11, 2012. The Real Estate Accounting Guidance Note provides that when the outcome of a real estate project can be estimated reliably and the conditions set out therein are satisfied, project revenue and project costs associated with a real estate project should be recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date. The project costs which are recognized in the statement of profit and loss by reference to the stage of completion of the project activity are matched with the revenues recognized, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Financial Condition and Results of Operations—The guidance note on accounting for real estate transactions".

Pursuant to the requirements of the Real Estate Accounting Guidance Note, we have applied the new basis for determination of the reasonable level of development for all projects where revenues are recognized for the first time on or after April 1, 2012 (the "**Revised Revenue Recognition Method**"). For projects that commenced on or prior to March 31, 2012 and where revenue recognition had commenced on or prior to that date, a reasonable level of development is considered to have occurred when the project costs (including the cost of land) incurred were 30% or more of the total estimated project cost (the "**Old Revenue Recognition Method**").

Under the Revised Revenue Recognition Method, in order for us to recognize revenues from our new projects, we require:

(a) all key approvals necessary for the commencement of the project to have been obtained (including environmental and other clearances, approval of plans, designs, etc., title to land or other rights to development/construction and change in land use);
(b) at least 25% of the construction and development costs (including borrowing costs related to construction and development, but excluding the cost of land) to have been incurred;
(c) at least 25% of the saleable project area to be secured by contracts or agreements with buyers; and
(d) at least 10% of the total revenue to be realized at the reporting date as per the agreements of sale or any other legally enforceable documents.

As of December 31, 2012, we have applied the Revised Revenue Recognition Model in relation to our Sky Court project, and will also apply it to our other projects in the future. However, in relation to projects for which we had commenced revenue recognition on or prior to March 31, 2012 under the Old Revenue Recognition Method, any Saleable Area added to such projects will continue to be governed by the Old Revenue Recognition Method.

Accordingly, we may recognize revenue from certain projects in the future in a manner that is different from that for projects where revenue recognition had commenced on or prior to March 31, 2012. This may result in delayed recognition of revenues for certain projects compared to the projects for which revenue would continue to be recognized under the Old Revenue Recognition Method.

Our business may be adversely affected due to certain adverse rulings and penalties imposed by the Competition Commission of India.

The Competition Commission of India ("**CCI**"), in respect of complaints filed by the owners' associations of certain of our residential developments, had passed orders dated August 12, 2011 and August 29, 2011 wherein it had, among other things, imposed a penalty of ₹6,300.0 million against us, and restrained us from formulating and imposing conditions on buyers in Gurgaon that it considered to be unfair under the provisions of the Competition Act. Additionally, the CCI had ordered us to modify certain conditions that it considered to be unfair in all our agreements with our customers. We had filed an appeal against the said orders before the Competition Appellate Tribunal. The matter is currently pending before the Competition Appellate Tribunal. However, the Competition Appellate Tribunal had through its order dated November 9, 2011, stayed the orders of CCI imposing the penalty and had further ordered that the directions of CCI in relation to modification of the terms of our agreements with our customers be kept in abeyance. We have not made any provision for the penalty imposed by the CCI in our financial statements. We cannot assure you that we will be successful in our appeal.

In addition, the owners of certain of our other residential developments have filed several other complaints with the CCI. While certain matters have been disposed off by the CCI in view of the penalty already imposed under the orders dated August 12, 2011 and August 29, 2011, we cannot assure you that further penalties would not be imposed upon us or other conditions in relation to agreements entered into by us will not be effected. Further, the complainants may also seek compensation from us. The failure of our appeal and any consequent payment of penalty, compensation or modification of the terms of our agreements with our customers may materially and adversely affect our reputation, business, financial condition, cash flows and prospects. See "Legal Proceedings—Proceedings under the Competition Act, 2002 under A – Cases filed against our Company and B – Cases filed against the Subsidiaries".

We and certain of our Directors are respondents to certain legal proceedings in India which, if determined against us or them, may materially and adversely affect our business, reputation, financial condition, results of operations and cash flows.

We and certain of our Directors, in their capacity as the directors of the Company, are respondents to a number of legal proceedings and claims in India in relation to criminal and civil matters, including public interest litigation, land acquisition and title disputes, proceedings under competition laws, arbitration proceedings, consumer cases, labor disputes, proceedings under environmental laws and tax proceedings. In addition, there are certain continuing disputes with third parties with respect to our promoters and promoter group, as well as companies which we may have disassociated with or those that have been restructured and are no longer part of our corporate structure or promoter group. We also face certain legal proceedings initiated by certain regulatory authorities, including a legal proceeding by SEBI. Further, municipal authorities and the Delhi Development Authority have initiated proceedings in relation to certain of our projects. These proceedings are pending before various courts and tribunals. For further details, see "Legal Proceedings".

Bearing applicable legal and regulatory requirements in mind, we have disclosed details of only the material legal proceedings pending against the Company and the Subsidiaries in the section titled "Legal Proceedings" of this Red Herring Prospectus. We have identified material litigation as regulatory proceedings and criminal cases against the Company and its material Subsidiaries, criminal cases pending against the Directors, legal proceedings pending against us and the Subsidiaries having a potential financial liability of or above ₹1,000.0 million, which constitutes 0.37% of our consolidated net worth as of March 31, 2012 and 0.98% of our consolidated sales and other income in Fiscal 2012, and cases filed by the Company and the Subsidiaries for a potential financial asset of ₹1,000.0 million or above.

A major part of the litigation we are involved in relates to property disputes and our real estate projects. Property litigation in India, particularly litigation with respect to land ownership, is generally time consuming and involves considerable costs. If any property which we have invested in is subject to any litigation or is subjected to any litigation in future, it could delay a development project or may adversely affect us, financially or otherwise.

We cannot assure you that these legal proceedings will be decided in our favor, or in the favor of the Directors that are currently involved in these legal proceedings. Furthermore, we cannot assure you that the materiality threshold identified by us will not change, or that we would not be involved in further proceedings which could be considered material, or that any other litigation we are currently involved in will not become material at a later date. In the event a court or tribunal decides a legal proceeding against us, or if a government or statutory authority levies penalties against us in a material legal proceeding, whether disclosed in this Red Herring Prospectus or not, we may be required to make payments to third parties or make additional provisions for payments in the future, which could materially and adversely affect our business, reputation, financial condition, results of operations and cash flows.

The auditors' reports on our financial statements are qualified and are subject to certain limitations.

The auditors of our Company have qualified their audit reports dated May 30, 2012 for Fiscal 2012 and May 24, 2011 for Fiscal 2011 in respect of our Audited Consolidated Financial Statements, as well as their limited review report dated April 4, 2013 in respect of our Unaudited Interim Consolidated Financial Statements, on the basis of certain qualifications made by the auditors of our Subsidiary, Silverlink Resorts Limited ("**Silverlink**"), in their audit and review reports for the periods indicated above. These qualifications primarily relate to (a) certain balances in the translation reserve and accumulated losses brought forward from the financial year ended December 31, 2004 prior to Silverlink's acquisition by our Company, (b) the revaluation of a hotel property on the basis of certain assumptions, historical realization and trends that the auditors of Silverlink believe are unlikely to be achieved, and (c) the recoverability of debts amounting to U.S.$1.08 million (or ₹59.4 million) (net of minority interests).

In addition, the auditors of our Company have not expressed any opinion regarding certain income tax and other matters. While the eventual outcome of these matters is uncertain, an unfavorable outcome in any of these matters may expose us to potentially high liability. No provisions or adjustments have been made to the consolidated financial statements of the Company to provide for any potential liability as a result of an adverse outcome in these matters. Set out below are brief details of these matters.

- Demands for additional tax liability received from the Income Tax authorities, which include the disallowance of SEZ profits.
- Special Leave Petitions challenging the judgments from the High Court of Punjab and Haryana cancelling the release/ sale deed of land relating to two IT SEZ / IT Park projects in Gurgaon.
- Appeals before the Competition Appellate Tribunal against penalties imposed by the CCI on complaints by the owners' associations of certain of our residential developments.

For further details in relation to the auditors' qualifications, see "Financial Statements" and for further details in relation to the legal proceedings referred to above, see "Legal Proceedings—Civil proceedings, Income tax proceedings and Proceedings under the Competition Act, 2002 under A—Cases filed against our Company and B—Cases filed against the Subsidiaries".

The financial statements included in this Red Herring Prospectus may not be comparable between financial periods and may not fully reflect the effects of certain recent strategic transactions.

Our wholly owned Subsidiary, DLF Global Hospitality Limited, entered into a share purchase agreement with Mahaman Assets Limited on December 12, 2012 to sell its 100% shareholding in Silverlink at an enterprise value of approximately U.S.$300.0 million (or, ₹16,281.8 million). Silverlink owns hotels and resorts operating under the *Aman* Resorts brand. Pursuant to an amendment agreement dated April 10, 2013 and upon satisfaction of certain conditions specified under the share purchase agreement, we expect this transaction to be completed by June 30, 2013. Our management foresees an estimated loss of approximately ₹650.0 million from this transaction, which has been recorded as an impairment of the goodwill created on consolidation of Silverlink when it was acquired.

We entered into a definitive agreement in January 2013 with BLP Vayu (Project 1) Private Limited, a subsidiary of Bharat Light & Power Private Limited, for the sale of our wind energy undertaking in Gujarat with a capacity of 150 MW for ₹2,823.0 million. Further, we entered into definitive agreements in April 2013 with Tulip Renewable Powertech Private Limited and Violet Green Power Private Limited for the sale of our wind energy undertakings in Tamil Nadu and Rajasthan, with capacities of 34.5 MW and 33.0 MW, respectively, for a sale consideration of ₹1,887.0 million and ₹522.0 million, respectively. These transactions are expected to be completed in the near future on satisfaction of certain closing conditions and receipt of regulatory approvals. Except describing the effect of an estimated loss of approximately ₹650.0 million from the Silverlink sale transaction, the financial statements included in this Red Herring Prospectus do not present the impact of these transactions, and therefore may not provide a sufficient basis to assess our overall consolidated financial condition and results of operations in future financial periods. For further details, see "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments".

In addition, pursuant to Notification S.O. 447(E) dated February 28, 2011, the Old Schedule VI was replaced with the Revised Schedule VI which significantly changes the presentation of, and disclosure made in, the financial statements of Indian companies. Accordingly, we have modified the manner in which we present our financial statements as of and for Fiscal 2012 and future periods so that the presentation of our financial statements is consistent with the Revised Schedule VI, which became applicable to us during Fiscal 2012. Our historical audited financial statements for Fiscal 2011 and Fiscal 2010 have been presented in accordance with the Old Schedule VI. As a result, the presentation of our historical audited financial statements for Fiscal 2010 and Fiscal 2011 differs from the presentation of our historical audited financial statements for Fiscal 2012. As a result of these differences in presentation, the financial statements included in this Red Herring Prospectus may not be comparable between periods.

A downgrade of our credit ratings may increase our cost of borrowing and make our ability to raise new funds in the future more difficult.

We have obtained credit ratings from ICRA and CRISIL in relation to our long-term and short-term debt facilities, non-fund based facilities such as bank guarantees and letters of credit as well as certain non-convertible debentures issued by us. See "Our Business—Credit Ratings" for further details. A downgrade of our credit ratings may increase our cost of borrowing and make our ability to raise new funds in the future more difficult. For example, on account of concerns relating to our high levels of indebtedness and exposure to the risks and cyclicality in the Indian real estate industry, CRISIL downgraded the credit ratings of our Company in Fiscal 2012 from:

- "A1" to "A2+" for its short-term credit; a credit rating of "A2+" by CRISIL indicates "strong safety with relatively higher standing within the category" as compared to a "very strong safety" indicated by a credit rating of "A1"; and
- "A+/Stable" to "A/Negative" for its non-convertible debentures, term loans and working capital facilities from; a credit rating of "A/Negative" by CRISIL indicates a comparatively lower standing from the rating previously provided.

We cannot assure you that any further downgrading of our credit ratings will not take place in the future. A further downgrading of our credit ratings could increase our cost of raising funds and impair our ability to raise new funds, thereby adversely affecting the perception of our financial stability, our reputation and our business.

We are subject to restrictive covenants under our financing agreements which may limit our strategic decisions and operations. A breach of such covenants could force us to sell assets or trigger a cross-default under our other financing agreements.

Certain of our financing agreements contain restrictive covenants regarding, among other things, altering our capital structure, raising additional finance, the disposition of assets or implementing any scheme of expansion or diversification of our business, declaring dividends in the event of any default, investing any funds in any other concern, undertaking guarantee obligations, changing our accounting methods and creating any charge or lien on the security. These agreements also require us to comply with certain financial covenants and ratios. We cannot assure you that we will be able to comply with these financial or other covenants. For example, our ability to create mortgages on our assets, alter our capital structure or raise additional financing could be impacted by our failure to obtain consents from our lenders. Our failure to obtain waivers for any existing or future non-compliance of, or our inability to comply with, such undertakings or restrictive covenants in a timely manner, or at all, could also result in an event of default under any of our financing agreements, as a result of which we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

As of December 31, 2012, we had unsecured loans of ₹11,242.7 million, which may be recalled by lenders at any time in the event of a default. We may be forced to sell some or all of our assets if we do not have sufficient cash or credit facilities to make repayments. Other than these unsecured loans, our borrowings are secured against all or a portion of our assets and our secured lenders may, in the event of a default, exercise their right to sell these assets. Approximately 800 acres of land parcels forming part of our Land Reserves, as well as certain commercial and retail leased properties in our Lease Business, are mortgaged to certain banks, financial institutions and NBFCs in connection with our outstanding debt facilities. We have also securitized our rent receivables, pursuant to which banks grant us loans against future lease income. Such loans are with recourse to us and in the event a tenant does not pay or delays the lease payment, we are obliged to make good the shortfall. Many of our loan agreements may allow our lenders to call upon additional security. Further, under the terms of certain of our loan agreements, the relevant lender can appoint a nominee director on our Board on occurrence of an event of default. Furthermore, certain of our financing arrangements contain cross default provisions which could automatically trigger defaults under other financing arrangements, in turn magnifying the effect of an individual default. If any of these events occur, our business, reputation and financial condition may be materially and adversely affected.

We cannot assure you that the proposed sale of our shareholding in Silverlink will be completed within the expected timeframe, or at all.

Our wholly owned subsidiary, DLF Global Hospitality Limited, has entered into a share purchase agreement in December 2012 with Mahaman Assets Limited ("**Mahaman**") for the sale of our shareholding in Silverlink, which owns hotels and resorts operating under the "*Aman Resorts*" brand, at an enterprise value of approximately U.S.$300.0 million (or, ₹16,281.8 million). Pursuant to an amendment agreement dated April 10, 2013 and upon satisfaction of certain conditions specified under the share purchase agreement, including the receipt of applicable regulatory approvals, we expect this transaction to be completed by June 30, 2013. However, we cannot assure you that the proposed sale of our shareholding in Silverlink will be completed within the expected timeframe, or at all. In the event the agreement is terminated for any reason, we will not receive the proceeds from this transaction. Further, until this transaction is completed, our hotels business will continue to be affected significantly by the risks affecting the hospitality industry which, among others, include seasonality, adverse economic conditions, commodity inflation, stringent regulation and competition.

Our business is subject to extensive government regulation, which may become more stringent in the future. We may not be able to comply with all government regulations, and may require more time or incur higher costs to comply with such regulations.

The real estate industry in India is heavily regulated by the central, state and local governmental authorities. Real estate development companies in India must comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established by local authorities and designed to implement such laws and regulations. For example, we are subject to various land ceiling statutes which regulate the amount of land that can be held under single ownership and where we are subject to such ownership limits, we generally enter into arrangements with land owners for construction on, and development of, land rather than the land itself. If structures through which this land is owned are said to violate such laws, our business could be materially and adversely affected.

Real estate laws in India are complex and their interpretation or application by regulatory authorities may vary in different states. Although we believe that our projects are in material compliance with applicable laws and regulations, regulatory authorities in certain states may allege non-compliance and may subject us to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. The planning permission granted by local municipal authorities is usually subject to compliance with the terms and conditions of all licenses and permits granted in connection with the project. Any non-compliance could lead to a cancellation of planning permission granted, and consequentially a cancellation of such project.

Further, we may have to devise new strategies or modify our business plans in order to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector. We cannot assure you that we will be successful in implementing such strategies or be able to adapt ourselves to such new laws, regulations or policies. The amount and timing of future expenditure to comply with unanticipated regulatory requirements may vary substantially from those currently in effect. In the past, certain laws have been enacted in India with retrospective effect. We cannot assure you that all our past actions and business operations will be in compliance with such retrospective changes in law.

For example, a draft Real Estate (Regulation and Development) Bill, 2011 (the "**Draft Real Estate Bill**") has been prepared by the Ministry of Housing and Urban Property Alleviation and aims to establish a real estate regulatory authority (the "**RERA**") for regulation and planned development in the real estate sector and to protect the interest of consumers in the real estate sector. The Draft Real Estate Bill imposes certain restrictions on construction and development of immoveable property and accepting advance payments or deposits from proposed buyers without first obtaining a certificate of registration from the RERA and entering into a written agreement for sale in the form specified in the Draft Real Estate Bill. The Draft Real Estate Bill also provides for payment of penalty to buyers in the event of failure to complete the project and deliver possession in accordance with the agreed terms. The Draft Real Estate Bill is subject to Cabinet approval and thereafter is subject to approval of the Indian Parliament as well as the President of India and publication in the Official Gazette before becoming law. There is no certainty whether it will be approved in its current form or amended, or enacted at all. For details, see "Industry Overview—Indian Real Estate Regulatory Framework".

Our business is dependent on the performance of the real estate market in the regions in which we operate, and fluctuations in market conditions may adversely affect our ability to sell or lease our real estate developments at expected prices.

Our business is dependent on the performance of the real estate market in the regions in which we operate, and could be adversely affected if market conditions deteriorate. Real estate projects take a substantial amount of time to develop, and we could incur losses if we purchase land at high prices and we have to sell or lease our developed projects during weaker economic periods. Further, the market for property can be relatively illiquid, and there may be high transaction costs as well as insufficient demand for property at the expected lease payment or sale price, as the case may be, which may limit our ability to respond promptly to market events.

The demand for real estate is significantly affected by factors such as the existing supply of developed properties in the market as well as the absorption rate for lease assets, which factors are in turn influenced by changes in government policies, regulatory framework, environmental approvals, litigation, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. These factors can adversely affect the demand for and the valuation of our completed developments (which have not been either sold or leased), Projects under Construction and our Planned Projects, the value of our Land Reserves, and, as a result, may materially and adversely affect our financial condition, results of operations, cash flows, our ability to service our debt and the trading price of our Equity Shares.

Lack of improvement in or worsening global and Indian economic conditions have affected and may continue to materially and adversely affect the demand for real estate as well as the availability of financing in India.

Since 2008, the global economy and financial markets have experienced extreme levels of instability, and there is substantial volatility in markets across asset classes, including stock markets, foreign exchange markets, commodity markets, fixed income markets and credit markets, which has been exacerbated since 2010 by concerns regarding the ability of certain countries to service their sovereign debt obligations, triggered by large budget deficits and rising public debts. Further, there are rising concerns of a possible slowdown in the emerging economies. No assurance can be given that a further economic downturn or financial crisis will not occur, or that measures taken to overcome a crisis will be sufficient to restore stability in the global markets in the short term or beyond. The Indian economy is influenced by economic conditions, developments and volatility in global markets.

We believe that our business is dependent to a large extent on the economic growth in India, and the availability of real estate financing in India and a stable regulatory framework. Any decline in the economy or adverse changes in the market conditions or regulatory framework in India could adversely affect our results of operations and future growth. The demand for our products and services is influenced by certain changes in these regions that include, among others, changes in government policies, economic conditions, demographic trends, consumer confidence, employment levels, fuel prices, interest rates, taxation, easy availability of credit and increase in the disposable income available to our customers.

Inflation, availability of credit and movement of interest rates in India have been adversely affected by the volatility in global economy and financial markets. For example, the average rate of inflation in India was above 9% for both Fiscal 2011 and Fiscal 2012, and the provisional annual inflation rate for the month of January 2013 was 10.79%. *(Source: Central Statistics Office.)* Interest rates have been raised numerous times between March 2010 and October 2011 to address inflation concerns, with repo rates rising to 8.50% during that period *(Source: Bloomberg)*. Rising interest rates affect a prospective customer’s ability to obtain affordable financing for purchase of our properties, particularly the purchase of completed residential developments. Availability of credit to customers affects the market demand for our real estate developments. As a result of the prevailing state of the Indian economy, buyers of property may remain cautious and lease income from commercial properties may continue to face downward pressure.

These factors may adversely affect our business and lead to decreases in the sales of, or market rates for, our real estate developments; delays in the release of finances for certain of the projects in order to take advantage of future periods of more robust real estate demand; decreases in Occupancy Rates for our commercial or retail properties; insolvency of key contractors resulting in construction delays; insolvency of key tenants in the commercial and retail properties; inability of customers to obtain credit to finance purchase of our properties; changes in the applicable regulatory framework; and litigation. The realization of any of these risks could materially and adversely affect our business, results of operations, financial condition and prospects.

Additionally, stricter provisioning and risk weightage norms imposed by the RBI on real estate financing by banks and financial institutions have in the past affected, and may continue to affect, the availability of funds to property developers. The RBI or the Government may take further measures that result in reduction of credit to the real estate sector. If the demand for, or supply of, real estate financing at attractive rates were to diminish or cease to exist, our business and financial results could be adversely affected.

We face intense competition in our business and may not be able to compete effectively, particularly in regional markets where we may not have significant experience.

We operate in highly competitive markets. Competition in these markets is based primarily on the availability and the cost of land as well as the ability to execute projects within the required time. We face competition from real estate companies in India bidding for new and similar property development projects, from corporations with large land reserves, as well as government bodies such as urban development authorities that are in the business of real estate development. Given the fragmented nature of the real estate development industry, we often do not have adequate information about the projects our competitors are developing and accordingly, we run the risk of incorrectly estimating demand, supply and pricing in the market.

Certain of our competitors may be better known in certain regional markets, have more experience in undertaking real estate development in these markets and be better placed to acquire land for new property development projects in these markets. We may not possess the same level of knowledge and understanding in the development, ownership and management of properties in these markets as we do in our core markets. We may need to take certain steps to address these risks, including adjusting our designs and development methods, establishing business relations with local land owners and joint venture partners, obtaining raw materials and labor on acceptable terms, understanding the requirements of the local laws and understanding market practice and requirements of potential customers. We cannot assure you that we will be able to successfully implement all the steps required to address these risks, which could adversely affect our results of operations and financial condition.

In addition, certain of our competitors may have greater land reserves in select geographies or financial resources than we do. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more attractive or lower cost solutions than we do, causing us to lose market share. For example, our share of sales and leasing activity in the Delhi Metropolitan Region and the Gurgaon markets has declined in recent years on account of increasing competition in these locations. We cannot assure you that we will be able to compete effectively with our competitors in the future, and our failure to compete effectively may materially and adversely affect our business, financial condition and results of operations. Furthermore, we and our retail tenants compete with other retail distribution channels, including department stores and malls, in attracting customers. Moreover, we compete with other retail real estate developers seeking suitable retail tenants. Similarly, we and our developments must also compete with an increasing number of commercial real estate developers and existing commercial developments that may be available for lease. Increasing competition could result in price and supply volatility, which could cause our business to suffer.

A significant portion of our business, operations and assets are located in Gurgaon and the Delhi Metropolitan Region.

A significant portion of our business, operations and assets are located in Gurgaon and the Delhi Metropolitan Region. As of December 31, 2012, approximately 31.6 msf or 61.0% of the Development Potential of our Projects under Construction, and approximately 9.6 msf or 86.0% of the Development Potential of our Planned Projects, were located in Gurgaon and the Delhi Metropolitan Region. The real estate market in Gurgaon and the Delhi Metropolitan Region may perform differently from, and may be subject to market conditions and regulatory developments that are different from, real estate markets in other parts of India. We cannot assure you that the demand for our properties in Gurgaon and the Delhi Metropolitan Region will grow, or will not decrease, in the future. Our business may also be adversely affected by regulatory developments in these regions, such as land use regulations, zoning laws, taxes and environmental regulations, as well as political and social developments that discourage customers from investing or operating in real estate in these areas or discourage landowners from selling their properties or reduce the incentives available for particular or particular types of developments.

Further, these areas are situated in a region that is prone to high seismic activity and are at risk of suffering significant damage should an earthquake occur. While our business has not been materially affected by earthquakes in the past and we are generally insured against such events, it is possible that future earthquakes, cyclones, floods or other natural disasters or man-made disasters, including acts of terrorism and military actions, particularly those that directly affect the areas in which our developments and other operations are located, could result in substantial damage to our properties and we may not be able to recover all such losses under our insurance arrangements which may, in turn, adversely affect our results of operations and financial condition.

Failure to procure contiguous parcels of land may adversely affect our business, results of operations, financial condition and prospects.

In the ordinary course of our business, we seek to enter into arrangements with land owners to procure land parcels to form a contiguous land mass, upon which we undertake construction and development of properties. Our ability to acquire suitable sites is dependent on a number of factors that may be beyond our control, including the availability of suitable land, the willingness of landowners to sell land to us on commercially acceptable terms, the ability to obtain an agreement to purchase from all the owners where land has multiple owners, the availability and cost of financing, encumbrances on targeted land, government directives on land use, changes in government policies and the receipt of permits and approvals for land acquisition and development. We cannot assure you that we will be able to procure such parcels of land or enter into suitable arrangements to form a contiguous mass on terms that are acceptable to us, or at all. This may cause us to modify, delay or abandon future development projects resulting in our failure to realize our investments, which in turn could materially and adversely affect our business, results of operations, financial condition and prospects.

We may not be successful in identifying suitable land parcels for development, or develop saleable or leasable properties, or anticipate and respond to customer demand in a timely manner.

Our ability to identify suitable parcels of land for our development activities is fundamental to our business and involves certain risks, including those related to identifying appropriate land and formulating development plans that appeal to the tastes of our customers, understanding and responding to the requirements of commercial tenants and anticipating the changing retail trends in India. See "Our Business—Our Operations—Our operations methodology—Identification of potential projects and land". Our decision to acquire land and undertake a project involves an assessment of the size and location of the land, the preferences of potential customers, the economic potential of the region, the proximity of the land to civic amenities and supporting infrastructure, the willingness of landowners to sell the land to us on terms which are commercially acceptable to us, the ability to enter into an agreement to buy land from multiple owners, the availability and cost of financing such acquisitions, the availability and competence of third parties such as architects, surveyors, engineers and contractors, the existence of encumbrances, government directives on land use, and the ability to obtain permits and approvals for land acquisition and development.

While we have in the past successfully identified suitable projects that meet market demand, we may not be as successful in the future. The failure to identify suitable projects, build or develop saleable or leasable properties or meet customer demand in a timely manner may cause us to change, delay or abandon entire projects, which in turn could materially and adversely affect our competitive position, business, financial condition, results of operations and prospects.

Our Lease Business is dependent on our ability to enter into new leases, or renew existing leases, on favorable terms and the willingness and ability of our tenants to pay rent at suitable levels.

We earn income from the lease of commercial and retail properties, and from providing utilities and facility management services to our tenants. The income from our Lease Business during the nine month period ended December 31, 2012 and in Fiscal 2012 was ₹12,098.3 million and ₹15,504.2 million, respectively, which constituted 17.9% and 15.2%, respectively, of our total sales and other income. Further, during these periods, we earned ₹9,909.0 million and ₹12,082.0 million in income from maintenance and other services and generation of power, which constituted 14.6% and 11.8%, respectively, of our total income during these periods.

Our portfolio properties may suffer from a lack of demand due to the prevailing market conditions and we may not be able to find suitable tenants. As of December 31, 2012, the Vacancy Rate for our commercial and retail portfolio properties was approximately 13.0% and 4.0%, respectively. We cannot assure you that we will be able to conclude lease deeds or other form of definitive agreements with tenants for the portfolio properties currently under negotiations in a timely manner and on satisfactory terms, or at all. In addition, our customers may choose to acquire or develop their own commercial or retail facilities, which may further reduce the demand for our portfolio properties.

We have historically targeted, and will continue to target, large multinational and Indian corporates and retailers. Our growth and success will therefore depend on the provision of high quality office and retail space to attract and retain tenants who are willing and able to pay rent at suitable levels and on our ability to anticipate the future needs and expansion plans of these tenants. Further, we may not be able to re-let or renew lease contracts promptly, or the amount of rent and the terms on which lease renewals and new leases are agreed may be less favorable than those in the current leases.

The loss of key tenants, or a decline in the financial stability of such tenants, could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

We typically enter into leases for a period of three to five years for our commercial developments, whereas the length of a lease for our retail developments is typically 11 months to three years, with a right of renewal for another equal term or more which can be exercised at the discretion of the lessee. General economic conditions may adversely affect the financial stability of our tenants and prospective tenants and the demand for our commercial and retail real estate. Accordingly, our financial condition and results of operations may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of one or more of these tenants, as well as the decision by one or more of these tenants to not renew its lease or to terminate its lease before it expires or to reduce its leased space.

Our tenants for commercial properties are typically subject to a lock-up for a period of up to three years under the terms of many of the leases, whereas our tenants for retail properties are typically subject to a lock-up period of 11 months. While default by a tenant prior to the expiry of a lease may result in forfeiture of its security deposit, it will also result in a shortfall in the income from our Lease Business until we lease the property to another tenant. The loss of one or more of the key tenants of our portfolio properties could result in periods of vacancy, which could adversely affect the income from our Lease Business. In addition, we may incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. Further, certain anchor tenants may enter into arrangements with us whereby space is leased on a phased basis. We may have to reserve completed space for these anchor tenants for certain agreed periods of time and may be unable to lease the premises to other prospective tenants during such periods, thereby resulting in a loss of income. Certain other anchor tenants may request us to delay the commencement of the lease. If any of these risks materialize, our results of operations, financial condition and the value of our real estate could be adversely affected.

We may incur significant infrastructure and development costs if certain key tenants default, withdraw their commitments or refuse to renew their leases.

We typically incur significant infrastructure and development costs based on the requirements of certain key tenants for built-to-suit premises. If the fit-out services are not carried out in accordance with the requirements of a particular potential tenant, we may be required to incur significant costs and delays in reconfiguring the premises to suit the specifications of new tenants. We may also face difficulties in sourcing replacement tenants willing to accept the existing customizations of the premises, if an existing tenant terminates its lease. Further, if we are unable to provide the reconfigured premises within the stipulated timeframe, potential tenants may withdraw their commitment and we may be required to pay certain penalties in accordance with the terms of the MoU entered into with such tenants. These costs, delays and difficulties may adversely affect our business, financial condition and results of operations.

We are subject to risks inherent in the varying demand for office space from the IT and ITeS industries in India.

Companies in the IT and ITeS industries constitute a significant proportion of our commercial tenant base. Any adverse effects on the IT and ITeS sectors in India or on the outsourcing industry may also have a negative impact on our operations. The growth in the IT and ITeS sectors in India may not be sustainable and may come under competitive pressure from other countries providing similar services. If these industries were to experience a decrease in revenues or profitability or a slowdown or if companies in these industries were to scale down their operations, it may lead to a reduction in lease income from our commercial developments and also adversely affect the value of properties that cater to the IT and ITeS sectors in India. On account of certain restrictions under the SEZ Act, if these industries reduce their demand for office space or cease their tenancies, we may not be able to replace them easily with tenants from other industries which do not generate positive foreign exchange. Further, an increasing number of real estate developments anticipating demand for office space for these industries have become available in the cities targeted by us, thereby increasing the supply of competing properties. If any of these risks materialize, our business, financial condition, results of operations and prospects may be adversely affected.

Our business may suffer if we are unable to sustain the quality of our utilities and facility management services.

As part of our business, we provide facility management services to our leased commercial and retail developments as well as certain of our completed residential developments. Examples of these services include common area maintenance, security services, civil and electrical maintenance and general facilities' management, which includes power distribution, back-up power generation, central air conditioning, water supply, drainage pumping, janitorial services, parking management, pest control, fire detection and solid waste disposal and management. We typically outsource these services to third party service providers. We believe that our utilities and facility management services are an integral part of our business and are important to the successful marketing and promotion of our property developments. For further details, see "Our Business—Our Operations—Our Lease Business—Utilities and Facility Management Services". Since many of these services are generally outsourced or are provided by government agencies, our ability to control the quality of these services is limited, and in the event they do not meet the required quality standards, our customers or tenants may elect to discontinue such services. This may negatively impact the attractiveness of our developments and in turn, adversely affect our reputation, business and results of operations.

The success of our residential developments is dependent on our ability to anticipate and respond to customer requirements.

The growing disposable income of India's middle and upper income classes, together with changes in lifestyle, has resulted in a substantial change in the nature of their demands. Increasingly, customers are seeking better housing and better amenities in new residential developments. Our focus on the development of high quality luxury residential accommodation requires us to satisfy these demanding consumer expectations. The sort of amenities now demanded by consumers include those that have historically been uncommon in India's residential real estate market such as 24-hour electricity, power back-up, running water and amenities such as security, parking, waste disposal and management, janitorial services, landscaped gardens, playgrounds, swimming pools, fitness centers, tennis courts and golf courses. Given the current global economic crisis, we face an increasing pressure to service our customers commensurate to their expectations at attractive prices, which may not be profitable to us. Consequently, our inability to meet our customers' preferences or our failure to anticipate and respond to customer needs could materially and adversely affect our business and results of operations. If we fail to anticipate and respond to customer requirements, we could lose potential customers to competitors, which in turn could adversely affect our business, results of operations, financial condition and prospects.

The success of our strategy for development of retail properties depends on our ability to build malls at appropriate locations and attract suitable retailers and end-consumers.

We expect significant demand for retail developments on account of factors such as scope for penetration of organized retail in India, relaxation of norms for FDI in multi-brand and single-brand retail trading and absorption of existing supply of retail space in the key geographical markets that we currently focus on. Further, with the anticipated increase in presence of overseas retailers, we expect Indian retailers to revive their expansion and investment plans. We therefore plan to incur capital expenditure towards development of certain retail projects in the near future. For further details, see "Our Business—Strategy—*Continue to focus on the growth of our Lease Business*".

The success of our strategy for development of retail properties depends on our ability to recognize and respond to the changing trends in India's retail sector. We believe that in order to draw consumers away from traditional shopping environments such as small local retail stores or markets as well as from competing malls, we need to create demand for our malls where customers can take advantage of a variety of retail options, such as large department stores, in addition to amenities such as designer stores, comprehensive entertainment facilities, including our multiplex cinemas, air conditioning and underground parking. Further, to help ensure our malls' success, we must secure suitable anchor tenants and other retailers as they play a key role in generating footfalls. Moreover, we lease a portion of our retail portfolio properties on a revenue sharing model where our lease payments are dependent on the revenues of the retailer. We believe that the growth and success of our retail business depends on us being able to achieve the right mix of tenants in our malls to attract more customers to the outlets which lease retail space from us.

A decline in retail spending or a decrease in the popularity of the retailers' businesses could cause retailers to cease operations or experience significant financial difficulties that in turn could harm our ability to continue to attract other successful retailers and visitors to our malls. Further, since certain of our lease payments are based on revenue sharing arrangements with our retail tenants, any decline in sales of our tenants will result in lower lease income for us.

Our strategy to develop supporting infrastructure for our key developments is subject to a number of contingencies and may not be successful.

As part of our strategy, we intend to continue to participate in the construction of supporting infrastructure such as roads, rapid rail networks and power projects in certain select, strategic locations to ensure the high quality of our commercial and retail portfolio properties as well as certain residential developments. See "Our Business—Strategy—*Continue to develop supporting infrastructure for key developments*". While we generally do not actively participate in the development of such infrastructure and may undertake this activity through certain Joint Ventures with reputable infrastructure companies as we have done in the past for the development of supporting infrastructure in *DLF City* and *Phase-V* in Gurgaon, we may still be exposed to certain risks related to the development of infrastructure.

The development of infrastructure involves various risks, including, among others, regulatory risk, construction risk, financing risk and the risk that these projects may not prove to be profitable. Additionally, infrastructure projects typically require extended periods of development and substantial investment before completion and may take months or years before positive cash flows can be generated, if at all. The time and costs required in completing a project may be subject to substantial increases due to many factors, including shortages of materials, equipment, technical skills and labor, adverse weather conditions, natural disasters, labor disputes, environmental disputes, disputes with contractors, changes in government priorities and policies, changes in market conditions, delays in obtaining the licenses, permits and approvals from the relevant authorities and other unforeseeable problems and circumstances.

The failure of our Joint Ventures to complete these infrastructure projects according to their original specifications or schedule, or to make such projects commercially operational, could result in failure of our strategy to improve the quality of our lease portfolio properties and our residential developments, besides increasing the financing costs associated with the construction than originally expected. This may in turn adversely affect our business, results of operations, financial condition and prospects.

We may be subject to liability and adverse tax consequences upon the disposal of assets and business undertakings.

We have implemented a strategy that involves divestiture of selected, non-strategic and non-core assets and businesses. Pursuant to this strategy, we divested our interests in certain land parcels identified for IT parks, IT SEZs, hospitality projects or long gestation projects with no immediate development plans and integrated township projects, as well as certain select businesses such as hospitality, construction, retail brands and wind energy. See "Our Business—History and Recent Developments".

In this regard, we have provided, and may be further required to provide, representations, warranties and indemnities in respect of such assets and businesses and to pay damages to the extent that any such representations, warranties or indemnities are, or become, inaccurate. We may become involved in claims, disputes or litigation concerning such representations, warranties and indemnities and may be required to make payments to third parties as a result of such claims, disputes or litigation. We may also be subject to adverse tax consequences upon the disposal of assets or investments, including potential double taxation relating to disposal of assets through special purpose vehicles, taxation on capital gains and other forms of tax that could be applicable to such transactions.

The unavailability of raw material, fuel and labor, or an increase in their costs, may adversely affect our results of operations.

Our business is affected by the availability, cost and quality of the raw materials, fuel and labor that we or our contractors require to construct and develop our properties. Our principal raw materials include steel, cement, glass and plastics. The prices and supply of these and other raw materials depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties. The domestic prices of raw materials such as steel and cement have remained volatile in the past three years. The unavailability of, or a significant increase in the price of, fuel may also result in an increase in price of raw materials and construction.

We have not entered into any long term supply contracts with any of our suppliers for these raw materials. If, for any reason, our primary suppliers of raw materials should curtail or discontinue their delivery of such materials to us in the quantities and quality we need and at prices that are competitive, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and our business could suffer. The unavailability of, or a significant increase in costs of, labor also affects our business adversely. We cannot assure you that we would be able to procure raw materials and labor in a timely manner and at competitive prices or that we will not be affected in the event of any shortfall of supply, which may adversely affect our business and results of operations. Our EPC contractors may also demand a revision of the agreed contract price in the event the price of raw materials, fuel or labor increases above an agreed threshold.

We have introduced an escalation clause in some of our development projects, which we believe will assist in mitigating an increase in construction and labor costs in a fair, efficient and transparent manner based on published benchmarks. However, we cannot assure you that we will be able to offset the complete impact of an adverse increase in labor costs or raw material prices. This may adversely affect our cash flows and results of operations.

Most of our projects require the services of third parties, which entails certain risks.

Most of our projects require the services of third parties. These third parties include contractors, sub-contractors, project management firms, architects, engineers, surveyors and suppliers of labor and materials. The timing and quality of construction of the projects we develop depends on the availability and skill of those third parties, as well as contingencies affecting them, including labor and raw material shortages and industrial action such as strikes and lockouts. We cannot assure you that skilled third parties will continue to be available at reasonable rates and in the areas in which we conduct our projects. As a result, we may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of contracted services and any delay in project execution could adversely affect our profitability. Additionally, we rely on manufacturers and other suppliers and do not have direct control over the products they supply, which may adversely affect the construction quality of our developments.

We have outsourced, and may in the future continue to outsource, construction related activities as well as project management to third-party contractors. This, we believe, enables our management to focus on our core activity of real estate development and leasing. If the contractors and other service providers fail to perform their respective obligations satisfactorily with regard to a project, we may be unable to develop the project within the intended timeframe, at the intended cost, or at all. In such circumstances, we may be required to incur additional cost or time to develop the property to the appropriate standard of quality and in a manner consistent with our development objective, which could result in reduced profits or, in some cases, significant losses. We may also not be able to recover compensation for any resulting defective works or materials. While we believe that we have adequate contractual safeguards in this regard, we cannot assure you that the services rendered by any of our independent construction contractors will always be satisfactory or match our requirements for quality.

There have been time and cost overruns in the past in relation to some of our projects, and there could be further time and cost overruns in the future.

Property developments typically require substantial capital outlay during the construction phase which may take an extended period of time to complete, and before a potential return can be generated. The time and costs required to complete a property development may be subject to substantial increases due to many factors, including shortages of, or price increases with respect to, construction materials or equipment, technical skills and labor, acquisition of land, construction delays, unanticipated cost increases, changes in the regulatory environment, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, delays in obtaining the approvals and permits from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevent the completion of a project and result in costs substantially exceeding those originally budgeted for. The cost overruns may not be adequately compensated by contractual indemnities, which may affect our financial condition and results of operations.

We are not insured against cost overrun risks. In addition, any delays in completing our projects as scheduled could result in dissatisfaction among our customers, resulting in negative publicity and lack of confidence among future buyers for our projects. Additionally, we may not achieve the economic benefits expected of such projects. In the event there are any delays in the completion of such projects, our relevant approvals and leases may be terminated. We have in the past experienced time and cost overruns in relation to certain of our projects. We cannot assure you that we will be able to complete all our Projects under Construction or Planned Projects within the stipulated budget and time schedule.

Further, there may be a lag between the time we acquire land and the time we construct and develop a project and sell or lease our inventories. The actual timing of the completion of a project may be different from its forecasted schedule. Given that the market for properties is relatively illiquid, there may be high transaction costs as well as little or insufficient demand for properties at the expected lease income or sale price, which may limit our ability to respond promptly to market events, such as changes in the prices of the raw materials we utilize in our projects. The risk of owning undeveloped land and unsold inventories can be substantial and the market value of the same can fluctuate significantly as a result of changing economic and market conditions.

We are subject to a penalty clause under our sale agreements entered into with our customers for any delay in the completion and handover of the project.

The sale agreements into which we enter with our customers contain a penalty clause pursuant to which we are liable to pay a penalty for any delay in the completion and handover of the project to the customers. In terms of the sale agreement, the penalty is payable by us at a fixed rate on a monthly basis, or based on any other method agreed in the agreement with a customer. Accordingly, in large residential projects, the aggregate of all penalties in the event of delays may adversely impact the overall profitability of the project and, therefore, adversely affect our results of operations.

We may not be able to develop all of our Land Reserves.

We have Land Reserves across India, and as of December 31, 2012, we had approximately 6,175 acres of Land Reserves, with total Development Potential of approximately 332.4 msf. Of these, approximately 274.9 msf, or 82.7% of the total Development Potential, relates to our Development Business, and approximately 57.5 msf, or 17.3% of the total Development Potential, relates to our Lease Business. We are currently in negotiations with multiple buyers for sale of certain land parcels which, if concluded, may reduce the Development Potential of Land Reserves by an aggregate of approximately 7.0 msf. See "Our Business—Our Operations—Our Land Reserves".

The procedure for obtaining such approvals varies from state to state, and is considered to be a time-consuming process. Our ability to develop our Land Reserves and generate the estimated Saleable Area or Leasable Area is subject to a number of risks and contingencies, some of which are summarized below:

- the title to the lands we own may be defective or could be challenged in a legal proceeding;
- release of any mortgage created in favor of certain banks or financial institutions on the portion of Land Reserves that we intend to develop may require repayment or refinancing of certain debt facilities, or alternatively, creation of security on another portion of our Land Reserves having equivalent value;
- the MoUs and agreements to purchase land may expire, and we may not be able to renew the agreements that have expired;
- we may not receive the lands that are supposed to be allocated to us by government authorities, whether as a result of changes in government policies or otherwise;
- we may not receive the expected benefits of the arrangements we have entered into with land owners for construction on, and development of, land; and
- we may not receive the approvals required for our intended developments.

If any of these risks materialize, we may not be able to develop our Land Reserves and generate Saleable Area or Leasable Area in the manner we currently contemplate and we may not be able to implement our business strategy effectively, which could have a material adverse effect on our business, results of operations and financial condition.

We have in the past entered into, and continue to enter into, memoranda of understanding and similar commercial agreements to acquire land or economic interests in land, and are subject to certain risks associated with such agreements.

We have in the past entered into, and may continue to enter into, memoranda of understanding and similar commercial agreements with land owners to acquire lands or economic interest in lands. We typically make partial or advance payments to such land owners. Upon the successful completion of due diligence investigations, we pay the remaining amount or agree to transfer a portion of the developed area or enter into other similar arrangements.

As of December 31, 2012, the balance due to third parties in respect of payments under arrangements with land owners for construction on, and development of, land was ₹21,876.9 million, representing approximately 10.0% of our Land Reserves. This amount does not include a sum of approximately ₹3,000.0 million that may be payable in the future in the event we decide to acquire freehold rights in respect of certain land parcels for which we presently have leasehold rights, on completion of the relevant legal requirements in this regard.

These agreements typically stipulate time frames within which title to land must be conveyed and provide that all or a part of the advance monies paid to these third parties may be forfeited in the event that the acquisition process is not completed within the agreed time frames. In certain situations, agreements to purchase land may expire or contain irregularities that may invalidate them. If such irregularities exist in the land parcels that we have acquired, or if we are unable to acquire such land, our development plans for certain projects may be adversely affected, which could in turn adversely affect our business, results of operations, financial condition and prospects.

We face uncertainty of title to our lands.

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The title to these lands is often fragmented and the land may, in many cases, have multiple owners. Some of these lands may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subject to encumbrances which we may not be aware of. Additionally, some of our projects are being executed through joint ventures in collaboration with third parties. In some of these projects, the title to the land may be owned by our joint venture partners, and we cannot assure you that these persons or entities have clear title to such lands.

Additionally we face various practical difficulties in verifying the title of a prospective seller or lessor of property. Indian law, for example, recognizes the ability of persons to effectuate a valid mortgage on an unregistered basis by the physical delivery of original title documents to a lender. Adverse possession under Indian law also gives rise, upon 12 years' occupation, to valid ownership rights as against all parties, including government entities that are landowners, without the requirement of registration of ownership rights by the adverse possessor. Furthermore, under Indian law, a married person retains property rights to land alienated by their spouse if such married person has not consented to such alienation, effectively requiring consent by each spouse to all land transfers in order for a transferee to receive good title. Indian law also recognizes the concept of a "Hindu Undivided Family", whereby all family members, including minor children, jointly own land and must consent to its transfer, in the absence of which a land transfer may be challenged by a non-consenting family member. Our title to land may be defective as a result of a failure on our part, or on the part of a prior transferee, to obtain the consent of all such persons. As each transfer in a chain of title may be subject to these and other defects, our title and agreements we have entered into with land owners for construction on, and development of, land may be subject to various defects which we may not be aware of. For these and other reasons, title insurance is not readily available in India.

Several legal proceedings that we are currently involved in relate to property and our real estate projects. Property litigation in India, particularly litigation with respect to land ownership, is generally time consuming and involves considerable costs. If any property which we have invested in is subject to any litigation or is subjected to any litigation in future, it could delay a development project or may adversely affect us, financially or otherwise.

The uncertainty of title to land makes the acquisition and development process more complicated, may impede the transfer of title, expose us to legal disputes and adversely affect our land valuations. Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the owners of the land which is the subject of our development agreements are unable to resolve such disputes with these claimants, we may lose our interest in the land.

The failure to obtain good title to a particular plot of land may materially prejudice the success of a development for which that plot is a critical part. This may adversely affect the development of the remaining portion of land and may require us to write off expenditures in respect of the development.

We do not have title opinions for all of our Land Reserves and may not be able to assess or identify certain risks and liabilities for all our projects.

We typically conduct due diligence and assessment exercises prior to acquiring land, entering into joint or sole development agreements and assessing the financial viability of the projects, and engage local counsel to issue title opinions. See "Our Business—Our Operations—Our Operations Methodology". With regard to certain land parcels, it is often impracticable for counsel to satisfy certain technical requirements because of the uncertainties discussed above. As a consequence, we do not have title opinions for all of our Land Reserves. Further, due to the nature of industry in which we operate, we may not be able to assess or identify all the risks and liabilities associated with the land or projects, such as faulty or disputed title, unregistered encumbrances or adverse possession rights. In addition, we may not correctly determine the suitability of land for a project or we may inaccurately estimate the cost of a project when budgeting for the expected expenditure. Consequently, we may face unexpected liabilities, which may materially and adversely affect our financial condition and results of operations.

We may enter into joint development agreements in relation to the development of certain projects, which entail certain risks, including loss of the payments made by us and payment of penalties.

We may enter into joint development agreements with third party land owners in relation to the development of certain of our projects. Under these agreements, we are typically required to provide the owners of the land with a deposit, which is refundable upon the completion of the project and the joint development partners being given possession of their respective share of the units in the project pursuant to the agreement. We may also be required to provide a non-refundable deposit in certain cases. Further, under these joint development agreements, in the event of any delay in the completion of the project within the time-frame specified, we are required to indemnify such parties with whom we have entered into joint development agreements and pay certain penalties as specified in these agreements. In the past, we have experienced delays in the completion and handover of projects. Continued delays in the completion of the construction of our projects will adversely affect our reputation. Such penalties payable by us will also adversely affect our financial condition and results of operations. Further, if we are required to pay penalties pursuant to such agreements and we decline to do so, we may not be able to recover the deposits made by us to the land owners, which could adversely affect our business, financial condition and results of operations.

Certain of our joint development agreements do not contain an exception for delay caused due to factors beyond our control in relation to the imposition of penalties and only contain limited force majeure clauses. Consequently, we could be forced to pay penalty for certain events beyond our control, including for delays on account of non-receipt of government approvals or other permissions. Further, under the terms of the joint development agreements, the underlying interest in land is not transferred to us until the completion of the project. In the event of a joint development project not being completed, any investment made by us in relation to the project could be lost. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Certain third parties with whom we have entered into arrangements for development of certain land parcels may be involved in certain legal proceedings related to their title or other rights to such land. Any adverse outcome of such legal proceedings may adversely affect our rights under our agreements with these third parties, which could adversely affect our business, results of operations and prospects.

Further, we have executed certain joint development agreements only with the leaseholders of the underlying land and not with the owners. In the event that the leaseholders commit a default under the lease agreement, or if the leasehold right of the leaseholder is terminated for any other reason, we will be unable to acquire an interest in or derive benefits from the project.

Our joint venture partners may not perform their obligations satisfactorily and their interests may differ from ours. We also undertake certain projects through Joint Ventures, which entail certain risks.

We have entered into joint ventures with Prudential Insurance and ITNL Enso Rail Systems Limited, Hines and ITNL, among others. We also undertake certain projects by entering into joint venture agreements with third party real estate developers or land owners and have equity interests in certain Subsidiaries and Associates which are currently developing, or have in the past developed, certain specific projects.

The success of these Joint Ventures depends significantly on the satisfactory performance by our joint venture partners and the fulfillment of their obligations. If a joint venture partner fails to perform its obligations satisfactorily, the Joint Venture may be unable to perform adequately or deliver its contracted services. In such a case, we may be required to make additional investments in the Joint Venture or become liable for its obligations, which could result in reduced profits or in some cases, significant losses. The inability of a joint venture partner to continue with a project due to financial or legal difficulties could mean that we would bear increased, or possibly sole, responsibility for the relevant projects. Additionally, our joint venture partners may hold different views about various aspects of a project.

Arrangements governing our Joint Ventures may permit us partial or no control over the operations of the joint ventures under certain circumstances. Our majority joint venture partners may make significant decisions without our consent that affect our interests, such as delaying project execution timetables or losses. Alternatively, we may be required to obtain consent from a minority joint venture partner before we can cause the Joint Venture to make or implement a particular business development decision or to distribute profits to us. These and other factors may cause our joint venture partners to act in a way contrary to our interests, or otherwise be unwilling to fulfill their obligations under our joint venture arrangements. Moreover, our Joint Ventures may contain restrictive covenants to dispose of our shareholding in the Joint Ventures for significant periods, sometimes ranging from five to seven years, which could limit our ability to exit an unsatisfactory Joint Venture. Our joint venture agreements may provide the investors with options to exit the Joint Venture, through the exercise of tag along rights, drag along rights, put option and call options. In the event that such investors exercise these rights, the completion of the project may be adversely affected.

Further, joint venture agreements may require investor consent before any restructuring, reorganization, change in capital structure, amendments to the constitutional documents of the Joint Venture or transfer of assets. Under certain joint ventures agreements, investors may be entitled to preferential dividends, or investor consent may be required for the determination of minimum sale prices and lease payments for various components of the project. We may not be able to obtain these consents in time, or at all, which may delay or defer proposed transactions. Such restrictions may inhibit our growth potential, limit our flexibility to make decisions relating to the corresponding projects, cause delays and may materially and adversely affect our results of operations.

If any of these risks materialize, or if the performance of our Joint Ventures and Associates is adversely affected, our results of operations and financial condition may be adversely affected.

There are restrictions on SEZs in India and underlying land of such SEZs.

Under the prevailing law governing SEZs in India, once a SEZ is notified, the developer is restricted from selling or otherwise disposing the land underlying the SEZ. There are, however, certain exceptions pursuant to which certain rights can be created on such land. The land area in a SEZ may be demarcated into a processing area for setting up units for manufacturing of products or the provision of services, or an area exclusively for trading or warehousing purposes, or a non-processing area for other activities. The lease period for space in the processing area or the free trade and warehousing zone within a SEZ has to be for a minimum period of five years. Moreover, the developer cannot remove goods from the SEZ to the domestic tariff area ("DTA") without permission from the relevant authority and where applicable, certain duties are to be paid for clearance of goods in DTA.

Further, the approvals received by us to develop, operate and maintain the SEZs are subject to us fulfilling certain conditions, including compliance with environmental safety standards, applicable standards relating to planning, sewerage disposal, pollution control, labor laws and execution of certain guarantees. In the event we are unable to comply with the restrictions under the laws governing SEZs in India, our developer or co-developer status may be suspended or withdrawn and the guarantees provided by us may be invoked against us as a penalty, which may in turn adversely affect our business, financial condition, results of operations and prospects.

The Government's SEZ policy continues to attract certain opposition and may be restricted, withdrawn or altered.

The Government's policy in respect of SEZs continues to be a sensitive issue in India. In addition, the Finance Ministry of India has expressed concern in respect of tax revenues lost as a result of commercial activities enjoying fiscal exemptions under the SEZ regime. Further, the Government has been criticized for the creation of SEZs as it involves the compulsory acquisition of agricultural land from farmers. It is possible that, as a result of political pressures, the procedure for obtaining SEZ status may become more onerous, or that the types of land that are eligible for SEZ status will be further restricted, or that the SEZ regime may be withdrawn entirely. The laws and regulations relating to SEZs have been in force only since 2006, and there continues to be some uncertainty with respect to the interpretation and application of such laws and regulations. Additionally, regulatory authorities may allege non-compliance and may subject us to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings under applicable laws and regulations. Any such action or any changes to the SEZ regime may adversely affect our business, financial condition, results of operations and prospects.

We require certain regulatory approvals in the ordinary course of our business and the failure to obtain them in a timely manner or at all may adversely affect our operations.

We require certain statutory and regulatory permits, licenses and approvals, including approvals related to the change of land use. In order to commence development of our projects, we require sanction of our project plans from the relevant municipal authorities, including approval of proposed zoning and building plans, approvals from other local authorities, including but not limited to, the local airport authorities, fire services authorities and state police authorities, as well as environmental clearances from the environmental authorities and pollution control boards. Such sanctions are typically granted for a limited period and may lapse in the event construction is not commenced or completed within the prescribed time period. Further, such approvals also require us to comply with certain continuing obligations, non-compliance of which would render them suspended or revoked. We may encounter problems in obtaining these approvals or licenses and may experience delays in fulfilling the conditions precedent to any required approvals. There may also be delays on the part of administrative bodies in reviewing applications and granting approvals.

Additionally, we require completion or occupancy certificates to be delivered to us upon completion of a project or a phase thereof. In relation our Projects under Construction, while we have applied for the required approvals and permits, we cannot assure you that we will receive these approvals within the required time, or at all. While we believe we will be able to obtain such approvals or permits at such times as may be required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time frames anticipated by us, or at all. It is possible that some projects will be located in areas that will require significant infrastructure support, including roads, electrical power, telecommunications, water and waste treatment. We may be dependent on third parties, including certain government authorities, to provide such services. Any delay or failure by any such party to provide such additional services or a failure to obtain any required consents and approvals on acceptable terms or in a timely manner may disrupt the schedule of development or the sale or leasing of our projects, and in turn, adversely affect our business, results of operations and financial condition.

Further, certain of our Planned Projects are in the preliminary stages of planning and development and, in certain cases, we have not yet acquired the planning approvals. Our plans in relation to these projects are yet to be finalized and may be subject to further changes that we may determine to be necessary in light of various factors such as prevailing economic conditions, preferences of our customers and applicable laws and regulations. For example, for a portion of the land in New Gurgaon, we are yet to receive license from the Directorate of Town and Country Planning, Haryana. We will require statutory and regulatory approval and permits to successfully execute these projects and cannot assure you that the relevant authorities will issue these approvals or permits within the anticipated time frame, or at all. Any delay or failure to obtain the approvals or permits required for our Planned Projects may adversely affect our business and prospects.

Compliance with, and changes in, environmental, health and safety laws and regulations may materially and adversely affect the development of our projects and our financial condition and results of operations.

We are subject to environmental, health and safety laws and regulations in the ordinary course of our business, including governmental inspections, licenses and approvals of our project plans and projects prior to and during construction. We are required to conduct an environmental assessment for most of our projects before receiving regulatory approval for these projects. If environmental problems arise during or after the commencement of construction of a project or if the government authorities amend and impose more stringent regulations, we will have to be in full compliance with applicable regulatory requirements at all times. We may need to incur additional expenses to comply with such new regulations or undertake remedial measures which may increase the cost of the development of the property. We cannot assure you that we will be in compliance with current and future environmental, health and safety laws and regulations at all times, and any potential liabilities arising from any failure to comply therewith will materially and adversely affect our business, financial condition and results of operations.

Our Company has a substantial level of sundry debtors.

As of December 31, 2012, the aggregate amount owed to the Company by its debtors was ₹15,516.9 million. Further, as of that date, we had made certain advances recoverable in cash or in kind or for value to be received of ₹25,773.5 million, which advances were used primarily by third parties with whom we have entered into certain arrangements, including joint development and joint venture arrangements, for construction on, and development of, land owned by them. General economic conditions may adversely affect the financial conditions of our debtors, and may result in defaults by some of these debtors. In the event of defaults by our debtors, we may suffer a liquidity shortfall and incur additional costs, including legal expenses, in recovering the sums due and payable to us. If we are unable to recover the sums due and payable to us, or if the recoveries made by us are significantly lower than the aggregate amount owed to us, it may have an adverse impact on our business, financial condition or results of operations.

The government may exercise rights of compulsory purchase or eminent domain in respect of our lands and compensation in lieu of such acquisition may be inadequate. Further, the proposed Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Bill, 2012 (the "Land Acquisition Bill"), if enacted, may adversely affect our business.

Like other real estate development companies in India, we are subject to the risk that governmental agencies in India may exercise rights of eminent domain, or compulsory purchase of lands. The Land Acquisition Act, 1894 allows the central and state governments to exercise rights of compulsory purchase of land if such acquisition is for a "public purpose", which, if used in respect of our land, could require us to relinquish land. However, the compensation paid pursuant to such acquisition may not be adequate to compensate us for the loss of such property. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads, airports and railways. Any such action in respect of one or more of our major current or proposed developments could adversely affect our business, financial condition, results of operations or prospects. Under the terms of certain approvals obtained by us for our projects, we have entered into relinquishment deeds with the local authorities, under which we have relinquished free of cost the area reserved for parks and open spaces and proposed road widening in the development plan, in favor of the local authorities.

Further, the Land Acquisition Bill was introduced in 2012 before the Indian Parliament to govern processes in relation to land acquisition in India. The Land Acquisition Bill provides for certain restrictions on land acquisition. For instance, consent is required from at least 80% of the persons affected by the project and no change of ownership of the acquiring entity is permitted without obtaining specific permission from the appropriate Government authority. Further, there are restrictions on the acquisition of certain types of agricultural land. The Land Acquisition Bill includes provisions relating to payment of compensation to affected persons which is linked to the "market value" computed in accordance with the provisions of the Land

Acquisition Bill, which is doubled for land in rural areas. A 100% solatium is required to be added to this amount in order to arrive at the final compensation figure. In addition, the Land Acquisition Bill also provides for certain rehabilitation and resettlement benefits to every family affected by an acquisition. Further, no change of land use will be permitted if rehabilitation and resettlement of affected persons is not completed in the manner required under the statute. For details, see "Industry Overview—Indian Real Estate Regulatory Framework"

The Land Acquisition Bill has not been approved by the Indian Parliament and there is uncertainty as to whether it will be enacted in its current form, or enacted at all. If the Land Acquisition Bill is enacted in its current form, we may be required to comply with its provisions regarding compensation and rehabilitation with retrospective effect and also in relation to the land acquisitions that we make in the future. This may increase our cost of acquisition of land and could restrict our ability to acquire land or our ability to enter into arrangements with land owners for development of land, which could adversely affect our business, financial condition and results of operations.

Our sales of certain developments are subject to the actions of governmental land authorities.

We lease certain lands from governmental land authorities. Some of these lease agreements restrict our ability to sell, transfer or assign our interests with respect to such land without the prior consent of the relevant authority. If the relevant authorities do not consent to the transfer or assignment of our interests in such lands even after we have developed them, or impose onerous terms and conditions, our revenues could be adversely affected.

We will continue to be controlled by our Promoters and potential conflicts of interest may exist or arise as a result.

After the completion of this Issue, our Promoters will control, directly or indirectly, 75.0% of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant influence over all matters requiring shareholder approval. We have entered into, and may continue to enter into, certain transactions with our Promoters or entities controlled by our Promoters, which may create potential conflicts of interest. Our Promoters also control certain other companies that are in the real estate business with which we may have conflicts of interest. We cannot assure you that our Promoters, as majority shareholders, will act to resolve any potential conflicts of interest with our minority shareholders.

We have entered into, and may in the future enter into, certain related party transactions; we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties or that we will be able to recover the amounts due from related parties.

We have entered into transactions with related parties, including our Promoters and Directors. Certain transactions we typically enter into with related parties include inter-corporate deposits with related parties and the issuance of corporate guarantees in order to secure the debt obligations of certain related parties. For more information regarding our related party transactions, see the disclosure on related party transactions contained in the Audited Consolidated Financial Statements included in "Financial Statements".

The Audit Committee of our Board of Directors reviews our decisions relating to significant related party transactions. However, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Furthermore, it is likely that we may in the future enter into certain transactions with such related parties. The transactions we have entered into have involved, and any future transactions with our related parties could potentially involve, conflicts of interest.

Our success depends in large part upon our senior management, directors and key personnel and our ability to retain them and attract new key personnel when necessary and the loss of key members or failure to attract skilled personnel may adversely affect our business.

Our senior management and key personnel collectively have many years of experience with us and would be difficult to replace. We do not maintain "key man" insurance for any of our senior managers or other key personnel. Any loss of our senior managers or other key personnel or the inability to recruit further senior managers or other key personnel could impair our future by impairing our day-to-day operations, hindering our development of new projects and harming our ability to develop, maintain and expand customer relationships.

We cannot assure you that we will be able to retain any or all of the key members of our management. The loss of the services of such key members of our management team could materially and adversely affect our business and the results of our operations. Further, our ability to maintain our leadership position in the real estate business depends on our ability to attract, train, motivate, and retain highly skilled personnel. In the event we are unable to do so, it could adversely affect our business and results of operations.

We may suffer uninsured losses or experience losses exceeding our insurance limits.

We maintain insurance on property and equipment in amounts that we believe is consistent with industry practices. Our real estate projects could suffer physical damage from fire or other causes, resulting in losses, including loss of lease income, which may not be fully compensated by insurance. In addition, there are certain types of losses, such as those due to earthquakes, floods, hurricanes, terrorism or acts of war, which may be uninsurable, are not insurable at a reasonable premium or which may exceed our insurance limits. The proceeds of any insurance claim may be insufficient to cover rebuilding costs as a result of inflation, changes in building regulations, environmental issues as well as other factors. Should an uninsured loss or a loss in excess of insured limits occur, we would lose the capital invested in and the anticipated revenue from the affected property. We would also remain liable for any debt or other financial obligation related to that property. We cannot assure you that material losses in excess of insurance proceeds will not occur in the future.

Further, we do not carry coverage for title defects, contractors' liability, timely project completions, loss of rent or profit, construction defects or consequential damages for a tenant's loss profits. Any damage suffered by us in respect of these uninsured events would not be covered by insurance and we would bear the impact of such losses.

Although we believe we have industry standard insurance for current developments, if a fire or natural disaster substantially damages or destroys some or all of our current developments, the proceeds of any insurance claim may be insufficient to cover rebuilding costs as a result of inflation, changes in building regulations or environmental issues as well as other factors.

Our operations and our work force are exposed to various hazards and we are exposed to risks arising from construction related activities that could result in material liabilities, increased expenses and diminished revenues.

There are certain unanticipated or unforeseen risks that may arise in the course of real estate development due to adverse weather and geological conditions such as storm, hurricane, lightning, flood, landslide and earthquake. Additionally, our operations are subject to hazards inherent in providing architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Any such risk could result in exposing us to material liabilities, increase our expenses, adversely affect our reputation and may result in a decline in our revenues. We cannot assure that we may be able to prevent any such incidents in the future.

We are exposed to risks related to stringent labor legislation relating to engagement of contract labor and dispute resolution.

India has stringent labor laws and regulations governing our relationship with our employees and other contractors, including in relation to hiring and termination of employees, work permits, minimum wages, and for the regulation of contract labor.

We use a substantial amount of contracted and sub-contracted labor for our on-site operations. We do not directly control such labor. Failure by us or our sub-contractors to comply with the relevant laws and requirements for labor related matters could adversely affect our business and operations. Although we do not engage such contract labor directly, we may be held responsible under applicable Indian laws for wage payments to such labor in the event of default by our contractors. Further, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to retain such contract labor as our employees.

Additionally, certain other Indian labor laws also set forth detailed procedures for the establishment of unions, dispute resolution and certain other laws that impose certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labor policies, and our business may be adversely affected.

We operate in a labor-intensive industry and our contractors typically hire casual labor in relation to specific projects. A large number of labor we employ come from different parts of India as well, who may return to their home states after a short period of time. If we are unable to negotiate with the workmen or the contractors, or retain or substitute our inter-state labor, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, we may not be able to procure required casual labor for our existing or future projects, which could adversely affect our business, reputation, financial condition, results of operations and cash flows.

We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy, and the Indian real estate and infrastructure-related sectors contained in this Red Herring Prospectus.

While facts and other statistics in this Red Herring Prospectus relating to India, the Indian economy as well as the Indian property development and real estate sectors have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such sources of materials. While our directors have taken reasonable care in the reproduction of such information, they have not been prepared or independently verified by us, the Managers, the Syndicate Member or any of our or their respective affiliates or advisers and, therefore we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. These facts and other statistics include the facts and statistics included in the sections titled "Industry Overview", "Our Business", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be elsewhere.

Certain statements in this Red Herring Prospectus in relation to Development Potential, Saleable Area or Leasable Area are based on management estimates and have not been independently appraised.

The square footage information presented in this Red Herring Prospectus regarding Development Potential, Saleable Area or Leasable Area is based on management estimates and has not been independently verified to the extent it does not relate to our Projects under Construction and Planned Projects. Further, the acreage and square footage actually developed may differ from the amounts presented herein, based on various factors such as market conditions, title defects, modifications of engineering or design specifications and any inability to obtain required regulatory approvals.

Further, the classification of projects as Completed Projects, Projects under Construction and Planned Projects as well as references to Land Reserves are based on internal management classifications, and may therefore not be precise. For example, some of our projects which have not been converted for non-agricultural use or for which approvals have not been obtained or renewed may be classified as Land Reserves even though we may have executed joint development agreements in relation to such projects and this may affect our references to Land Reserves or the classification of our projects between Projects under Construction and Planned Projects.

Moreover, title defects may prevent us from having valid rights enforceable against all third parties to lands over which we believe we hold interests or in respect of which we have entered into arrangements with land owners for development of land, rendering our management's estimates of the area and make-up of our land incorrect and subject to uncertainty.

Any information contained in press articles or other media reports in connection with our business and operations or this Issue may be incorrect and you should not rely on any financial or other information other than that contained in this Red Herring Prospectus.

Our business and operations have in the past been, and may continue to be, subject to negative media or investor attention, which may distract our management, consume internal resources and affect certain investors' perceptions of our Company. In addition, there has been press or media coverage regarding this Issue, primarily in India, that included certain projections, valuations and other forward-looking information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of these media reports, or the projections, valuations or other forward-looking information included or referred to therein. Information in such press or media reports may not be true or based on correct information and may be inconsistent with, or conflict with, the information contained in this Red Herring Prospectus. Accordingly, in making your investment decision, you should rely only on the financial, operational and other information contained in this Red Herring Prospectus and you should not rely on any extraneous information in the press or other media.

Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.

Our ability to pay dividends in future will depend on the earnings, financial condition and capital requirements of our Company and that of our Subsidiaries and other consolidated entities and the dividends they distribute to us. Our business is capital intensive and we may make additional capital expenditure to complete various real estate projects. Our ability to pay dividends is also restricted under certain financing arrangements. We may be unable to pay dividends in the near or medium-term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our projects, financial condition and results of operations.

Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, including in a primary offering or pursuant to the exercise of stock options under our ESOP, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

RISKS RELATING TO INDIA

The cyclical nature of the Indian real estate market could cause us to experience fluctuations in property values and lease income over time.

Historically, the Indian real estate market has been cyclical, a phenomenon that can affect the optimal timing for both the acquisition of sites and the sale or lease of our properties. We cannot assure you that real estate market cyclicality will not continue to affect the Indian real estate market in the future. As a result, we may experience fluctuations in property values and lease income over time which in turn may adversely affect our business, financial condition and results of operations.

Political instability or significant changes in the economic liberalization and deregulation policies of the Government of India or in the government of the states where we operate could disrupt our business.

The Indian Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of our securities may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India.

In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies followed by the Central Government. Further, our businesses are also impacted by regulation and conditions in the various states in India where we operate. Since 1991, successive central governments have pursued policies of economic liberalization and reforms.

However, we cannot assure you that such policies will continue in the future. Indian Government corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and, our businesses in particular.

Acts of terrorism and other similar threats to security could adversely affect our business, cash flows, results of operations and financial condition.

Increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several countries and regions in which we operate, strained relations arising from these conflicts and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt our operations or those of our customers, tenants, agents and suppliers. Further, such events could affect the availability of raw materials needed for our operations or the means to transport those materials to our project sites. These events have had, and may continue to have, an adverse impact on the global economy and customer confidence and spending in particular, which could in turn adversely affect our revenue, operating results and cash flows. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of our securities and may limit the capital resources available to us and to our customers, tenants, agents and suppliers.

Economic developments and volatility in securities markets in other countries may cause the price of our

Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

Trade deficits could have a negative effect on our business and the trading price of the Equity Shares.

India's trade relationships with other countries can influence Indian economic conditions. In Fiscal 2012, India experienced a trade deficit of U.S.$184.9 billion, which was significantly higher than the trade deficit of U.S.$118.6 billion in Fiscal 2011. *(Source:* Department *of Commerce, Ministry of Commerce and Industry, Government of India.)* If India's trade deficits increase or become unmanageable, the Indian economy, and therefore our business, our future financial performance and the trading price of our securities could be adversely affected.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance and our ability to obtain financing to fund our growth, as well as on the trading price of the Equity Shares.

Restrictions on foreign direct investment in the real estate sector may hamper our ability to raise additional capital. Further, foreign investors are subject to certain restrictions on transfer of shares.

The consolidated FDI Policy imposes certain conditions on foreign direct investment in townships, housing, built-up infrastructure and construction development projects in India. It permits foreign direct investment of up to 100% without prior approval subject to certain conditions being fulfilled. These conditions relate, among other things, to the minimum area to be developed under a project, minimum capitalization, restrictions on repatriation and the time within which a project is required to be developed. Our Company's inability to raise additional capital through foreign direct investment as a result of these and other restrictions may adversely affect our business and prospects.

Further, under FEMA, transfers of shares between non-residents and residents are freely permitted, subject to certain restrictions, if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements, prior approval of the RBI will be required. We cannot assure you that any required approval from the RBI or any other government agencies will be obtained on favorable terms, or at all.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

According to a report released by RBI, India's foreign exchange reserves totaled over U.S.$296.6 billion as of December 28, 2012. Foreign exchange reserves have declined recently and may have adversely affected the valuation of the Rupee. Further declines in foreign exchange reserves could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the Equity Shares.

Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

As stated in the reports of our independent auditors included in this Red Herring Prospectus, the Company's financial statements are prepared and presented in conformity with Indian GAAP which has been consistently applied during the periods stated, except as provided in such report. No attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and auditing standards with which prospective investors may be familiar in other countries. If the financial statements of our Company were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. See "Summary of Significant Differences between Indian GAAP and IFRS".

Public companies in India, including our Company, may be required to prepare financial statements under IFRS or a variation thereof, Indian Accounting Standards ("IND AS"). The transition to IND AS in India is still unclear and we may be adversely affected by this transition.

Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IFRS or a variation thereof. The ICAI has released a near-final version of IND AS titled "First-time Adoption of Indian Accounting Standards". Further, the MCA has, on February 25, 2011, notified that IND AS will be implemented in a phased manner and the date of such implementation will be notified at a later date. As at the date of this Red Herring Prospectus, the MCA has not notified the date of implementation of IND AS. There is not yet a significant body of established practice for forming judgments regarding its implementation and application. Additionally, IND AS has fundamental differences with IFRS and therefore financial statements prepared under IND AS may be substantially different from financial statements prepared under IFRS. We cannot assure you that our financial condition, results of operations, cash flow or changes in shareholders' equity will not appear materially different under IND AS from that under Indian GAAP or IFRS. As we adopt IND AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. We cannot assure you that our adoption of IND AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND AS in accordance with the prescribed timelines may materially and adversely affect our financial position and results of operations.

Our business and activities may be further regulated by the Competition Act and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition and results of operations.

The Competition Act was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the CCI to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India are void and may result in substantial penalties. Any agreement among competitors which directly or indirectly determines purchase or sale prices, directly or indirectly results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the relevant market or any other similar way, is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits the abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the "**Combination Regulation Provisions**") with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. These regulations, as amended, set out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition and results of operations.

We are presently involved in certain legal proceedings under the Competition Act before the Competition Appellate Tribunal. For details, see "—*Our business may be adversely affected due to certain adverse rulings and penalties imposed by the CCI*" and "Legal Proceedings—Proceedings under the Competition Act, 2002 under A – Cases filed against our Company and B – Cases filed against the Subsidiaries".

We cannot predict the effect on our business of the proposed enactment of the Companies Bill, 2012 (the "Companies Bill") in India.

In December 2012, the Companies Bill was tabled before, and passed by, the lower house of the Indian Parliament. The Companies Bill provides, inter alia, for significant changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures and corporate social responsibility. The Companies Bill has not yet been tabled before the upper house of the Indian Parliament. The Companies Bill will require the approval of the upper house of the Indian Parliament, as well as the approval of the President of India and publication in the Official Gazette before becoming law. There is therefore no certainty that the Companies Bill will be passed in its current form, or at all. Our business and operations may be adversely affected and subject to regulatory uncertainty if the legislation is enacted. We have not determined the impact of this legislation on our business.

RISKS RELATING TO THE EQUITY SHARES

The trading price of the Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.

The trading prices of publicly traded securities may be highly volatile. Factors affecting the trading price of the Equity Shares include:

- variations in our operating results;
- announcements of new projects, strategic alliances or agreements by us or by our competitors;
- increases and decreases in the Occupancy Rate of our leased properties;
- recruitment or departure of key personnel;
- favorable or unfavorable reports by a section of the media concerning the real estate industry in general, or in relation to our business and operations;
- misinformation campaigns by any politically motivated groups or by any disgruntled employees not currently on our rolls;
- changes in the estimates of our operating results or changes in recommendations by any securities analysts that elect to research and report on our Equity Shares;
- market conditions affecting the real estate sector and the economy as a whole; and
- adoption or modification of regulations, policies, procedures or programs applicable to our business.

In addition, if the stock markets experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of the Equity Shares.

We cannot assure you that the Equity Shares will continue to remain in the Futures and Options ("F&O") segment of the stock exchanges and that the daily "price-based circuit breaker" imposed by stock exchanges in India will not apply to the Equity Shares.

There are two types of circuit breakers applicable to the stocks listed on the Stock Exchanges, namely, (a) a daily "price-based circuit breaker", which specifies the band within which the price of a particular stock is allowed to move freely; and (b) an index based market-wide circuit breaker, which applies to a stock at three stages of the index movement either way – at 10%, 15% and 20%. While the daily price based circuit breaker is applicable to a stock depending on whether it is traded on the F&O segment, an index based market-wide circuit breaker is applicable to all the stocks listed on all the stock exchanges in India. Further, the daily "price-based circuit breaker" operates independently of the index based market wide circuit breakers imposed by SEBI on Indian stock exchanges.

Our Equity Shares are traded in the F&O segment and we are, therefore, currently not subject to a daily "price based circuit breaker" imposed by the Stock Exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. We cannot assure you that the Equity Shares will continue to remain in the F&O segment and that the daily "price based circuit breaker" will not apply to the Equity Shares in the future.

However, the index based market-wide circuit breaker system is still applicable to the Equity Shares and these circuit breakers bring about a coordinated trading halt in trading on all equity and equity derivatives markets across the country. The breakers are triggered by movements in either Nifty 50 or the Sensex, whichever is breached earlier. We cannot assure you that the Stock Exchanges will not halt trading due to the index based market-wide circuit breaker in the future and the closure of, or the stoppage of trading on, the Stock Exchanges could adversely affect the trading price of the Equity Shares.

There is no guarantee that the Equity Shares will be listed on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on a Stock Exchange.

In accordance with Indian law and practice, final approvals for listing and trading of the Equity Shares will not be applied for or granted until after the Equity Shares have been issued and allotted. Such approvals will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which could adversely affect your ability to sell our Equity Shares.

Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Capital gains arising from the sale of the Equity Shares are generally taxable in India. Any gain realized on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax, or STT, has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realized on the sale of the Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of the Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares. For more information, see "Statement of Tax Benefits". However, capital gains on the sale of the Equity Shares purchased in the Issue by residents of certain countries will not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries.

MARKET PRICE INFORMATION

As of the date of this Red Herring Prospectus, 1,779,737,494 Equity Shares have been issued and are fully paid up. The Equity Shares are listed on the BSE and the NSE. As the Equity Shares are actively traded on the BSE and the NSE, the stock market data has been given separately for each of these Stock Exchanges. Our Equity Shares have been listed since July 5, 2007 on the BSE and the NSE.

The tables set forth below indicate the high and low prices of the Equity Shares and the volume of trading activity for the specified periods. The closing prices of the Equity Shares on the BSE and the NSE on March 28, 2013 were ₹ 234.65 and ₹ 234.70 per Equity Share, respectively.

The table set forth below indicates the high, low and average prices of the Equity Shares and the volume of trading activity for the specified periods.

1. The high, low and average market prices of the Equity Shares for the periods indicated are as below:

BSE											
Year ending March 31,	**Date of High**	**High (₹)(1)**	**Volume on date of High (No. of Equity Shares)(2)**	**Volume on date of High (In ₹ million)**	**Date of Low**	**Low (₹)(1)**	**Volume on date of Low (No. of Equity Shares)**	**Volume on date of Low (In ₹ million)**	**Average (₹)(1), (3)**	**Volume during the period (No. of Equity Shares)**	**Volume during the period (In ₹ million)**
2011	6-Oct-10	392.75	1,071,609	421.17	28-Feb-11	212.05	1,340,334	288.56	297.64	1,183,348	347.88
2012	4-Apr-11	271.55	716,483	194.52	6-Jan-12	174.75	2,767,185	486.53	217.04	1,231,488	263.93
2013	11-Mar-13	285.70	1,400,146	400.02	9-Apr-13	230.00	1,085,457	249.66	256.22	1,122,843	287.70

(Source: www.bseindia.com)

NSE											
Year ending March 31,	**Date of High**	**High (₹)(1)**	**Volume on date of High (No. of Equity Shares)(2)**	**Volume on date of High (In ₹ million)**	**Date of Low**	**Low (₹)(1)**	**Volume on date of Low (No. of Equity Shares)**	**Volume on date of Low (In ₹ million)**	**Average (₹)(1), (3)**	**Volume during the period (No. of Equity Shares)**	**Volume during the period (In ₹ million)**
2011	6-Oct-10	392.80	6,072,594	2,386.80	28-Feb-11	211.85	7,434,539	1,597.99	297.70	5,916,248	1,751.96
2012	4-Apr-11	272.45	4,181,842	1,136.60	6-Jan-12	174.55	10,427,073	1,835.59	217.09	7,116,091	1,526.71
2013	11-Mar-13	286.40	10,179,831	2,915.50	9-Apr-13	230.00	8,234,412	1,893.91	256.27	8,981,320	2,301.68

(Source: www.nseindia.com)

Notes:

(1) High, low and average prices are of the daily closing prices.
(2) In case of two days with the same closing price, the date with the higher volume, in terms of number of Equity Shares, has been considered.
(3) Average price represents the average of the daily closing prices of each day for each year presented.

2. Monthly high, low and average market prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of this Red Herring Prospectus:

BSE											
Month	**Date of high**	**High (₹) (1)**	**Volume on date of high (No. of Equity Shares) (2)**	**Volume on date of High (In ₹ million)**	**Date of low**	**Low (₹)(1)**	**Volume on date of low (No. of Equity Shares)**	**Volume on date of Low (In ₹ million)**	**Average (₹)(1), (3)**	**Volume during the period (No. of Equity Shares)**	**Volume during the period (In ₹ million)**
March 2013	11-Mar-13	285.70	1,400,146	400.02	22-Mar-13	231.05	1,604,518	370.72	261.34	1,322,100	345.52
February 2013	22-Feb-13	281.00	1,518,579	424.97	15-Feb-13	248.80	997,431	246.76	269.09	1,067,424	288.65
January 2013	31-Jan-13	277.80	1,825,184	504.71	11-Jan-13	230.05	458,980	106.44	249.46	983,483	249.29

BSE											
Month	**Date of high**	**High (₹) [1]**	**Volume on date of high (No. of Equity Shares) [2]**	**Volume on date of High (In ₹ million)**	**Date of low**	**Low (₹)[1]**	**Volume on date of low (No. of Equity Shares)**	**Volume on date of Low (In ₹ million)**	**Average (₹)[1], [3]**	**Volume during the period (No. of Equity Shares)**	**Volume during the period (In ₹ million)**
December 2012	31-Dec-12	230.50	894,728	206.31	3-Dec-12	210.65	564,598	118.96	221.20	842,564	186.70
November 2012	8-Nov-12	213.75	712,215	150.58	20-Nov-12	199.65	721,359	145.94	205.43	627,675	129.26
October 2012	5-Oct-12	241.75	1,299,671	311.07	30-Oct-12	199.05	779,714	156.13	214.53	1,152,289	249.54

(Source: www.bseindia.com)

NSE											
Month	**Date of high**	**High (₹) [1]**	**Volume on date of high (No. of Equity Shares) [2]**	**Volume on date of High (In ₹ million)**	**Date of low**	**Low (₹)**	**Volume on date of low (No. of Equity Shares)**	**Volume on date of Low (In ₹ million)**	**Average (₹) [3]**	**Volume during the period (No. of Equity Shares)**	**Volume during the period (In ₹ million)**
March 2013	11-Mar-13	286.40	10,179,831	2,915.50	22-Mar-13	230.95	10,728,234	2,477.69	261.39	10,201,415	2,666.55
February 2013	22-Feb-13	281.45	13,577,503	3,802.08	15-Feb-13	248.70	8,699,350	2,148.92	269.26	9,808,653	2,658.97
January 2013	31-Jan-13	277.60	17,413,601	4,814.63	11-Jan-13	230.45	2,911,277	675.77	249.47	7,454,748	1,894.06
December 2012	31-Dec-12	230.60	6,874,418	1,584.53	3-Dec-12	210.35	4,647,943	978.82	221.14	7,370,412	1,633.69
November 2012	8-Nov-12	214.00	5,237,321	1,108.89	20-Nov-12	199.70	6,226,858	1,261.81	205.44	5,004,807	1,031.21
October 2012	5-Oct-12	241.90	9,273,996	2,217.14	30-Oct-12	199.10	4,535,364	908.29	214.54	8,803,776	1,913.86

(Source: www.nseindia.com)

Notes:

(1) High, low and average prices are of the daily closing prices.

(2) In case of two days with the same closing price, the date with the higher volume, in terms of number of Equity Shares has been considered.

(3) Average Price represents the average of the daily closing prices of each day for each month presented.

3. The market price of our Equity Shares on March 7, 2013, the first working day following the meeting of our Board approving the Issue was:

Date	**BSE**					
	Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Volume (No. of Equity Shares)**	**Volume (in ₹ million)**
March 7, 2013	269.00	280.40	266.15	279.35	2,199,940	606.11

(Source: www.bseindia.com)

Date	**NSE**					
	Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Volume (No. of Equity Shares)**	**Volume (In ₹ million)**
March 7, 2013	269.90	280.30	266.30	279.25	14,603,238	4,022.04

(Source: www.nseindia.com)

USE OF PROCEEDS

The total proceeds of the Issue will be approximately ₹ [●] million. After deducting fees and expenses of approximately ₹ [●] million, the net proceeds of the Issue will be approximately ₹ [●] million.

Subject to compliance with applicable laws and regulations, we intend to use the net proceeds of the Issue for, among other things, the repayment of borrowings, general corporate purposes, working capital requirements and capital expenditure or such other purpose as the Board of Directors may decide. Subject to the provisions of the Equity Listing Agreement, the Company will have flexibility in deploying the proceeds.

Pending utilisation of the net proceeds of the Issue post allotment of Equity Shares as described above, the Company intends to temporarily invest the funds in interest bearing instruments including deposits with banks and investments in mutual funds and liquid funds.

CAPITALISATION STATEMENT

The following table sets forth the Company's capitalisation and total debt as of December 31, 2012 on the basis of unaudited condensed consolidated interim financial statements and as adjusted to give effect to the Issue. This table should be read in conjunction with "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and our financial information contained in "unaudited condensed consolidated interim financial statements".

(₹ in million)

	As of December 31, 2012	As adjusted for the Issue*
Shareholders' funds (Equity)		
Share capital[(a)]	21,389.3	[●]
Reserves and surplus	258,555.3	[●]
Share application money pending allotment[(b)]	0.0	[●]
Total shareholders' funds (A)	**279,944.6**	**[●]**
Debt		
Long Term Borrowings	162,156.0	[●]
Short Term Borrowings	32,855.0	[●]
Other Borrowings[(c)]	59,874.2	**[●]**
Total Debt (B)	**254,885.2**	**[●]**
Total (A+B)	**534,829.8**	

* *To be incorporated after determination of Issue Price.*

Notes:

(a) As on December 31, 2012, the total number of options granted by our Company to purchase Equity Shares pursuant to our Company's ESOP 2006 is 6,519,656, of which 1,712,310 have vested and 4,807,346 are outstanding. For further details, see "Board of Directors and Senior Management– Employee Stock Option Scheme".

(b) Rounded off to nil.

(c) "Other borrowings" represents current maturities of long term borrowings as of December 31, 2012.

There will be no further issue of Equity Shares whether by way of public issue, issue of bonus shares, preferential allotment, rights issue, qualified institutions placement or in any other manner during the period commencing from the date of registering this Red Herring Prospectus with the RoC until the Equity Shares offered in the Issue have been listed on the Stock Exchanges or the Application Amounts are refunded, as the case may be, including on account of, refusal of the listing of such Equity Shares by the Stock Exchanges.

Pursuant to a resolution of the Finance Committee of the Board of Directors of our Company dated April 12, 2013, our Company proposes to issue, subject to market conditions, secured, redeemable, non-convertible, taxable debentures of the face value of ₹ 50 million each ("**NCDs**") aggregating to ₹ 7,500.0 million (the "**2013 NCD Issue**"). The 2013 NCD Issue will be undertaken on a private placement basis in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "**SEBI Debt Security Regulations**") and applicable provisions of the Companies Act, and is subject to the execution of a debenture trustee agreement and a debenture trust deed and the receipt of approvals and consents as may be required for issuances of such nature. The NCDs issued pursuant to the 2013 NCD Issue are proposed to be listed on the wholesale debt market segment of NSE.

DIVIDENDS

Subject to the provisions of the Companies Act, the Company may declare dividends as recommended by the Board. Subject to the provisions of the Companies Act, the shareholders of the Company may, through a general meeting, declare dividends to be paid to the members of the Company.

The dividend paid by the Company in the last three Fiscals is as provided below:

Particulars	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010
Face value per Equity Share (In ₹)	2	2	2
Dividend (In ₹ Million)*	3,396.77	3,395.14	3,394.80
Dividend per equity share (In ₹)	2	2	2
Dividend rate (% to paid up capital)	100	100	100

* *Excluding corporate dividend tax*

The amounts paid as dividends in the past are not necessarily indicative of the Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of the Company or for an investment in the Equity Shares offered in the Issue. For further details, see "**Risk Factors- Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.**"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our audited financial statements as of and for the fiscal years ended March 31, 2010, 2011 and 2012, including the schedules and notes thereto and the reports thereon, together with our unaudited financial statements as of and for the nine months ended December 31, 2011 and 2012, including the schedules and notes thereto and the report thereon, which appear in the section titled "Financial Statements". The financial statements presented in this Red Herring Prospectus and discussed herein have been prepared to comply with Indian GAAP, which differs in certain significant respects from IFRS and U.S. GAAP. Unless stated otherwise, references to the financial statements as of and for the fiscal years ended March 31, 2010 and 2011 are to the financial statements for those years, prepared and presented in accordance with the format prescribed under the Old Schedule VI before it was replaced with the Revised Schedule VI. Similarly, references to the financial statements as of and for the fiscal year ended March 31, 2012 are to the audited financial statements for the year presented in accordance with the Revised Schedule VI.

Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year.

The forward looking statements contained in this discussion and analysis are subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements. Factors that may cause such a difference include, but are not limited to, those discussed in "Forward-Looking Statements" and "Risk Factors".

References to "we", "us", "our" and similar terms are references to the Company along with its Subsidiaries, Joint Ventures, Associates and partnerships on a consolidated basis.

Overview

During the period from 2003 to 2008, the Indian real estate sector witnessed significant growth and demand, led by increasing affluence and an expanding middle-class with higher levels of disposable income, as well as increased demand for commercial and retail space from multinational businesses and retail operators. Our business grew steadily during this period, and we commenced and launched several new commercial, retail and residential projects and expanded our operations across India, including in areas in and around Chennai, Bengaluru, Hyderabad, Kolkata and Chandigarh, in addition to the Delhi Metropolitan Region and Gurgaon. Following our initial public offering and listing on the BSE and the NSE in 2007, we sought to diversify our operations into areas such as hospitality, wind power, SEZs and insurance.

In Fiscal 2009, the Indian economy started feeling the impact of the global financial crisis. This led to an increase in interest rates and a shortage of affordable credit, accompanied by inflationary pressures. These factors have had an adverse effect on the Indian real estate sector as a whole. The period of activity prior to the financial crisis had seen a build up of large quantities of oversupply in the Indian real estate market, across the commercial leasing, retail leasing and residential housing sectors and this, combined with a lack of liquidity, high interest rates and investor uncertainty, resulted in reduced demand and downward pressure on prices for properties as well as a reduction in the volume of leasing and lease income. The outlook towards the Indian real estate sector changed significantly during this period and stricter provisioning and risk weightage norms adopted by banks resulted in a lack of affordable financing for the sector. As a consequence, our business was adversely affected by lower revenues and cash flows, on the one hand, and higher input and financing costs, on the other.

In order to effectively respond to the adverse effects of the macro-economic situation and in order to stabilize our business, we restructured our businesses into two business streams – the Development Business and the Lease Business, and integrated the operations of Caraf and its subsidiaries, including DAL, with our Lease Business in Fiscal 2010 (the "**Caraf Transaction**"). See "Our Business—Our Operations". This resulted in a substantial consolidation of our lease properties and provided us with relatively stable cash flows from lease income. Further, we implemented a strategy of focusing on our core business of real estate development and leasing, while seeking to unlock the value of non-core assets that involved long gestation projects with no immediate development plans as well as non-strategic businesses, the monetization of which we believe will not impair the growth of our core business over the long-term. We commenced a process of divesting our interests in certain non-core assets and businesses, which is on-going. See "Our Business—History and Recent Developments". We also sought to improve our overall debt profile and reduce the cost of our long term debt during this period.

The increased focus on our core business contributed to our revenue growth from Fiscal 2010. In Fiscal 2010, our sales and other income amounted to ₹78,509.0 million, which grew by 29.2% to ₹101,444.4 million in Fiscal 2011 and further by 0.8% to ₹102,238.5 million in Fiscal 2012. However, even as we took measures to counter the adverse factors of the recession and stabilize our business, our expenditures have continued to increase, with substantial increases in input costs during Fiscal 2011 and Fiscal 2012. Further, economic conditions in Fiscal 2012 and the nine month period ended December 31, 2012 have continued to be challenging. On account of successive hikes in the bank rate by the Reserve Bank of India between March 2010 and October 2011, and the lack of any significant reductions thereafter, we have experienced a continued increase in our finance costs during this period. Our average cost of debt has continued to increase from 11.3% at the end of Fiscal 2011 to 12.7% at the end of Fiscal 2012. As a result, our net profit has seen a downward trend, declining from ₹17,198.3 million in Fiscal 2010 to ₹16,396.1 million in Fiscal 2011 and further to ₹12,008.2 million in Fiscal 2012. Our sales and other income for the nine month period ended December 31, 2012 amounted to ₹67,769.5 million, while our net profit for this period was ₹7,161.1 million.

We are now seeking to concentrate on certain key geographic markets, and to achieve a suitable product and price combination in these markets. We are also investing in the development of supporting urban infrastructure in certain select, strategic locations to ensure the high quality of our developments. We believe that our strength lies in our ability to consolidate and exploit our Land Reserves and to execute large-scale real estate development projects in the commercial, retail and residential spaces. We believe that certain of our strategically located land parcels have high embedded value and our projects, when developed on such land parcels, will command a relative premium. Our current strategy is aimed at utilizing these strengths, with the target of developing our core business, rationalizing our costs and reducing our levels of indebtedness. However, as we seek to focus on our core business, we face several challenges, including an uncertain regulatory and taxation environment.

As we continue to implement our strategies, our financial condition at the end of Fiscal 2012 and the nine month period ended December 31, 2012 reflects the on-going effect of the above economic and business factors. Our aggregate Net Debt amounted to ₹214,199.6 million, ₹226,997.2 million and ₹214,330.1 million as of March 31, 2011, March 31, 2012 and December 31, 2012, respectively. Moreover, we believe that demand conditions in the real estate sector are exhibiting early signs of improvement, and signs of declining interest rates as well as renewed activity in the lending and public capital markets are expected to ease funding pressures. As we continue to build on our core business of real estate development and leasing and streamline our restructured organization structure, we believe that we are well placed to achieve our targets of reducing our overall indebtedness, executing our real estate development and leasing operations and taking advantage of a potential revival in economic growth and its resultant positive effects on the real estate sector.

Factors Affecting Our Financial Condition and Results of Operations

General economic conditions in India and the availability of real estate financing

We derive substantially all of our revenues from operations in India and consequently, our performance and growth is dependent on the state of the overall Indian economy and the Indian regulatory framework. The Indian economy has shown signs of slowdown in growth over the last several years, with real GDP growth rate decreasing to 6.2% in the year ended March 31, 2012 from 6.7% in the year ended March 31, 2011, 7.4% in the year ended March 31, 2010 and 9.3% in the year ended March 31, 2009. Further, India's GDP growth rate for Fiscal 2013 is expected to fall further to 5.5%.

The recent global financial crisis and the effects of the recent debt crisis in the European Union continue to be a cause of concern despite concerted efforts to contain the adverse impact of these events on global economic recovery. A failure to successfully implement recovery solutions may lead to significant disruptions in the global credit market, which could have a significant adverse impact on the availability of credit and the confidence of the financial markets, globally as well as in India.

Any adverse impact of global and Indian economic conditions will hinder our ability to raise financing for the execution of our projects. Stricter provisioning and risk weightage norms imposed by the RBI on real estate financing by banks and NBFCs have in the past affected, and may continue to affect, the availability of funds to real estate developers. Further, Indian companies in the real estate sector are generally not permitted to borrow funds from overseas banks or lending institutions on account of certain restrictions imposed by the RBI under the FEMA. Our ability to raise new financing or refinance existing debt on acceptable terms will have a material effect on our financial condition and results of operations.

Recent trends in the real estate sector in India

The Indian real estate sector is currently facing challenging conditions, amidst an overall slowdown in economic growth in India. Oversupply and a lack of sustained economic activity in some regions have led to an overall decline in volumes of sales, as well as pricing. Further, governmental policy inertia has led to a significant reduction in volumes as approvals and licenses for projects have not been forthcoming or have been delayed.

The overall demand in the residential sector has witnessed muted growth. High mortgage rates and increasing inflation continued to affect affordability and demand in this sector. Rising interest rates affect a prospective customer's ability to obtain affordable financing for purchase of our properties, particularly the purchase of completed residential developments.

The commercial leasing business has been marked by an oversupply in key geographies as well as a slowdown of demand on account of reduction or deferment of expansion and investment plans by companies, particularly those in the IT and ITeS sector as well as the BFSI sector, primarily due to adverse macro-economic conditions both nationally and globally. This has resulted in a decline in average lease income in certain geographies. However, we expect the anticipated revival in economic growth to result in increased demand for commercial office spaces.

The retail leasing segment has seen a marginal improvement in the last year, as existing oversupply was gradually absorbed and certain regions recorded a marginal improvement in lease income. We expect improvement in the demand for retail real estate developments on account of factors such as scope for penetration of organized retail in India, relaxation of norms for FDI in multi-brand and single-brand retail trading and absorption of existing supply of retail space in the key geographical markets that we currently focus on. Further, with the anticipated increase in presence of overseas retailers, we expect Indian retailers to revive their expansion and investment plans.

The guidance note on accounting for real estate transactions

The Guidance Note on Accounting for Real Estate Transactions (Revised 2012) was issued by the Institute of Chartered Accountants of India ("**ICAI**") on February 11, 2012 (the "**Guidance Note on Accounting for Real Estate Transactions**") and is applicable to all projects in real estate which commenced on or after April 1, 2012 and also to projects which have already commenced but where revenue is being recognized for the first time on or after April 1, 2012.

The Guidance Note on Accounting for Real Estate Transactions provides that the percentage of completion method, or the "**POC Method**", for revenue recognition is applied when the outcome of a real estate project can be estimated reliably when all of the following conditions are satisfied:

(a) total project revenues can be estimated reliably;
(b) it is probable that the economic benefits associated with the project will flow to the enterprise;
(c) the project costs to complete the project and the stage of project completion at the reporting date can be measured reliably; and
(d) the project costs attributable to the project can be clearly identified and measured reliably so that actual project costs can be compared with prior estimates.

"Project Costs" are defined in the Guidance Note on Accounting for Real Estate Transactions as comprising:

(a) the cost of land and the cost of development rights;
(b) borrowing costs (which are incurred directly in relation to a project or which are apportioned to a project); and
(c) construction and development costs (which include costs that relate directly to the specific project and costs that may be attributable to project activity in general and can be allocated to the project).

In addition, the Guidance Note on Accounting for Real Estate Transactions provides for a "rebuttable presumption" that the outcome of a real estate project can be estimated reliably and that revenue should be recognized under the POC Method when a reasonable level of development is achieved. A reasonable level of development is achieved if:

(a) all critical approvals necessary for the commencement of the project have been obtained (including environmental and other clearances, approval of plans, designs, etc., title to land or other rights to development/construction and change in land use);
(b) the expenditure incurred on construction and development costs is not less than 25%;
(c) at least 25% of the saleable project area is secured by contracts or agreements with buyers; and
(d) at least 10% of the total revenue as per the agreements of sale or any other legally enforceable documents are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

Accordingly, the Guidance Note on Accounting for Real Estate Transactions provides that when the outcome of a real estate project can be estimated reliably and the conditions (as set out above) are satisfied, project revenue and project costs associated with the real estate project should be recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date. The project costs which are recognized in the statement of profit and loss by reference to the stage of completion of the project activity are matched with the revenues recognized resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.

Pursuant to the requirements of the Guidance Note on Accounting for Real Estate Transactions, we have applied the new basis for determination of the reasonable level of development as mentioned above for all projects where revenues are recognized for the first time on or after April 1, 2012 (the "**Revised Revenue Recognition Method**"), and will apply this basis for new projects going forward. For projects that commenced on or prior to March 31, 2012 and where revenue recognition had commenced on or prior to that date, a reasonable level of development is considered to have occurred when the project costs (including the cost of land) incurred were 30% or more of the total estimated project cost (the "**Old Revenue Recognition Method**").

Under the Revised Revenue Recognition Method, in order for us to recognize revenues from our new projects, we require:

(a) all key approvals necessary for the commencement of the project to have been obtained (including environmental and other clearances, approval of plans, designs, etc., title to land or other rights to development/construction and change in land use);
(b) at least 25% of the construction and development costs (including borrowing costs related to construction and development, but excluding the cost of land) to have been incurred;
(c) at least 25% of the saleable project area to be secured by contracts or agreements with buyers; and
(d) at least 10% of the total revenue to be realized at the reporting date as per the agreements of sale or any other legally enforceable documents.

As of December 31, 2012, we have applied the Revised Revenue Recognition Model in relation to our Sky Court project, and will also apply it to our other projects in the future. However, in relation to projects for which we had commenced revenue recognition on or prior to March 31, 2012 under the Old Revenue Recognition Method, any Saleable Area added to such projects will continue to be governed by the Old Revenue Recognition Method.

Accordingly, we may recognize revenue from certain projects in the future in a manner that is different from that for projects where revenue recognition had commenced on or prior to March 31, 2012. This may result in delayed recognition of revenues for certain projects compared to the projects for which revenue would continue to be recognized under the Old Revenue Recognition Method.

Revenue recognition and progress of construction and development

Our revenue recognition is based on the type of development and the number of projects that are under execution during a particular period and those that qualify for revenue recognition in accordance with our accounting policy. For the properties we intend to sell, we follow the POC Method of revenue recognition. Under this method, our revenue from sales depends upon the volume of bookings we are able to obtain for our developments as well as the progress of construction of our projects. Our bookings depend upon our ability to identify suitable types of developments that will meet customer preferences and market trends, and to market our projects. Further, our ability to recognize revenue and profits also depends on our customers paying us the remaining amounts due under contract, after the payment of initial deposit.

The POC Method is applicable to developments that we intend to sell and for which we have entered into a sale agreement prior to completion of construction; it is not applicable to developments that we intend to lease. Accordingly, for projects to which the POC Method of revenue recognition is applicable, the faster we are able to construct and execute our projects, the sooner we can commence recognition of revenue. The extent of revenue recognition is also dependent on the volume of sales. This may result in uneven distribution of our revenues.

Further, we recognize revenues based on estimated costs and it is not certain whether these estimates will require further adjustments based on the actual cost incurred with respect to a particular project. The effect of such changes to estimates is recognized in the financial statements of the period in which such changes are determined. This may lead to significant fluctuations in revenue recognition.

The time it takes to develop a project varies depending on a variety of factors, including the size of a project. We typically aim to develop and sell our projects within 48 to 60 months from the time the projects are launched. The rate of construction progress depends on various factors, including the availability of labor and raw materials, the prompt receipt of regulatory clearances, access to utilities such as electricity and water, and the absence of contingencies such as litigation (including adverse title claims) and adverse weather conditions. These factors may cause significant fluctuations in our revenues from period to period.

A combination of the factors discussed above may result in significant variations in our revenues and profits, and our financial position in a particular period may not accurately reflect our level of activity in that period. Similarly, our level of activity for a particular period may not accurately reflect our financial position in that period.

Construction and labor costs

Construction costs include the cost of raw materials, such as steel, cement, mechanical, electrical, plumbing and finishing materials as well as payments to construction contractors. Material prices, can be volatile and are subject to factors affecting the Indian and international commodity markets that are beyond our control, including general economic conditions, competition, production levels, transportation costs and import duties. The prices of steel, cement and other inputs have remained volatile in the past three years. The availability and cost of labor also affects our business. The timing and quality of construction of the projects we develop depends on the availability and skill of contractors, their manpower and consultants, as well as contingencies affecting them, including labor and raw material shortages and industrial action such as strikes and lockouts. Further, our ability to develop a project within the intended timeframe, at the intended cost and up to the appropriate standard of quality is dependant on the satisfactory performance of our contractors.

Variations in prices for our properties

The prices of our properties are determined principally by market forces of supply and demand. We typically price our sales and lease properties by reference to market rates for similar types of properties in their locality and the type of amenities and infrastructure provided by us in those projects. The sales and rental prices of our properties therefore depend on the location, number, square footage and mix of properties we sell or rent during each financial period, and on prevailing market supply and demand conditions at the time we complete development of our real estate projects. Supply and demand conditions in the real estate market in the areas in which we operate, and hence the prices we may charge for our properties, are affected by various factors outside our control, including prevailing economic, income and demographic conditions, interest rates available to clients requiring financing, the availability of comparable properties completed or under construction, changes in governmental policies relating to zoning and land use, changes in applicable regulatory framework, and competition from other real estate development firms.

Ability to secure new tenancies and renew existing lease arrangements in relation to commercial and retail developments

We earn income from the lease of commercial and retail properties, and from providing utilities and facility management services to our tenants.

We have historically targeted, and will continue to target, large multinational and Indian corporates and retailers. Our growth and success will therefore depend on our ability to anticipate the future needs and expansion plans of potential tenants, the provision of high quality office and retail space to attract and retain tenants who are willing and able to pay rent at suitable levels that we determine as well as the supply of, and lease income for, similar properties in such areas.

General economic conditions may adversely affect the financial stability of our tenants and prospective tenants and the demand for our commercial and retail real estate. Companies in the IT and ITeS industries constitute a significant proportion of our commercial tenant base. Any adverse effects on the IT and ITeS sectors in India or the SEZ/IT park regulations and fiscal incentives or on the outsourcing industry may have a negative impact on our operations.

Cost of finance

The real estate development business is capital intensive and requires us to incur high levels of indebtedness. As a result, the cost of finance forms a significant proportion of our expenditure.

In Fiscal 2010, our finance charges amounted to ₹11,100.4 million, or 14.1% of our sales and other income, mainly comprising interest of ₹5,370.5 million on term loans, while in Fiscal 2011, we incurred finance costs of ₹17,056.2 million, or 16.8% of our sales and other income, mainly comprising interest of ₹10,802.7 million on term loans. In Fiscal 2012 and the nine month period ended December 31, 2012, we incurred finance costs of ₹22,464.8 million and ₹17,258.7 million, or 22.0% and 25.5%, respectively, of our sales and other income during these periods. Our finance costs during these periods largely consisted of interest charges on term loans of ₹17,244.5 million and ₹12,693.2 million, respectively.

Our finance costs are a function of our level of indebtedness, the applicable interest rates the proportion of total interest capitalized on projects under progress, and are therefore subject to our ability to access affordable sources of finance and manage our overall indebtedness. Our average cost of debt has continued to increase from 11.3% at the end of Fiscal 2011 to 12.7% at the end of Fiscal 2012. Our average cost of debt as of December 31, 2012 ranged between 12.5% and 13.0%. Although we have incurred increased borrowing costs in recent financial periods as the RBI continued to maintain a cautious monetary stance, we expect that interest rates will continue to decline in the future and we will continue to seek to reduce our overall indebtedness and finance costs to the extent possible. See "Our Business—Strategy—Reduce debt and rationalize costs".

Government policies including taxes and duties

We are liable to pay income tax in India in accordance with the provisions of the I.T. Act. In addition, we are also subject to certain service tax, customs duties and other taxes, duties and surcharges introduced on a permanent or temporary basis from time to time. We believe that we are entitled to certain tax and policy benefits. For example, we believe that four SEZs that we currently operate at Chennai, Gurgaon and Hyderabad are entitled to certain benefits such as (a) an income tax holiday for any consecutive period of 10 years which can be used anytime during the first 15 years of operation from the date of the notification of the SEZ under section 80IAB of the I.T. Act; (b) service tax exemptions on input services and central sales tax benefits; (c) customs duty and excise duty benefits; and (d) stamp duty concessions. In addition, our business also benefits from various tax benefits such as those provided under Sections 80IA and 54EC of the I.T. Act. For further details, see "Statement of Tax Benefits".

However, the Indian tax authorities may have a contrary view with respect to our entitlement to these tax holidays and exemptions which, while inconsistent with our interpretation, could result in the non-availability of such tax holidays or exemptions, and may lead to adjudication proceedings. As a result, we may be required to pay the amounts in relation to the claimed tax benefits to the relevant tax authorities. We received an assessment order in May 2012 for the AY 2009-10 from the income tax authorities, raising a demand of ₹4,573.9 million, out of which ₹3,552.4 million pertains to demand on account of disallowance of SEZ profits. Similar disallowances of SEZ profits were made against us between 2010 and 2011 by the income tax authorities demanding payment of additional taxes of ₹10,319.0 million for the AY 2009-10 and ₹16,434.2 million for AY 2008-09. We have filed appeals before the relevant appellate tax authorities against these assessment orders, and based on the advice received from independent tax experts, we believe that the demand for payment of additional tax under these assessment orders will not be sustained on completion of the appellate proceedings. Accordingly, we have not made any provisions for these demands in our consolidated financial statements. See "Legal Proceedings—Income tax proceedings".

In addition, the central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in these laws, regulations or policies, particularly statutes related to property tax, service tax or stamp duty, or an adverse change in their interpretation and application, may result in an increase in our expenses. In addition, in the past, certain laws have been enacted in India with retrospective effect, and we may be required to revise our strategies and plans in order to comply with such changes. See "Risk Factors—*Regulations governing taxes and duties affecting the real estate sector in India, as well as the interpretation and application of such regulations, are subject to change*".

Future restructuring transactions

Under the terms of the Caraf Transaction, the Caraf Promoters were issued 159,699,999 fully paid-up 9% compulsorily convertible preference shares (the "**CCPS**") by DCCDL, which upon conversion into equity shares would constitute 40.0% of the post-conversion issued and paid-up capital of DCCDL on a fully diluted basis. See "Our Business—Our Operations" for more details. The terms of the CCPS require that the right of conversion should be exercised by the Caraf Promoters, in one or more tranches, on or before March 18, 2015.

No dividends will be payable on the CCPS to the extent they are converted by the Caraf Promoters into equity shares of DCCDL. However, to the extent the Caraf Promoters decide to convert their CCPS into equity shares of DCCDL, they will own up to 40.0% of the diluted equity ownership of DCCDL, and accordingly, we will be required to adjust for a minority interest of up to 40.0% of the consolidated profits of DCCDL while preparing our consolidated financial statements. See "Risk Factors—*Certain restructuring transactions may reduce our share in the results of operations of DCCDL*".

Sales of non-core businesses

The divestment by us of our non-core businesses or non-strategic businesses, as part of our strategy to focus on our core real estate development and renting businesses has contributed to our financial performance in recent years. We intend to continue to deploy the proceeds realized from such sales to reduce our debt.

We commenced the divestment process in Fiscal 2010. Against an initial target of ₹100,000.0 million that we had set internally at the end of Fiscal 2011, we were able to realize cumulative proceeds of ₹48,410.0 million until Fiscal 2012 from the divestment of non-core assets and businesses. Subsequently, we realized proceeds of ₹31,600.0 million during the nine month period ended December 31, 2012 from the divestment of non-core assets and businesses. We intend to realize a sizeable portion of the remaining amount from certain divestments in the foreseeable future. Further, we are currently in discussions with prospective buyers for the sale of our wind energy undertaking in Karnataka with an aggregate capacity of 11.2 MW. In addition, the terms of the share purchase agreement pursuant to which we sold a portion of our shareholding in the Noida IT Park JV to IDFC Limited require it to purchase our remaining shareholding in proportion to the occupancy rate for this property.

Changes in Presentation of Financial Statements with Effect from April 1, 2011

Introduction and Impact

Pursuant to Notification S.O. 447(E) dated February 28, 2011, the Old Schedule VI was replaced with the Revised Schedule VI which significantly changes the presentation of, and disclosure made in, the financial statements of Indian companies. Accordingly, we have modified the manner in which we present our financial statements as of and for the fiscal year ended March 31, 2012 so that the presentation of our financial statements is consistent with the Revised Schedule VI, which became applicable to us during Fiscal 2012. In connection with this exercise, we have also reclassified our financial statements as of and for the financial year ended March 31, 2011 in accordance with the New Schedule VI so as to provide comparability with our financial statements as of and for the financial year ended March 31, 2012. Our historical audited financial statements for Fiscal 2011 and Fiscal 2010 are discussed under "Results of Operations for Fiscal 2011 compared to Fiscal 2010, based on our statement of profit and loss for the respective fiscal years that was prepared in accordance with the Old Schedule VI" have been presented in accordance with the Old Schedule VI.

The adoption of the Revised Schedule VI does not impact the recognition and measurement principles followed for the preparation of our financial statements. However, it does have a significant impact on the presentation of, and disclosure made in, our financial statements, particularly with respect to the presentation of the statement of assets and liabilities. Going forward, for financial periods ending subsequent to March 31, 2012, we will be presenting our financial statements in accordance with the Revised Schedule VI.

This discussion below in this section compares our financial position and results of operations:

(a) as of and for the nine months ended December 31, 2011 and 2012, based on the unaudited financial statements for the nine months ended December 31, 2012, prepared and presented in accordance with Accounting Standard 25 "Interim Financial Reporting" notified pursuant to the Companies (Accounting Standards) Rules, 2006, as amended;

(b) as of and for the financial years ended March 31, 2012 and 2011 based on the audited financial statements for Fiscal 2012, prepared and presented in accordance with the Revised Schedule VI; and

(c) as of and for the financial years ended March 31, 2011 and 2010, based on the audited financial statements for Fiscal 2011, prepared and presented in accordance with the Old Schedule VI.

Key Changes

Some of the significant changes to the presentation and disclosure of information in our statement of assets and liabilities as of March 31, 2012 as a result of the introduction of the Revised Schedule VI are as follows:

(a) all line items that relate to our assets, i.e., fixed assets, investments, loans and advances and current assets were reclassified into current (short-term) and non-current (long term) assets; and

(b) all line items that relate to our liabilities, i.e., borrowings, provisions and current liabilities were reclassified into current (short-term) and non-current (long term) liabilities.

There are no significant changes to the presentation and disclosure of information in our statement of profit and loss for the financial year ended March 31, 2012 as a result of the introduction of Revised Schedule VI.

Critical Accounting Policies

Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and the results of operations for the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

Tangible assets, capital work-in-progress and depreciation/amortization

Fixed assets (gross block) are stated at historical cost less accumulated depreciation and impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Building/specific identifiable portions of building, including related equipment are capitalized when the construction is substantially complete or upon receipt of the occupancy certificate, whichever is earlier.

In respect of certain overseas hotel properties that have commenced commercial operations, are stated in the balance sheet at their revalued amounts, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation increase arising on the revaluation of such hotel properties is credited to the revaluation reserve.

Capital work-in-progress (including intangible assets under development) represents expenditure incurred in respect of capital projects/intangible assets under development and is carried at cost. Cost includes land, related acquisition expenses, development/construction costs, borrowing costs capitalized and other direct expenditure.

Depreciation on fixed assets (including buildings and related equipment rented out and included under current assets as inventories) is provided on a straight line method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, or based on the estimated useful lives of assets, whichever is higher, as applicable.

The useful lives as estimated by the management are as follows:

Description	**Estimated useful life (years)**
Leasehold land	Over the effective term of the lease
Buildings	25-62
Plant and machinery	4-20
Computers and software	2-6
Furniture and fixtures	10-15
Office equipment	8
Vehicles	2-10

(i) Depreciation on revalued properties of certain overseas hotel properties is charged to statement of profit and loss. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to reserves and surplus.

(ii) Leasehold lands under perpetual lease are not amortized. The leasehold lands, other than perpetual lease, are amortized on a time proportion basis over their respective lease periods.

Goodwill

The difference between the cost of investment to the Group in Subsidiaries and Joint Ventures and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the consolidated financial statements as goodwill or capital reserve, as the case may be.

Investments

Investments are classified as non-current or current, based on management's intention at the time of purchase. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.

Trade investments are the investments made for or to enhance the Company's business interests.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost and provision for diminution in their value, other than temporary, is made in the financial statements.

Profit/loss on sale of investments is computed with reference to the average cost of the investment. In respect of our life insurance business, investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000. These investments are recorded at cost on date of purchase including brokerage and statutory levies.

Inventories

Inventories are valued as under:

(i) Land and plots other than area transferred to constructed properties at the commencement of construction are valued at lower of cost/approximate average cost as re-valued on conversion to stock and net realizable value. Cost includes land (including development rights) acquisition cost, borrowing cost, estimated internal development costs and external development charges.

(ii) Constructed properties other than Special Economic Zone (SEZ) projects includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads, borrowing cost, development/ construction materials, and is valued at lower of cost/estimated cost and net realizable value.

(iii) In case of SEZ projects, constructed properties include internal development costs, external development charges, construction costs, overheads, borrowing cost, development/construction materials, and is valued at lower of cost/estimated cost, and net realizable value.

(iv) Development rights represent amount paid under agreement to purchase land/development rights and borrowing cost incurred by the Company to acquire irrevocable and exclusive licenses/development rights in identified land and constructed properties, the acquisition of which is at an advanced stage.

Revenue Recognition

(i) Revenue from constructed properties:

(a) Revenue from constructed properties, other than SEZ projects, is recognized on the "percentage of completion method". Total sale consideration as per the duly executed, agreements to sell/application forms (containing salient terms of agreement to sell), is recognised as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost, subject to such actual cost incurred being 30% or more of the total estimated project cost. Estimated project cost includes cost of land/ development rights, borrowing costs, overheads, estimated construction and development cost of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognised in the period in which such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, loss is recognised immediately.

In February 2012, the ICAI issued the Real Estate Accounting Guidance Note, which is applicable to all projects commenced on or after April 1, 2012 or where the revenue on the existing projects is not recognized until March 31, 2012. The Real Estate Accounting Guidance Note prescribes certain conditions that are to be met before a company can recognize revenues in respect of its real estate projects. As of December 31, 2012, the Real Estate Accounting Guidance Note was applicable in relation to our Sky Court project. However, as the applicable conditions for recognition of revenue had not been met as yet in relation to this project, no revenues have been recognised by us in relation to the project.

(b) For SEZ projects, revenue from development charges is recognized on the percentage of completion method in accordance with the terms of the Co-developer Agreements/ Memorandum of Understanding ('MOU'), read with addendum, if any. The total development charges is recognised as Revenue on the percentage of actual project cost incurred thereon to total estimated project cost, subject to such actual cost incurred being 30% or more of the total estimated project cost. The estimated project cost includes construction cost, development and construction material, internal development cost, external development charges, borrowing cost and overheads of such project. Revenue from Lease of land pertaining to such projects is recognised in accordance with the terms of the Co-developer Agreements / MOU on accrual basis.

(ii) Sale of land and plots (including development rights) is recognised in the financial year in which the agreement to sell/ application forms (containing salient terms of agreement to sell) is executed. Where the Company has any remaining substantial obligations as per the agreements, revenue is recognised on the percentage of completion method of accounting, as per (i)(a) above.

(iii) Sale of development rights is recognized in the financial year in which the agreements of sale are executed and there is no uncertainty in the ultimate collections.

(iv) Revenue from wind power generation is recognised on the basis of actual power sold (net of reactive energy consumed), as per the terms of the power purchase agreements entered into with the respective purchasers.

(v) Income from interest is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.

(vi) Dividend income is recognised when the right to receive is established by the reporting date.

(vii) Share of profit/ loss from firms in which the Company is a partner is accounted for in the financial year ending on (or immediately before) the date of the balance sheet.

(viii) Rent, service receipts and interest from customers under agreement to sell is accounted for on accrual basis except in cases where ultimate collection is considered doubtful.

(ix) Sale of Certified Emission Reductions ("CERs") and Voluntary Emission Reductions ("VERs") is recognised as income on the delivery of the CERs/VERs to the customer's account and receipt of payment.

(x) During the period, the Company re-assessed its accounting policy in respect of accruals for Timely Payment Rebate ("**TPR**") to customers, and with effect from April 1, 2012, the Company has decided to recognize the entire liability for the same upon fulfilment by the respective customers of their complete obligations to receive the TPR as set out in the agreement to sell, as against the previous policy of recognizing these liabilities upon the Company's formal acknowledgment of the TPR to the customer. Management is of the opinion that this change has resulted in a more representative presentation of the financial obligations of the Company with respect to TPRs.

Had the Company continued to follow the previous accounting policy with respect to accrual for TPRs, our revenues and net profit for the nine month period ended December 31, 2012 would have been higher by ₹684.9 million and ₹447.0 million, respectively.

Cost of revenues

(i) Cost of constructed properties other than SEZ projects, includes cost of land (including cost of development rights/land under agreements to purchase), estimated internal development costs, external development charges, cost of development rights, construction and development cost, borrowing cost, construction materials, which is charged to the statement of profit and loss based on the percentage of revenue recognized as per the relevant accounting policy, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

For SEZ projects, cost of constructed properties includes estimated internal development costs, external development charges, construction and development cost, borrowing cost, construction materials, which is charged to the statement of profit and loss based on the percentage of revenue recognized as per the relevant accounting policy, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

(ii) Cost of land and plots includes land (including development rights), acquisition cost, estimated internal development costs and external development charges, borrowing cost which is charged to the statement of profit and loss based on the percentage of land/plotted area in respect of which revenue is recognized as per the relevant accounting policy to the saleable total land/plotted area of the scheme, in consonance with the concept of matching cost and revenue. Final adjustment is made on completion of the specific project.

Borrowing costs

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with Accounting Standard 16 "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

Taxation

Tax expense comprises current income tax and deferred tax and is determined and computed at the standalone entity level. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the I.T. Act and in the overseas branches/companies as per the respective tax laws. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the Company does not have a legal right to do so. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations, where the Group entity has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the Group reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Lease transactions

(a) Where a Group entity is the lessee

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Group entity will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on straight line basis over the lease term.

(b) Where a Group entity is the lessor

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease.

Assets subject to operating leases are included in fixed assets/current assets/investment properties. Lease income is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Impairment of assets

(a) Goodwill

Goodwill is tested for impairment on an annual basis. If on testing, any impairment exists, the carrying amount of Goodwill is reduced to the extent of any impairment loss and such loss is recognized in the statement of profit and loss.

(b) Other assets

At each balance sheet date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

Contingent liabilities and provisions

The Group makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the consolidated financial statements.

Recent Developments

Set out below is a list of certain recent developments that have occurred after December 31, 2012.

- Our wholly owned Subsidiary, DLF Global Hospitality Limited entered into a share purchase agreement with Mahaman Assets Limited on December 12, 2012 to sell its 100% shareholding in Silverlink at an enterprise value of approximately U.S.$300.0 million (or, ₹16,281.8 million). For details in relation to Silverlink, see "Our Business—Other Businesses—Hotels". Pursuant to an amendment agreement dated April 10, 2013 and upon satisfaction of certain conditions specified under the share purchase agreement, we expect this transaction to be completed by June 30, 2013.
- We entered into a definitive agreement in January 2013 with BLP Vayu (Project 1) Private Limited, a subsidiary of Bharat Light & Power Private Limited, for the sale of our wind energy undertaking in Gujarat with a capacity of 150 MW for ₹2,823.0 million. Further, we entered into definitive agreements in April 2013 with Tulip Renewable Powertech Private Limited and Violet Green Power Private Limited for the sale of our wind energy undertakings in Tamil Nadu and Rajasthan, with capacities of 34.5 MW and 33.0 MW, respectively, for a sale consideration of ₹1,887.0 million and ₹522.0 million, respectively. These transactions are expected to be completed in the near future on satisfaction of certain closing conditions and receipt of regulatory approvals. These sale transactions do not include our wind energy undertaking in Karnataka with an aggregate capacity of 11.2 MW, the sale of which is currently under discussion.
- Pursuant to a resolution of the Finance Committee of the Board of Directors of our Company dated April 12, 2013 and subject to market conditions, our Company proposes to undertake the 2013 NCD Issue on a private placement basis in accordance with the provisions of the SEBI Debt Security Regulations and applicable provisions of the Companies Act. The 2013 NCD Issue is subject to the execution of a debenture trustee agreement and a debenture trust deed and the receipt of approvals and consents as may be required for issuances of such nature. The NCDs issued pursuant to the 2013 NCD Issue are proposed to be listed on the wholesale debt market segment of NSE. We intend to use the net proceeds of the 2013 NCD Issue to repay our existing bank debt (including interest) in compliance with applicable laws and regulations.

Results of Operations

Nine months ended December 31, 2011 and 2012 and the fiscal years ended March 31, 2011 and 2012

The following table sets forth certain information with respect to our consolidated results of operations for Fiscal 2011 and 2012 and the nine months ended December 31, 2011 and 2012 as derived from our consolidated financial statements:

(₹million)

	Year ended March 31,				**Nine month period ended December 31,**			
	2011*		**2012**		**2011***		**2012**	
	Amount	**% of total income**	**Amount**	**% of total income**	**Amount**	**% of total income**	**Amount**	**% of total income**
INCOME								
Sales and other income	**101,444.4**	**100.0**	**102,238.5**	**100.0**	**74,764.1**	**100.0**	**67,769.5**	**100.0**
EXPENDITURE								
Cost of revenues........	42,999.4	42.4	39,674.7	38.8	**26,991.2**	**36.1**	23,050.7	34.0
Employee benefits expense	5,721.3	5.6	5,861.8	5.7	**4,373.8**	**5.9**	4,508.1	6.7
Finance costs.............	17,056.2	16.8	22,464.8	22.0	**16,425.9**	**22.0**	17,258.7	25.5
Depreciation,	6,307.2	6.2	6,888.3	6.7	**5,252.2**	**7.0**	6,101.8	9.0

(₹million)

	Year ended March 31,				Nine month period ended December 31,			
	2011*		2012		2011*		2012	
	Amount	% of total income	Amount	% of total income	Amount	% of total income	Amount	% of total income
amortization and impairment................								
Other expenses...........	9,358.3	9.2	11,714.1	11.5	**7,694.1**	**10.3**	8,909.9	13.1
Total expenses	**81,442.4**	**80.3**	**86,603.7**	**84.7**	**60,737.2**	**81.2**	**59,829.2**	**88.3**
Profit before exceptional items, tax and minority interest/share of profit (loss) in associates……….	**20,002.0**	**19.7**	**15,634.8**	**15.3**	**14,026.9**	**18.8**	**7,940.3**	**11.7**
Exceptional items	-	-	159.8	0.2	**-**	**-**	-	-
Tax expense...............	4,594.1	4.5	3,693.5	3.6	**4,106.3**	**5.5**	1,447.1	2.1
Profit before minority interest/share of profit (loss) in associates……….	**15,407.9**	**15.2**	**11,781.5**	**11.5**	**9,920.6**	**13.3**	**6,493.2**	**9.6**
Share of (loss)/profit in associates (net)...........	88.3	0.1	(15.0)	(0.0)	**20.4**	**0.0**	8.9	0.0
Minority interests.......	(72.4)	(0.1)	336.4	0.3	**(56.5)**	**(0.1)**	620.3	0.9
Profit after exceptional items, tax, minority interest and before prior period items……….	**15,423.8**	**15.2**	**12,102.9**	**11.8**	**9,884.5**	**13.2**	**7,122.4**	**10.5**
Prior period items					**-**	**-**		
Income tax (net).........	173.4	0.2	32.0	0.0	**34.4**	**0.0**	(8.1)	(0.0)
Deferred tax...............	0.0	0.0	(65.3)	(0.1)	**-**	**-**	84.5	0.1
Other income/(expense), net	805.0	0.8	(61.4)	(0.1)	**(27.7)**	**(0.0)**	(37.8)	(0.1)
Depreciation, amortization and impairment................	6.1	0.0	-	-	-	-	-	-
Net Profit for the year/period	**16,396.1**	**16.2**	**12,008.2**	**11.8**	**9,891.2**	**13.2**	**7,161.1**	**10.5**

* *References to financial information relating to Fiscal 2011 are references to financial information presented in the financial statements as of and for the fiscal year ended March 31, 2012, wherein financial information relating to Fiscal 2011 has been reclassified in order to provide comparability with our financial statements as of and for the financial year ended March 31, 2012.*

Nine months ended December 31, 2012 compared to nine months ended December 31, 2011

Income

Our sales and other income decreased by 9.4% to ₹67,769.5 million in the nine month period ended December 31, 2012 from ₹74,764.1 million in the nine month period ended December 31, 2011. This was largely as a result of a slowdown in sales during this period, arising from the launch of fewer new projects in the nine month period ended December 31, 2012 and lower volumes of sales of constructed properties. The reduction in our revenue from constructed properties was in part due to a revision in our budget estimates for Fiscal 2013 which was undertaken in December 2012, resulting in an adjustment to the revenues recognized under the POC Method. The income from our Lease Business during this period remained steady, while the decrease in revenues from sales of constructed properties was partially offset by income from the sale of investments , i.e. the divestiture of our entire shareholding in Jawala Real Estate Private Limited which, among others, owns the NTC Mills land and Adone Hotels and Hospitality Limited, our joint venture entity with Hilton International which, among others, held land parcels in Chennai, Kolkata, Mysore and Thiruvananthapuram for the development of hotels and other hospitality projects.

Expenses

<u>Cost of revenues:</u> Our cost of revenues decreased by 14.6% to ₹23,050.7 million in the nine month period ended December 31, 2012 from ₹26,991.2 million in the nine month period ended December 31, 2011. This was largely due to the revision in our budget estimates for Fiscal 2013 which was undertaken in December 2012, and a corresponding reduction in the cost of recognized revenues.

Employee benefits expense: Employee benefits expense increased marginally by 3.1% to ₹4,508.1 million in the nine month period ended December 31, 2012 from ₹4,373.8 million in the nine month period ended December 31, 2011. This increase was primarily as a result of annual increments in salaries and wages during the nine month period ended December 31, 2012.

Finance costs: Finance costs increased by 5.1% to ₹17,258.7 million in the nine month period ended December 31, 2012 from ₹16,425.9 million in the nine month period ended December 31, 2011. Our interest costs increased during the nine month period ended December 31, 2012 as a result of a marginal increase in our overall debt as compared to the nine month period ended December 31, 2011, as well as an increase in the cost of borrowings during this period arising from higher interest rates. Further, a higher proportion of borrowing cost was expensed in the nine month period ended December 31, 2012 as compared to the nine month period ended December 31, 2011.

Depreciation, amortization and impairment: Our depreciation, amortization and impairment expenses increased by 16.2% to ₹6,101.8 million in the nine month period ended December 31, 2012 from ₹5,252.2 million in the nine month period ended December 31, 2011. This increase was largely due to a one-time provision of ₹650.0 million towards goodwill impairment on account of potential loss on the divestiture of our equity interest in Silverlink.

Other expenses: Our other expenses increased by 15.8% to ₹8,909.9 million in the nine month period ended December 31, 2012 from ₹7,694.1 million in the nine month period ended December 31, 2011. This increase was primarily on account of provisions made against the recovery of advances.

Tax expense

Our tax expenses decreased by 64.8% to ₹1,447.1 million in the nine month period ended December 31, 2012 from ₹4,106.3 million in the nine month period ended December 31, 2011. This decrease was primarily a result of lower profits during this period, as well as a lower tax rate on capital gains on the sale of investment undertaken during the nine month period ended December 31, 2012.

Minority interests

Our minority interests increased by 1,197.9% to ₹620.3 million in the nine month period ended December 31, 2012 from a loss of ₹56.5 million in the nine month period ended December 31, 2011. This increase was primarily as a result of losses incurred in certain joint ventures on account of budget corrections for the nine month period ended December 31, 2012.

Net profit for the period

As a result of the foregoing, our net profit decreased by 27.6% to ₹7,161.1 million in the nine month period ended December 31, 2012 from ₹9,891.1 million in the nine month period ended December 31, 2011.

Fiscal Year 2012 Compared to Fiscal Year 2011

Income

Our sales and other income increased marginally by 0.8% to ₹102,238.5 million in Fiscal 2012 from ₹101,444.4 million in Fiscal 2011. This arose primarily from an increase in our revenues from the sale of land and plots (including sale of development rights) increased to ₹26,073.0 million in Fiscal 2012 from ₹15,924.3 million in Fiscal 2011. Our revenue from constructed properties decreased to ₹34,889.9 million from ₹49,861.1 million during this period, reflecting lower revenue recognition in respect of constructed properties. The income from our Lease Business increased to ₹15,504.2 million in Fiscal 2012 from ₹12,808.4 million in Fiscal 2011, reflecting additional tenancies across our leased property portfolio. Other income remained stable between Fiscal 2012 and Fiscal 2011, with profit on sale of shares/investments increasing by 65.6% to ₹2,663.8 million from ₹1,609.0, reflecting the results of our strategic initiative to divest non-core assets.

Expenses

Cost of revenues: Our cost of revenues decreased by 7.7% to ₹39,674.7 million in Fiscal 2012 from ₹42,999.4 million in Fiscal 2011, reflecting the change in product mix as described above. Cost control measures and efficient execution of projects implemented during this period further contributed to reduced costs.

Employee benefits expense: Employee benefits expense increased marginally by 2.5% to ₹5,861.8 million in Fiscal 2012 from ₹5,721.3 million in Fiscal 2011. This increase was primarily as a result of an increase in salaries, wages and bonus to ₹5,131.9 million in Fiscal 2012 from ₹4,978.1 million in Fiscal 2011 as a result of increased headcount and annual increments during this period.

<u>Finance costs:</u> Finance costs increased by 31.7% to ₹22,464.8 million in Fiscal 2012 from ₹17,056.2 million in Fiscal 2011. While we have seen an improvement in our levels of overall indebtedness, with our aggregate long term and short term borrowings amounting to ₹216,521.6 million and ₹202,229.0 million as of March 31, 2011 and March 31, 2012, respectively, the finance costs increased primarily on account of successive hikes in the bank rate by the Reserve Bank of India during this period, and as a result, our average cost of debt increased from 11.3% at the end of Fiscal 2011 to 12.7% at the end of Fiscal 2012. In addition, a higher proportion of interest cost was recognised in our statement of profit and loss during Fiscal 2012 instead of being capitalised, as compared to Fiscal 2011.

<u>Depreciation, amortization and impairment:</u> Our depreciation, amortization and impairment expenses increased by 9.2% to ₹6,888.3 million in Fiscal 2012 from ₹6,307.2 million in Fiscal 2011. This increase was primarily attributable to an increase in capitalization, mainly of our utility assets and a multi-level car parking facility in New Delhi.

<u>Other expenses:</u> Our other expenses increased by 25.2% to ₹11,714.1 million in Fiscal 2012 from ₹9,358.3 million in Fiscal 2011. The most significant contributor to the increase was the creation of provisions for doubtful debts and advances relating to certain land transactions which are under litigation. These increases were partially offset by a decrease in our loss on disposal of fixed assets to ₹89.5 million in Fiscal 2012 from ₹1,69.1 million in Fiscal 2011.

Exceptional items

We recognized an exceptional loss of ₹159.8 million in Fiscal 2012 relating to certain power equipment that could not be operationalized.

Tax expense

Our tax expenses decreased by 19.6% to ₹3,693.5 million in Fiscal 2012 from ₹4,594.1 million in Fiscal 2011. This decrease arose primarily from a decrease in our profits in Fiscal 2012 compared to Fiscal 2011.

Net profit for the year

As a result of the foregoing, our net profit for the year decreased by 26.8% to ₹12,008.2 million in Fiscal 2012 from ₹16,396.1 million in Fiscal 2011.

Fiscal years ended March 31, 2010 and 2011

The following table sets forth certain information with respect to our consolidated results of operations for Fiscal 2010 and 2011 as derived from our consolidated financial statements for the fiscal year ended March 31, 2011, which have not been reclassified and are not necessarily comparable with our financial statements as of and for the financial year ended March 31, 2012:

	Year ended March 31,			
	2010*		**2011***	
	Amount	**% of total income**	**Amount**	**% of total income**
INCOME				
Sales and other income	**78,509.0**	**100.0**	**101,444.4**	**100.0**
EXPENDITURE				
Cost of revenues	25,668.8	32.7	42,999.4	42.4
Establishment expenses……………....	4,702.9	6.0	5,721.3	5.6
Finance charges	11,100.4	14.1	17,056.2	16.8
General, administrative and selling expenses	8,741.3	11.1	9,358.3	9.2
Depreciation, amortization and impairment	3,249.3	4.1	6,307.2	6.2
Total expenses	**53,462.7**	**68.0**	**81,442.4**	**80.3**
Profit before tax and minority interests/share of profit (loss) in associates……….	**25,046.3**	**32.0**	**20,002.0**	**19.7**
Tax expense	7,022.5	9.0	4,594.1	4.5
Profit before minority interest/share of profit (loss) in associates……….	**18,023.8**	**23.0**	**15,407.9**	**15.2**
Share of profit in associates (net)	8.2	0.1	88.3	0.1
Minority interests.......	107.9	0.1	(72.4)	(0.1)
Profit after tax, minority interests and before prior period items……….	**18,139.9**	**23.2**	**15,423.8**	**15.2**
Prior period items				
Income tax (net).........	(160.2)	(0.2)	173.4	0.2

	Year ended March 31,			
	2010*		2011*	
	Amount	% of total income	Amount	% of total income
Deferred tax	(627.0)	(0.8)	0.0	0.0
Other income/(expense), net	(142.0)	(0.2)	805.0	0.8
Depreciation..............	(12.4)	(0.0)	(6.1)	0.0
Net profit after tax, minority interest and prior period items.............	**17,198.3**	**22.0**	**16,396.1**	**16.2**

** References to financial information relating to Fiscal 2010 and references to financial information relating to Fiscal 2011 in the context of comparisons to financial information relating to Fiscal 2010 are to financial information presented in the financial statements for that year prepared in accordance with the Old Schedule VI.*

Fiscal Year 2011 Compared to Fiscal Year 2010

Income

Our sales and other income increased by 29.2% to ₹101,444.4 million in Fiscal 2011 from ₹78,509.0 in Fiscal 2010. This increase was primarily as a result of our implementation of a strategic initiative to sell more plotted developments, and thereby monetize land reserves in a shorter period of time. As a result, our revenues from sale of land and plots (including sale of development rights) increased significantly to ₹15,924.3 million in Fiscal 2011 from ₹1,146.7 million in Fiscal 2010. Our revenue from constructed properties increased to ₹49,861.1 million from ₹44,312.6 million, reflecting the progress of construction of various projects. This was partially offset by a decrease in income from development charges of ₹10,065.7 million as a result of the Caraf Transaction.

The income from our Lease Business increased to ₹12,808.4 million in Fiscal 2011 from ₹7,245.6 million in Fiscal 2010, reflecting an increase in our portfolio of rented developments following the Caraf Transaction.

Other income increased from ₹3,899.5 million in Fiscal 2010 to ₹5,243.9 in Fiscal 2011, primarily as a result of an increase in the profit on sale of shares/investments by 831.1% to ₹1,608.9 million from ₹172.8 million, reflecting the results of our strategic initiative to divest non-core assets.

Expenses

Cost of revenues: Our cost of revenues increased significantly by 67.5% to ₹42,999.4 million in Fiscal 2011 from ₹25,668.8 million in Fiscal 2010. This increase was primarily as a result of an increase in the cost of land, plots and constructed properties (including cost of development rights) to ₹35,227.6 million in Fiscal 2011 from ₹17,399.4 million in Fiscal 2010, reflecting the progress of various projects and the corresponding recognition of revenues as discussed above. Rising input costs also contributed to the increase in our cost of revenues.

Establishment expenses: Establishment expenses increased by 21.7% to ₹5,721.3 million in Fiscal 2011 from ₹4,702.9 million in Fiscal 2011. This increase was primarily as a result of increased headcount and annual increments during this period. Salaries, wages and bonus increased to ₹4,978.1 million in Fiscal 2011 from ₹4,102.4 million in Fiscal 2010.

Finance costs: Finance costs increased by 53.7% to ₹17,056.2 million in Fiscal 2011 from ₹11,100.4 million in Fiscal 2010. This arose primarily from an increase in our term loans to ₹10,802.7 million from ₹5,370.5 million during this period, which was primarily attributable to the Caraf Transaction and an increase in number of projects commissioned.

General, administrative and selling expenses: Our general, administrative and selling expenses increased by 7.1% to ₹9,358.3 million in Fiscal 2011 from ₹8,741.3 million in Fiscal 2010. This primarily arose as a result of an increase in our commission and brokerage expense to ₹1,696.8 million from ₹939.7 million during this period, reflecting increased sale of properties and an increase in our leased property portfolio.

Depreciation, amortization and impairment: Our depreciation, amortization and impairment expenses increased by 94.1% to ₹6,307.2 million in Fiscal 2011 from ₹3,249.3 million in Fiscal 2010, primarily due to the Caraf Transaction.

Tax expense

Our tax expenses decreased by 34.6% to ₹4,594.1 million in Fiscal 2011 from ₹7,022.5 million in Fiscal 2010. This decrease arose primarily from a decrease in our profits during this period and a decrease in our effective tax rate to 23.0% in Fiscal 2011 from 28.0% in Fiscal 2010, which was primarily on account of the Caraf Transaction.

Prior period items

Other income/(expense), net: We accrued other income amounting to ₹805.0 million in Fiscal 2011 as a prior period item, relating to reconciliation of certain prior period adjustments to Silverlink's revenues following its acquisition by us, compared to other expense of ₹142.0 million in Fiscal 2010.

Net profit for the year

As a result of the foregoing, our net profit of the year decreased by 4.7% to ₹16,396.1 million in Fiscal 2011 from ₹17,198.3 million in Fiscal 2010.

Liquidity and Capital Resources

We need funds primarily to meet our working capital needs, to repay our liabilities to banks and to fund our capital expenditure and Projects under Construction. We intend to fund these capital requirements through a variety of sources, including the proceeds of the Issue, cash from operations and short and long term lines of credit and other borrowings. As of December 31, 2012, we had cash and cash equivalents of ₹7,674.1 million and total borrowings of ₹254,885.2 million.

Currently, our principal source of liquidity are operating cash flows, cash flows from divestiture of non-core assets and borrowings. Our sources of funding, and our ability to fund our operations, servicing debt and to fund our capital expenditure requirements are affected by many factors, some of which are beyond our control, including economic conditions, regulatory developments, demand from our customers and availability of financing. Our funding requirements may extend beyond the needs set forth above. In the event that we require additional funds, we may seek to raise additional funds through private or public financing or other sources.

Cash Flows

The following table sets forth certain information about our cash flows during Fiscals 2012 and 2011 as reflected in our financial statements for Fiscal 2012 and the nine month periods ended December 31, 2012 and 2011 prepared and presented in accordance with the Revised Schedule VI:

Particulars	**Fiscal**		**Nine month period ended December 31, (unaudited)**
	2011*	**2012**	**2012**
	₹million	**₹million**	**₹million**
Net cash generated from/(used in) operating activities…….	27,756.9	25,197.5	15,561.4
Net cash generated from/(used in) investing activities……..	38,340.3	(236.5)	5,359.1
Net cash generated from/(used in) financing activities…….	(64,034.1)	(24,381.6)	(22,563.9)
Net increase/decrease in cash and cash equivalents…	2,063.1	579.4	(1,643.4)
Cash and cash equivalents at the end of the year/period………	8,738.2	9,317.5	7,674.1

* *References to financial information relating to Fiscal 2011 are references to financial information presented in the financial statements as of and for the fiscal year ended March 31, 2012, wherein financial information relating to Fiscal 2011 has been reclassified in order to provide comparability with our financial statements as of and for the financial year ended March 31, 2012.*

The following table sets forth certain information about our cash flows during Fiscals 2011 and 2010 as reflected in our financial statements for Fiscal 2011 prepared and presented in accordance with the Old Schedule VI.

Particulars	**Fiscal 2010***	**Fiscal 2011***
	(₹million)	*(₹million)*
Net cash generated from/(used in) operating activities…….	86,242.3	27,569.8
Net cash generated from/(used in) investing activities……..	(163,024.3)	40,569.6
Net cash flow generated from/(used in) financing activities…….	74,174.6	(64,034.1)
Net changes in cash and cash equivalents…	(2,607.4)	4,105.3
Cash and cash equivalents – closing balance ………	8,354.1	12,459.4

** References to financial information relating to Fiscal 2010 and references to financial information relating to Fiscal 2011 in the context of comparisons to financial information relating to Fiscal 2010 are to financial information presented in the financial statements for that year prepared in accordance with the Old Schedule VI.*

Operating activities

Our operations generated net cash inflows of ₹15,561.4 million in the nine month period ended December 31, 2012. We recognized operating profit before working capital changes of ₹21,868.6 million during this period. Our net cash inflows from operating activities for this period were negatively impacted by an increase in trade and other receivables of ₹6,213.8 million, an increase in inventories of ₹4,700.5 million and direct taxes paid (net of refunds) of ₹6,444.1 million, which were partially offset by an increase in trade and other payables of ₹11,051.2 million.

Our operations generated net cash inflows of ₹25,197.5 million in Fiscal 2012. We recognized operating profit before working capital changes of ₹41,381.4 million during this period. Our net cash inflows from operating activities for this period were negatively impacted by an increase in trade and other receivables of ₹5,608.5 million, an increase in inventories of ₹6,108.1 million and direct taxes paid (net of refunds) of ₹11,501.3 million, which were partially offset by an increase in trade and other payables of ₹7,033.9 million.

Our operations generated net cash inflows of ₹27,756.9 million in Fiscal 2011. We recognized operating profit before working capital changes of ₹39,811.7 million during this period. Our net cash inflows from operating activities for this period were negatively impacted by an increase in trade and other receivables of ₹30,185.9 million, an increase in inventories of ₹20,349.3 million and direct taxes paid (net of refunds) of ₹7,469.7 million, which were partially offset by an increase in trade and other payables of ₹45,950.2 million.

Our operations generated net cash inflows of ₹86,242.3 million in Fiscal 2010. We recognized operating profit before working capital changes of ₹37,370.7 million during this period. Our net cash inflows from operating activities for this period were negatively impacted by an increase in inventories of ₹9,125.3 million and direct taxes paid (net of refunds) of ₹8,560.2 million, which were partially offset by a decrease in trade and other receivables of ₹58,919.5 million and an increase in current liabilities and provisions of ₹7,637.6 million.

Investing activities

Net cash generated from investing activities during the nine month period ended December 31, 2012 amounted to ₹5,359.1 million. This primarily consisted of purchase of fixed assets (including capital work in progress) of ₹11,712.1 million and proceeds from sale of fixed assets of ₹1,016.1 million and proceeds from sale of investments of ₹34,600.1 million, relating to the divestiture of our entire shareholding in Adone Hotels and Hospitality Limited and Jawala Real Estate Private Limited, and proceeds from interest and dividend of ₹1,616.3 million, which were partially offset by purchase of investments amounting to ₹16,226.7 million and movement in fixed deposits with maturity more than 3 months (net) of ₹3,935.6 million during this period.

Net cash used in investing activities during Fiscal 2012 amounted to ₹236.5 million. This primarily consisted of purchase of fixed assets (including capital work in progress) of ₹5,758.3 million and purchase of investments amounting to ₹7,015.7 million and movement in fixed deposits with maturity more than three months (net) of ₹1,912.2 million during this period, which were partially offset by proceeds from sales of fixed assets of ₹5,338.9 million, including the sale of non-core assets, as well as by proceeds from sale of investments of Rs, 6,299.5 million relating to DLF Akruti Info Parks (Pune) Limited and the Noida IT Park JV, and interest/dividend received of ₹3,065.6 million.

Net cash generated from investing activities during Fiscal 2011 amounted to ₹38,340.3 million. This primarily consisted of proceeds from the sale of investments amounting to ₹48,672.4 million on account of sales of mutual funds, proceeds from sales of fixed assets of ₹4,148.5 million and interest/dividend received of ₹2,659.5 million during this period, which were partially offset by purchase of fixed assets (including capital work in progress) amounting to ₹11,012.8 million and purchase of investments of ₹3,995.0 million, relating to purchase of mutual funds.

Net cash used in investing activities during Fiscal 2010 amounted to ₹163,024.3 million. This primarily consisted of purchase of fixed assets (including capital work in progress) of ₹139,075.7 million and purchase of investments of ₹182,341.7 million during this period, which were partially offset by proceeds from sale of investment of ₹151,288.2 million, proceeds from sale of fixed assets of ₹5,830.7 million and interest/dividend received of ₹1,274.2 million. These arose largely from the Caraf Transaction.

Financing activities

Net cash used in financing activities amounted to ₹22,563.9 million in the nine month period ended December 31, 2012. This primarily consisted of repayment of borrowings of ₹55,843.5 million, repayment of debentures of ₹1,752.0 million, interest/guarantee charges paid of ₹22,825.8 million and dividend paid of ₹4,611.0 million along with tax paid thereon of ₹748.3 million during this period, which was partially offset by proceeds from borrowings of ₹61,822.7 million and proceeds from issue of capital (including securities premium) of ₹1,394.0 million.

Net cash used in financing activities amounted to ₹24,381.6 million in Fiscal 2012. This primarily consisted of repayment of borrowings of ₹50,538.6 million, repayment of debentures of ₹3,000.0 million, interest/guarantee charges paid of ₹30,125.1 million and dividend paid of ₹5,107.3 million along with dividend tax paid of ₹845.0 million during this period, which was partially offset by proceeds from borrowings of ₹64,290.7 million and proceeds from issue of capital (including securities premium) of ₹1,054.3 million.

Net cash used in financing activities amounted to ₹64,034.1 million in Fiscal 2011. This primarily consisted of repayment of borrowings of ₹74,681.9 million, repayment of debentures of ₹5,000.0 million, redemption of preference shares of ₹41,096.0 million, interest/guarantee charges paid of ₹25,913.2 million, premium on redemption of preference shares of ₹12,378.7 million and dividend paid of ₹8,296.7 million along with dividend tax paid of ₹828.1 million during this period, which was partially offset by proceeds from borrowings of ₹92,839.0 million and proceeds from issue of capital (including securities premium) of ₹1,321.6 million.

Net cash generated from financing activities amounted to ₹74,174.6 million in Fiscal 2010. This primarily consisted of repayment of long term borrowings of ₹61,401.9 million, repayment of short term borrowings (net) of ₹6,434.7 million, interest/guarantee charges paid of ₹21,034.2 million and dividend paid of ₹3,544.2 million during this period, which was partially offset by proceeds from long-term borrowings of ₹110,976.9 million, proceeds from issuance of preference shares of ₹45,238.8 million and proceeds from issue of debentures (net) of ₹10,670.4 million.

Working Capital, Cash and Indebtedness

We fund our short-term working capital requirements through cash flow from operations, working capital facilities and short-term borrowings. As of March 31, 2011 and 2012 and December 31, 2012, we had cash and cash equivalents of ₹8,738.2 million, ₹9,317.5 million and ₹7,674.1 million, respectively. There was an increase in cash and cash equivalents of ₹579.4 million as of March 31, 2012 compared to March 31, 2011, primarily due to a decrease in cash used in financing activities. There was a decrease in cash and cash equivalents of ₹1,643.4 million as of December 31, 2012 compared to March 31, 2012.

We believe that our existing credit lines under our short-term loans, together with cash generated from divestment of our non-core assets, our operations and the proceeds of this Issue will be sufficient to finance our working capital needs for the next twelve months.

As of December 31, 2012, our total borrowings amounted to ₹254,885.2 million consisting of long-term borrowings amounting to ₹162,156.0 million, short-term borrowings of ₹32,855.0 million and long term borrowings having maturity within one year of ₹59,874.2 million. The following tables set out the principal elements of our indebtedness as of March 31, 2011 and 2012 and December 31, 2012:

Long-term borrowings	**As of March 31, 2011** *(₹ million)*	**As of March 31, 2012** *(₹ million)*	**As of December 31, 2012 (unaudited)** *(₹ million)*
Secured			
10% non cumulative non redeemable debentures	0.0	0.0	0.0
Non convertible redeemable debentures	24,200.0	14,200.0	7,200..0
Term loans:			
Foreign currency loan			
From banks	20,690.5	24,176.9	24,907.6
Rupee loan			
From banks	89,214.8	75,562.1	75,180.8
From others	39,115.0	44,714.7	46,043.3
Buyer's credit in foreign currency from banks	-	457.4	-
Vehicle loans from banks	25.0	12.7	9.3
Total (A)	**173,245.3**	**159,123.8**	**153,341.(**
Unsecured			
Convertible debentures	8,786.1	8,786.1	8,534.1
Term loans:			
Foreign currency loan			
From others	1,044.9	263.2	280.9
Long term maturities of finance lease obligations	-	68.5	-
Total (B)	**9,831.0**	**9,117.8**	**8,815.0**
Total (A+B)	**183,076.3**	**168,241.6**	**162,156.0**
Current maturity amounts of long term borrowings	**23,384.2**	**48,428.9**	**59,874.2**

Short-term borrowings	As of March 31, 2011 (₹ *million)*	As of March 31, 2012 (₹ *million)*	As of December 31, 2012 (unaudited) (₹ *million)*
Secured			
Overdraft facility			
From banks	2,824.3	2,453.9	1,410.5
Short term loans			
Foreign currency loan			
From banks	2,712.0	2,021.0	665.0
Rupee loan			
From banks	19,124.1	25,012.8	27,606.6
Buyer's credit in foreign currency from banks	1,475.1	1,752.6	745.2
Unsecured			
Short term loans			
From others	187.9	1,736.6	1,572.5
Buyer's credit in foreign currency from banks	4,418.3	1.010.5	855.2
Commercial papers	2,700.0	-	-
Fixed deposits	3.6	-	-
Total	**33,445.3**	**33,987.4**	**32,855.0**

The aggregate amount of debt repayable during the period between January 1, 2013 and March 31, 2013 was ₹20,450.0 million*, which was repaid in a timely manner through a mix of internal accruals, proceeds from the divestment of non-core assets and issuance of fresh debt. The aggregate amount of debt repayable in Fiscal 2014 is estimated to be approximately ₹63,180.0 million* and the aggregate amount of debt repayable in Fiscal 2015 and Fiscal 2016 was approximately ₹88,090.0 million*. We intend to repay our outstanding debt through internal accruals, proceeds from the issuance of equity, proceeds from the divestment of non-core assets and raising fresh loans for our various projects.

* *These exclude our overdraft limits and short term loan facilities.*

Our ability to incur additional debt in the future is subject to a variety of uncertainties including, among other things, the amount of capital that other Indian entities may seek to raise in the domestic and foreign capital markets, economic and other conditions in India that may affect investor demand for our securities and those of other Indian entities, the liquidity of Indian capital markets and our financial condition and results of operations. We intend to continue to utilize long-term debt.

Contingent Liabilities

As of December 31, 2012, the contingent liabilities as disclosed in our Unaudited Interim Consolidated Financial Statements consist of the following:

Particulars	Amount (₹ *million*)
Guarantees on behalf of third parties	8,180.3
Claims against the Group (including [unasserted] claims) not acknowledged as debts*	8,624.7
Demand in excess of provisions (pending in appeals):	-
(i) Income-tax	35,196.1
(ii) Other taxes	8,642.0
Letter of credit issued on behalf of the Group	-
Liabilities under export obligations in EPCG scheme	838.5
Compensation for delayed possession	474.5
Miscellaneous	58.3
Total	**62,014.4**

* *Interest on certain claims may be payable as and when the outcome of the related claim is finally determined and has not been included above.*

For further details, see the section titled "Financial Statements".

Qualitative and Quantitative Disclosures about Market Risk

We are exposed to certain risks that arise in our normal course of business, such as credit risk, liquidity risk, counterparty risk, regulatory risk and market risk. We have implemented risk management policies and guidelines that set out our tolerance for risk and our general risk management philosophy. Accordingly, we have established a framework and process to monitor the exposures to implement appropriate measures in a timely and effective manner. We do not enter into derivative financial instruments for speculative purposes.

Credit risk

Credit risk is the risk of a financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our exposure to credit risk arises principally from our receivables from customers and our counter-parties involved in the sale of our non-core assets or non-strategic businesses.

Liquidity risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. Our exposure to liquidity risk arises principally from our various payables, loans and borrowings. We maintain a level of cash and cash equivalents and bank facilities deemed adequate by our management to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they fall due. We expect that a portion of the proceeds from the Issue and divestiture of the residual non-core assets will be used to meet out financial obligations as they fall due.

Market risk

Market risk is the risk that changes in market prices, foreign exchange rates, interest rates and equity prices will affect our financial position or cash flows.

Foreign exchange risk

We are exposed to foreign exchange risk on our indebtedness that is denominated in currencies other than Indian Rupees. In respect of exposure that is certain, we will hedge these risks in order to keep them at an acceptable level.

Commodity risk

We are exposed to market risk with respect to the prices of raw materials and components used in our developments. These commodities are primarily steel, cement, glass and plastics. The costs of such raw materials and components are subject to fluctuation based on commodity prices. We typically outsource our construction and project management activities. As a result, we are exposed to commodity risk if either our arrangements with the contractor engaged by us provide that this risk will be borne by us, or if such arrangements do not adequately specify the party responsible for bearing this risk.

Inflation risk

India has experienced high inflation for the last 12 to 18 months, which has led to an increase in interest rates as well as increase in the prices of various commodities, adversely affecting both sales and margins.

Interest rate risk

Interest rate risk relates to changes in interest rates which affect mainly our fixed deposits and our debt obligations with banks and financial institutions. Our fixed-rate financial assets and borrowings are exposed to a risk of change in their fair value due to changes in interest rates while our variable-rate financial assets and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Our policy is to manage our interest cost using a mix of fixed and variable rate debts. In respect of long-term borrowings, we may enter into interest rate derivatives to manage our exposure to adverse movements in interest rates.

Related Party Transactions

We have engaged in the past, and are likely to engage in future, in transactions with related parties, including our affiliates and certain key management members from time to time on an arm’s length basis. For details of our related party transactions, see “Financial Statements”.

Off-Balance Sheet Arrangements

Other than guarantees which we provide, as referred to in “Contingent Liabilities” above, we do not have any off-balance sheet arrangements or obligations.

INDUSTRY OVERVIEW

The information in this section has been derived from publicly available sources, government publications and certain industry sources and has not been prepared or independently verified by the Company, the Book Running Lead Manager or any of its affiliates or advisers connected with the Issue, and none of these parties makes any representation as to the accuracy of this information. Industry sources and publications referred to by us state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. Statements in this section that are not statements of historical fact constitute "forward-looking statements". Such forward-looking statements are subject to various risks, assumptions and uncertainties and certain factors could cause actual results or outcomes to differ materially.

Overview of the Indian Economy

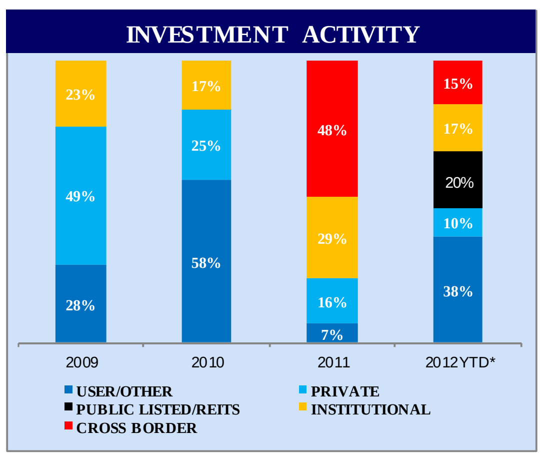
GDP and economic growth rates

The Indian economy is one of the largest economies in the world with a GDP at current prices of an estimated ₹82.3 trillion for Fiscal 2012. It is one of the fastest growing major economies in the world, with a growth rate of 6.5% for Fiscal 2012. *(Source: RBI Annual Report 2011-2012 and the accompanying Explanatory Notes and the Ministry of Statistics and Programme Implementation, Government of India).*

The Indian economy has averaged a growth rate of over 8.0% during the five-year period between Fiscal 2007 and Fiscal 2011. *(Source: The World Factbook 2012. Washington D.C.: Central Intelligence Agency 2012.)* In 2011, India recorded real GDP growth rates of 7.2%, which was among the highest in the world. *(Source: IMF, World Economic Outlook Database, April 2012.)*

Per capita GDP at factor cost (at constant prices) in India has grown from around ₹17,502.1 for the year 1991 at the time of liberalization to ₹46,221.2 for the year 2011. *(Source: IMF, World Economic Outlook Database.)* However, the Indian economy has been adversely affected by certain spill-over effects of the global economic slowdown coupled with domestic pressures. In Fiscal 2012, the Indian economy registered a growth rate of 6.5% (GDP at factor cost), down from 8.4% in Fiscal 2011. The loss of growth momentum that started in Fiscal 2012 has extended into Fiscal 2013, though the pace of deceleration slowed in the first quarter. After decelerating over four successive quarters, and from 9.2% in the fourth quarter of Fiscal 2011 to 5.3% in the fourth quarter of Fiscal 2012, GDP growth was marginally higher at 5.5% in the first quarter of Fiscal 2013, which was mainly driven by the growth in construction, and was supported by better than expected growth in agriculture. During the period between April and August 2012, the growth of eight core infrastructure industries decelerated to 2.8% compared to 5.5% during the corresponding period during the previous year. According to the RBI, the expected GDP growth rate for Fiscal 2013 is approximately 5.5%. *(Source: RBI, Macroeconomic and Monetary Developments: Second Quarter Review 2012-13 (the "**RBI Second Quarter 2013 Macroeconomic and Monetary Review**").)*

Changes in investment activity during the period between 2009 and 2012 are presented here. Overall, India attracted FDI of approximately U.S.$33.0 billion (or ₹1,857.0 billion) in Fiscal 2012 as compared to an average of U.S.$16.7 billion from Fiscal 2001 through Fiscal 2010. *(Source: RBI Annual Report 2011-12.)* As of October 2012, it was estimated that investments would pick up from 2013 as a result of implementation of structural reforms, fiscal consolidation and improved infrastructure in the coming years. *(Source: Evolving Paradigm, Future of Indian Real Estate, Cushman & Wakefield Research Publication, October 2012 ("**C&W Report**").)*



(Source: C&W Report.)

Inflation trends, availability of credit and movement of interest rates in India

Since April 2012, the growth outlook has turned weaker, while the inflation path has moved slightly higher. While core inflationary pressures have remained low, they have not fallen commensurate to the growth slowdown. *(Source: RBI Annual Report 2011-12.)* Consequently, the RBI has taken monetary measures to fight these surmounting inflation rates. *(Source: C&W Report.)* In response to prevailing inflationary pressures and anticipated inflation trajectory during the period between April 2011 and November 2011, the RBI changed its repo rate six times between May 2011 and August 2012 (five increases and one decrease in April 2012 to 8.0%, resulting in a net increase of 125 basis points). *(Source: RBI Annual Report 2011-12.)* While the inflation trajectory indicated some softening of inflationary pressure by December 2011, there were signs of a marked deceleration of domestic growth, brought about by the combined impact of a worsening global environment, the cumulative impact of past monetary policy tightening and domestic policy uncertainties. In the light of these developments, the mid-quarter review of December 2011 signalled a pause in such changes to the repo rate. *(Source: RBI Annual Report 2011-12.)*

Despite a reluctance to lower high interest rates (*Source: C&W Report.)*, in January 2013, the RBI reduced the repo rate by 25 basis points from 8.0% to 7.75%. *(Source: RBI Notification dated February 15, 2013.)* The RBI reduced the repo rate again in March 2013 by 25 basis points to bring it down to 7.5%. *(Source: RBI Notification dated March 19, 2013.)*

Inflation risks in 2012-13 are on the upside, but there is a need to distinguish between temporary and permanent supply shocks. Persistent inflation, as opposed to structural shocks requiring short and medium-term responses from the supply side, if left unchecked could unhinge inflation expectations and lead to eventual generalisation of inflation as had happened in the fourth quarter of 2010-11. *(Source: RBI Annual Report 2011-12.)*

Sluggish growth performance of the domestic economy due to cyclical and structural factors has also led to a slowdown in credit off-take. The growth in aggregate non-food bank credit decelerated from 20.6% in Fiscal 2011 to 17.0% in Fiscal 2012. The overall slowdown in non-food bank credit in Fiscal 2012 mainly emanated from slower growth in credit to industry, services and personal loans. *(Source: RBI Report on Trend and Progress of Banking in India 2011-12.)*

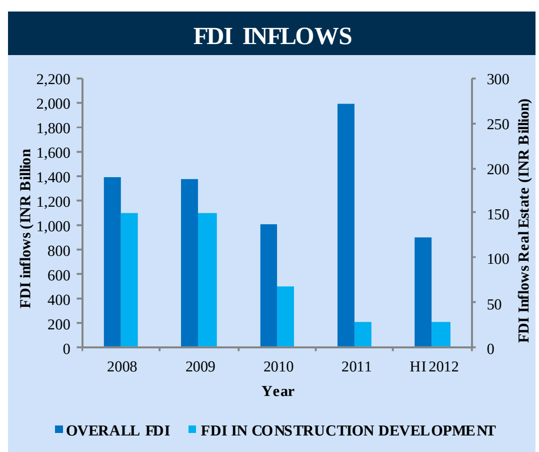
The Central Government made some headway with regard to FDI. It has expanded the FDI limit in single-brand retail to 100.0% and has allowed 51.0% FDI in multi-brand retail. These reforms are expected to encourage and improve the prospects of the real estate sector. *(Source: C&W Report.)*

The Real Estate Sector in India

Growth Trends

The real estate industry is not only the biggest contributor to GDP in India but is also the fourth largest sector in terms of FDI inflows and the second largest employer after agriculture. The Indian real estate market size is expected to be U.S.$ 180.0 billion by 2020. The two main reasons responsible for growth in the real estate industry in India since 1991 include liberalization of Government policies, which has decreased the need for permissions and licenses before taking up mega construction projects, and the expanding industrial sector. *(Source: IBEF.)*

The year 2012 was not entirely favorable for the real estate sector. It was received with a cautious sentiment amongst end-users and investors alike in the first half of the year, albeit with some momentum that began to build up as the third quarter registered higher transactions in the commercial office sector while the residential sector saw more projects being launched, and the retail sector witnessed the introduction of 51.0% FDI in multi-brand retail. Developers found it difficult to raise debt from banks in India due to the tightening of the credit policy. Compounding their troubles, their cash flows were adversely affected due to slow off-takes and input costs went up. *(Source: C&W Report.)*



Consequently, private equity investment emerged as one of the best options to raise funds. In the real estate private equity market, the amount of transactions in the first half of 2012 exceeded the same period last year, although private equity investors were cautious about the valuations and watchful of the construction timelines before actually committing their funds. Thus, FDI in construction development, which was recorded at ₹27.6 billion in the first half of 2012, was close to the total inflow of 2011. Trends in FDI inflows in the real estate sector are shown in the graph opposite. *(Source: C&W Report.)* Real estate investment in India has garnered superior returns to other asset classes over a long term. Further, an investment in residential property is generally done with leverage in the form of a housing mortgage, which increases the potential for earning higher returns. *(Source: "India's Top Residential Destinations to Invest In", Investment Advisory Report, Knight Frank, November 2012 ("**Knight Frank Report**").)*

Overall, 2012 saw a mix of upward and downward trends, which still point towards a positive and strong growth in the future. *(Source: C&W Report.)*

Macro supply and demand scenarios

Urbanization and increasing household income are some of the major factors that influence demand for residential real estate and growth in the retail sector, while demand for commercial property is being driven by India's economic growth. Office space relies largely on the service sector led by the IT/ITeS industry, which is a significant employment provider in three of the top five cities in India, driving growth in real estate in most regions. The services sector's revenue growth during the next five years will have an impact on employment, which is one of the biggest drivers of real estate. *(Source: IBEF and Knight Frank Report.)*

Demand in the Indian real estate market is expected to grow at a CAGR of 19.0% between 2010 and 2014, with Tier I metropolitan cities projected to account for about 40.0% of this growth. *(Source: IBEF and Knight Frank Report.)*

Growing infrastructure requirements from sectors such as education, healthcare and tourism are providing numerous opportunities in the sector. Further, India is going to produce an estimated 2.0million new graduates from various Indian universities during this year, creating demand for 100 msf of office and industrial space. In addition, presence of a large number of Fortune 500 and other reputed companies will attract more companies to initiate their operational bases in India, thus creating more demand for corporate office space. *(Source: IBEF.)*

Key Segments of the Real Estate Industry in India

Residential Developments

Overall, the Indian residential sector has witnessed phenomenal growth over the last 15 years, primarily due to population increase, rise in income levels, growing urbanization, change in lifestyles and favorable public policies. *(Source: Twelfth Five-Year Plan, Planning Commission, ("**Twelfth Five-Year Plan**").)* After the economic crisis of 2008, high inflation and high interest rates made retail debt dearer for end-users, especially for borrowers of home loans, resulting in postponement of buying decisions. Developers, also faced with high construction costs and discouraged from borrowing from the banks in India, were not able to offer reduced prices even though number of sales had reduced. In view of the resulting liquidity constraints that affected the real estate sector, it was expected that after some time developers would have to reduce their prices and buyers would then be tempted back into purchasing, but most of the established developers displayed strong holding capacity and wherever required, were able to raise funds through private equity options. *(Source: C&W Report.)*

Despite the end-users being conservative in their purchasing decisions, housing markets across India exhibited a mixed trend in 2012. Some cities, such as National Capital Region, which comprises the cities and surrounding areas of Delhi, Gurgaon and Noida ("**NCR**"), Chennai and Pune saw moderately higher infusion of new projects driven by sustained demand. However, whilst cities like Ahmedabad, Bengaluru and Kolkata witnessed healthy supply, they also witnessed cautious demand. Hyderabad and Mumbai saw restraint in the number of project launches due to stringent changes in new Development Control Rules that caused developers to reassess their development plans for new projects. Even in the backdrop of the prevailing high property prices and home loan rates, select high-end and premium markets of major cities like NCR, Bengaluru, Kolkata, Chennai and Pune registered significant year on year price rise in the range of 15.0-35.0%, whilst Mumbai witnessed a 7.0-10.0% rise. *(Source: C&W Report.)*

Commercial Developments

The commercial real estate market in India is continuously evolving in response to a number of changes in the business environment. The slowdown in the U.S. and European markets impacted office space absorption, affecting demand, in the second half of 2011, as well as the expansion plans for the key service sectors. Slow uptake of office space led to a noticeable reduction in supply and rental moderations in several micro markets across India. *(Source: C&W Report.)*

The global economic scenario has remained volatile and weak market sentiments continued in 2012, worsened by the absence of major policy developments during the year. Most markets experienced moderate reduction of absorption in the first three quarters of 2012 against the same period in 2011. Total absorption during this period was recorded at 21.9 msf with a steady quarter-on-quarter increase. Total office space supply in the three quarters of 2012 was recorded at 28.3 msf, which saw a steady increase over the quarters. Mumbai saw the highest addition of supply at 9.0 msf followed by Bengaluru at 5.8 msf. Most cities in 2012 saw marginal appreciation of rents in the first three quarters due to slower demand. *(Source: C&W Report.)*

Retail Developments

The retail industry in India is one of the fastest growing sectors and a significant contributor to the national overall GDP. With a population of over 1.2 billion, *(Source: Census of India, 2011, Provisional Results ("**2011 Census**").)* India's retail sector is one of the key emerging investment markets for global retailers. *(Source: C&W Report.)*

Over the last decade, India's retail market witnessed exponential growth, driven by an increasing base of young population, rise in aspiration levels and higher disposable income brackets. As favorable demographics and availability of retail real estate infrastructure propelled the growth of organized retail, new categories, formats and retail players were seen to change the dynamics of the Indian retail and India witnessed a unique mix of modern retail space running successfully alongside traditional retail stores, wholesale cash and carry formats, hypermarket and supermarket categories. *(Source: C&W Report.)*

In terms of rental trends, during 2012, the rental values in malls across the major Indian cities exhibited a stable trend, except certain prime micro markets. For example, Mumbai witnessed increased demand for mall space in peripheral locations, leading to approximately 20.0% rental appreciation in *Vashi*, *Ghatkopar* and *Thane*. Low mall vacancy levels in prime malls have prompted many retailers to opt for high street locations in many cities. Prominent high street locations witnessed an increase in rentals across India. *(Source: C&W Report.)*

Special Economic Zones

A Special Economic Zone ("**SEZ**") are specifically delineated tax free enclaves. At present, over 580 SEZs had been approved by the Government, a majority of which were in the IT/ITeS sector. *(Source: Ministry of Commerce and Industry, Government of India.)* In its Twelfth Five-Year Plan (2012-2017), the Planning Commission suggests several developments/recommendations in relation to SEZs, namely:

- Considering their conversion along the Mumbai–Delhi Industrial Corridor into Eco-industrial hubs. An eco-industrial park or estate is a community of manufacturing and service businesses located together on a common property, to enhance the environmental, economic and social performance of the member businesses through collaboration in managing environmental and resource issues.
- While planning SEZs, at least 10.0% of the area should be embarked for logistics and warehousing to support industrial activities efficiently.
- Participation from the private sector for development of infrastructure facilities is required, for example in the creation of SEZs. *(Source: Twelfth Five-Year Plan, Planning Commissions.)*

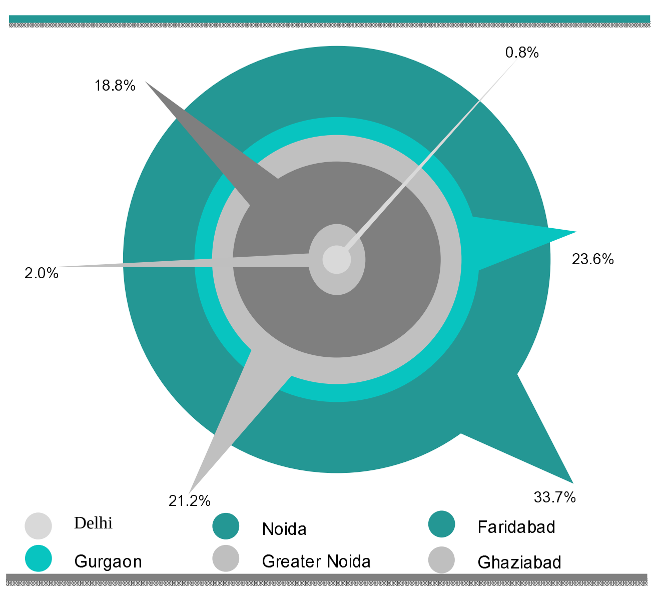
Real Estate Market in Specific Regions

National Capital Region ("NCR")

The NCR is divided into six broad zones: Delhi, Gurgaon, Noida and Greater Noida, Faridabad, Ghaziabad and Alwar. The proportion of construction units held by each of these zones is set out below, as an example of the division of market share between them. New Delhi being the national capital of India has always been the preferred destination in India. The dominance of the city in business and government offices has been the major driver for real estate development. It is expected that New Delhi as a destination will be in demand for a long period of time.

However, as land is hardly available in New Delhi, growth is expected in certain key satellite cities. Gurgaon is expected to

ZONE-WISE SPLIT UP OF UNDER CONSTRUCTION UNITS



(Source: Knight Frank Report.)

be one of the greatest beneficiaries of this trend in the next five years, as a primary hub for the IT/ITeS industry. Relatively low office rentals, large office space options and well-developed residential markets are factors that make this zone a preferred place for setting up offices. Further detail on each of these key, real estate areas, is set out below. *(Source: Knight Frank Report.)*

Delhi

Area, Population and Industries

Delhi, the capital of India is a major residential destination as the fifth most populated city in the world, with a population of around 16.8 million. It is spread over an area of 1,483 sq. km. *(Source: Knight Frank Report.)* It has transpired as one of the central hubs of North India's trading and service industry. Delhi has emerged as the major commercial center for small, medium and large scale industries. The information technology, electronic, textile and fashion industry are also the major contributors to Delhi's economy. *(Source: Knight Frank Report.)*

Key Residential, Commercial, Retail Micro-Markets and Infrastructure

Based on its geographical locations the city is divided into North Delhi, East Delhi, West Delhi and South Delhi. They key residential, commercial and retail micro-markets for each of these locations are set out below:

- **North Delhi** houses numerous small scale industries and has emerged as one of the major markets of small industries. Low-rise condominiums and narrow streets full of chaos are the major characteristic of North Delhi. This refrains major white-collared executives from living here.
- **East Delhi** is largely inhabited by the middle-income working class population. The residential real estate market comprises the independent houses and Delhi Development Authority apartments. Delhi Metro has enhanced the connectivity of East Delhi with major destinations like Delhi City Center and Noida. Some of the major micro-markets of East Delhi are *Akshardham, Pushpanjali Enclave, Vivek Vihar, Patparganj, Lakshmi Nagar, Mayur Vihar,* and *Preet Vihar*.
- **West Delhi** is primarily a residential hub with a cosmopolitan population. Sound infrastructure and a well-developed organized retail market offered the necessary boost to this region. Additionally, West Delhi region gained prominence due to its proximity to the commercial hubs of *Janakpuri*, *Rajaouri Garden* and *Punjabi Bagh*. Over the years, it has emerged as the most sought after destination thereby making it one of the major affluent localities of Delhi. *Patel Nagar, Punjabi Bagh, Pitampura, Rohini, Dwarka, Janakpuri* and *Rajouri Garden* are some of the major micro-markets of this region.
- **South Delhi** is considered to be the most affluent micro-market of Delhi. The residential real estate comprises independent houses and bungalow style developments. Major administrative offices including embassies and consulates are located here. South Delhi has become the most sought after destination among the high-profile bureaucrats and the top corporate executives. High residential demand and dearth of new supply has propelled the residential prices in this part of Delhi. Its proximity to the international airport, educational institutions and to the city center has made this region the most preferred destination. Moreover, proximity to the commercial hub of *Nehru Place* and *Lajpat Nagar* coupled with the presence of organized retail further augmented the demand for this region. Some of the major micro-markets are *Greater Kailash, Chanakyapuri, Lajpat Nagar, Nehru Place, Defence Colony, Vasant Kunj, Hauz Khas* and *Friends Colony*. *(Source: Knight Frank Report.)*

Gurgaon

Area, Population and Industries

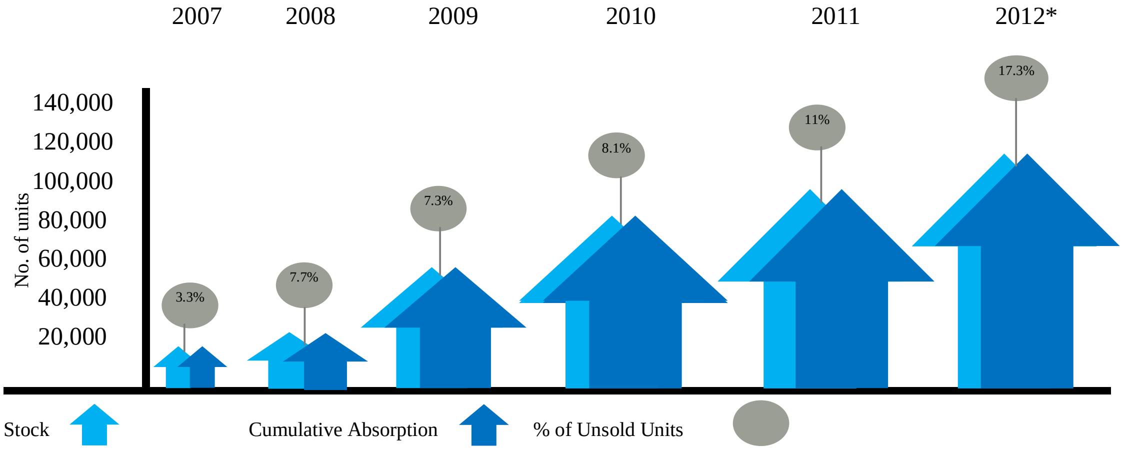
As of 2011, Gurgaon had a population of 1.5 million people. *(Source: 2011 Census.)* It is one of the four major satellite cities of the NCR, located 30 km south of New Delhi. Gurgaon is not only an industrial and financial center of Haryana but also one of the most pronounced IT/ITeS outsourcing and off-shoring hubs in the world. Further, it is also a major hub for the automobile, telecom and garment manufacturing industries. *(Source: Knight Frank Report.)*

Gurgaon has benefitted from stable investor demand in recent years due to consistent flow of working population migrating into the city and proposed development along growth vectors like Northern Peripheral Road and Southern Peripheral Road. As of March 2013, the inventory overhang of the city at the then current absorption levels stood at 10 months. The unsold inventory levels at the end of the fourth quarter of 2012 increased by 9.7% compared with the fourth quarter of 2011 on account of absorption levels in the first three quarters of 2012 witnessing a decrease of approximately 15.5% as compared to corresponding period last year. *(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013.)*

A graph showing the residential demand-supply analysis of Gurgaon, from 2007 to 2012, is set out below:

RESIDENTIAL DEMAND-SUPPLY ANALYSIS OF GURGAON

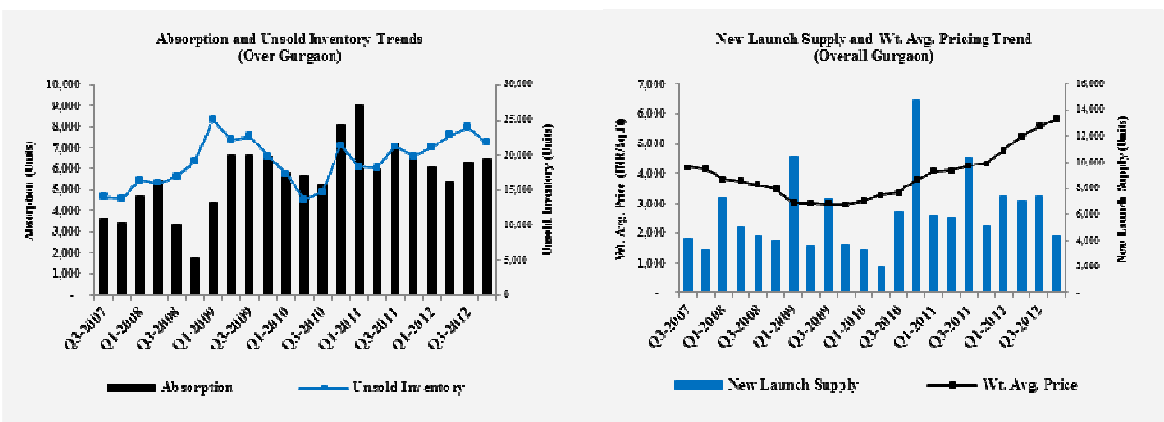
** Until September 2012*



(Source: Knight Frank Report.)

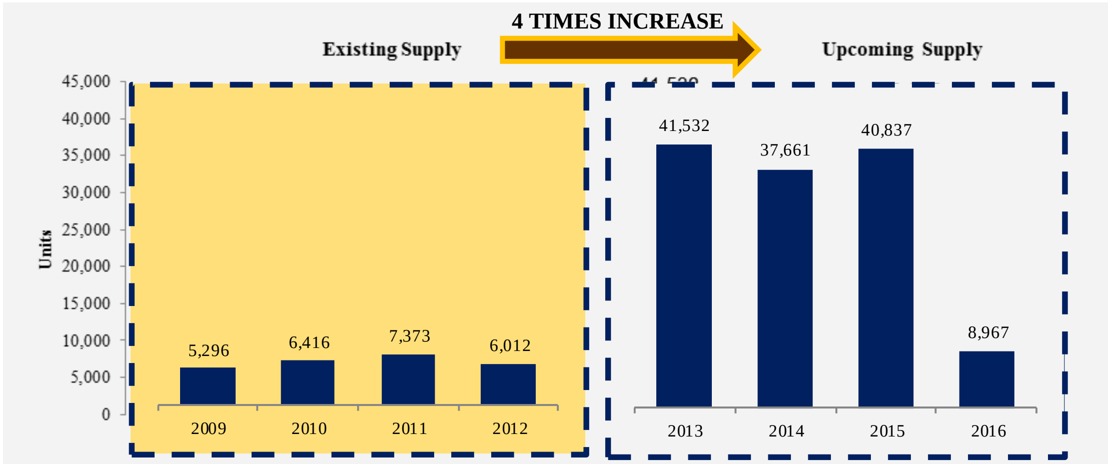
After reaching its lowest in the fourth quarter of 2009, owing to launch of affordable housing in peripheral micro-markets, the city has seen steady upward trend in pricing values and as of December 2012 had crossed pre 2008 levels. Though the average pricing values in the city have increased by approximately 38.7% over the last five years, there are no signs of major price correction due to an inventory overhang of 10 months. Gurgaon city has maintained an average new launch supply volumes of approximately 6,000 units every quarter over the last five years, i.e., between the third quarter of 2007 and the third quarter of 2012, with new supply volumes remaining stable at 25,000 to 27,000 units every year since 2009. *(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013.)*

The graphs showing these trends are set out below:



(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013.)

Delivery commitments have risen by more than 400.0% for the upcoming years. The graph below, demonstrates the significant increase between existing supply and upcoming supply:

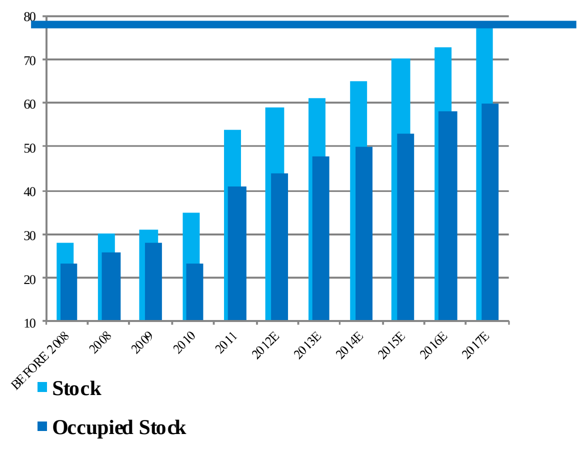


(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013.)

Key Residential, Commercial, Retail Micro-Markets

Gurgaon is a self-sustaining real estate market comprising all the verticals of real estate, i.e., residential, retail, commercial and industrial. Major factors like availability of huge land parcels, quality commercial properties, proximity to the international airport, favorable government policies and access to the talent pool has attracted several corporates to Gurgaon *(see chart opposite for Gurgaon office space dynamics)*. In terms of the retail segment, contemporary Gurgaon is dotted with high-rise buildings and spectacular malls. Over the years, Gurgaon has earned the sobriquets of the "*Millennium City*" and the "*Mall City*" of India. As of September 2012, Gurgaon's residential market had witnessed a total launch of 119,404 units since 2007. Moreover, owing to enhanced connectivity and infrastructure development, the zone witnessed absorption of 98,713 units during the same period resulting in 17.3% remaining unsold. Over the last four years, the average annual absorption of residential units in Gurgaon was 20,700. The launch momentum continued in 2012, as the region witnessed the launch of 16,492 units during the first nine months of 2012. *(Source: Knight Frank Report.)*

GURGAON OFFICE SPACE DYNAMICS



(Source: Knight Frank Report.)

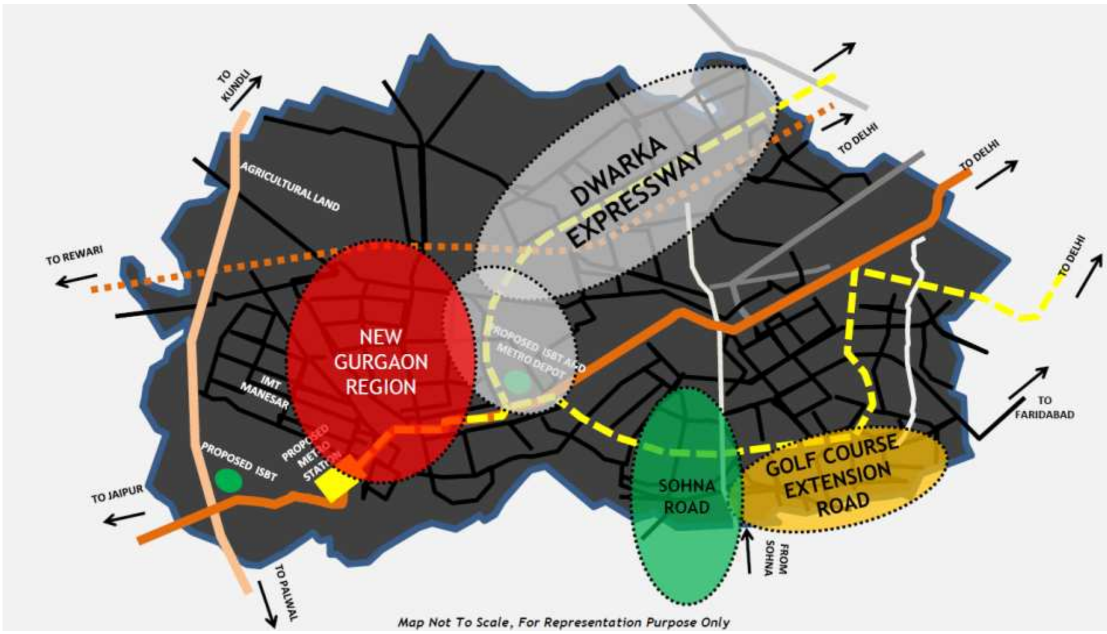
Some of the prime residential and commercial micro-markets of Gurgaon include *the Mehrauli-Gurgaon or MG Road*, *Golf Course Road*, *Golf Course Extension Road*, *Sohna Road* and *NH-8*. These locations are well-connected with New Delhi through the six-lane NH-8 and MG Road. NH-8 also provides quick and easy access to the New Delhi International Airport. Further, a 14 km Southern Peripheral Road (SPR) covers all the major developments in this part of Gurgaon and connects MG Road and Golf Course Extension Road with NH-8. The connectivity between the adjoining markets of Delhi and Noida is further enhanced by the existing metro-rail. *(Source: Knight Frank Report.)*

Infrastructure

Golf Course Road is the most sought after destination owing to its proximity to South Delhi (an affluent locality) and hence boasts of the highest residential property prices in Gurgaon. *MG Road* is a self-sustaining micro-market with the presence of well-developed organized retail market, superior residential development and quality commercial offices. *DLF Cybercity, Udyog Vihar, Signature Towers, DLF Corporate Park, Space IT Park, Vatika Business Park* and *Unitech Infospace* are some of the major commercial buildings.

Manesar located in the south Gurgaon region is a major industrial hub and has become the most preferred destination for many leading companies including major IT/ITeS companies. This, coupled with the Reliance SEZ, will lead to huge employment generation thereby leading to huge demand for residential real estate. Major developers like DLF, Godrej, Anantraj and Emaar MGF have marketed these developments and strategically launched their projects in Manesar. A 135 km *Kundli-Manesar-Palwal (KMP) Expressway* will further augment demand for the residential real estate in Manesar. *(Source: Knight Frank Report.)*

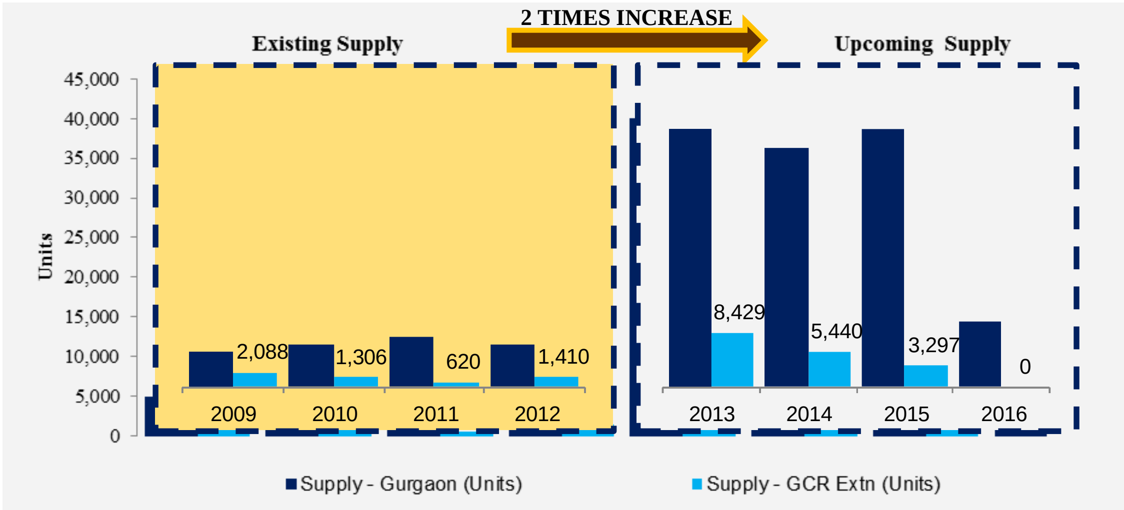
A map showing the key infrastructure developments in Gurgaon with region differentiation is set out below, followed by a description of these:



(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013.)

Golf Course Extension Road (the "GCR extension"): Scheduled for delivery in 2014, the GCR extension is catching up with the Golf Course Road with its quality residential development. It comprises approximately 13.0% of the total supply in Gurgaon and is likely to deliver the aforementioned committed supply. It emerges as the most robust market vis-à-vis other regions due to its higher absorption levels and consequent lower inventory levels. These factors and a competitive pricing strategy has enabled the developers to sell the project in a years' time. *(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013 and Knight Frank Report.)*

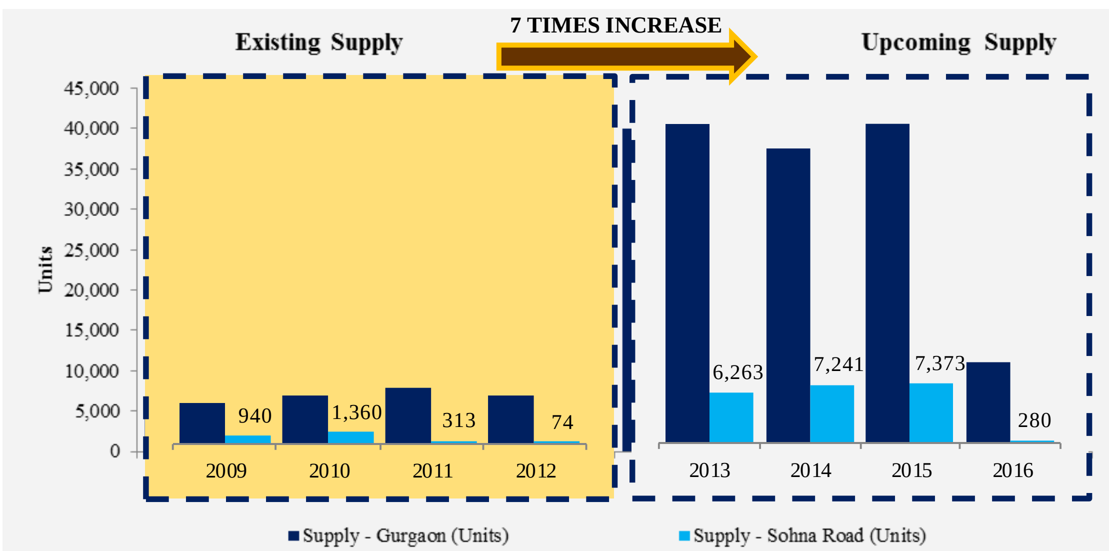
A graph showing the two times increase between existing supply, during the period between 2009 and 2012, and upcoming supply, estimated for the period between 2013 and 2016, relative to total supply in Gurgaon, is set out below:



(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013.)

Sohna Road: Adjacent to the GCR Extension, this region has witnessed a huge influx of supply in the previous years, which has been depleting due to lack of land parcels. The delivery commitments are huge in most of the regions and due to increasing costs and lack of labor, projects in this region are likely to experience delays. New launches peaked in the fourth quarter of 2010 and the third quarter of 2011, when around 8,000 units were launched. *(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013.)*

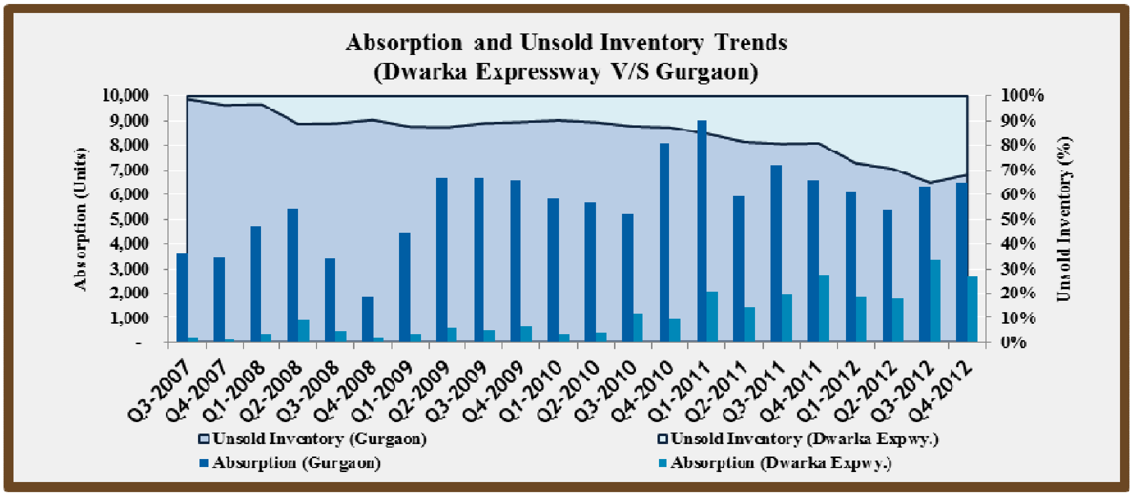
A graph showing these trends and the expected seven times increase in existing and upcoming supply is set out below:



(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013.)

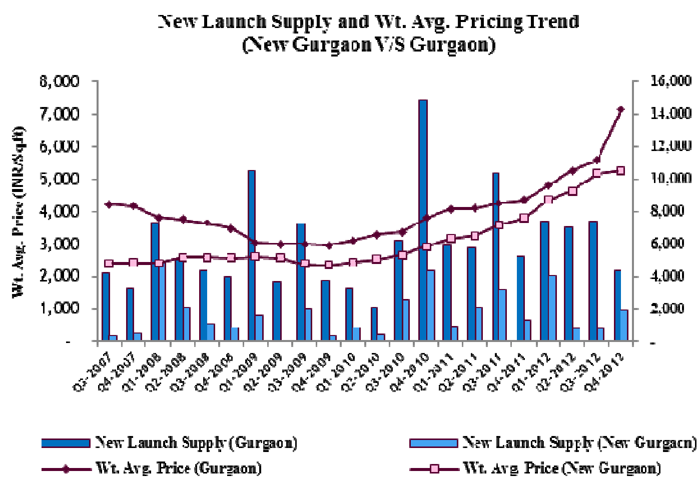
Dwarka Expressway: A new residential belt has emerged along the upcoming 18 km *Northern Peripheral Road (NPR)* or the "*Dwarka Expressway*". This road is expected to connect *Dwarka* and *Palam Vihar* in New Delhi with NH-8 near *Kherki Dhaula* in Gurgaon. This belt is predominantly a residential area, however, a small proportion of it is developed as a commercial area. Its proximity to the *Dwarka Sub-city*, *Delhi International Airport* and proposed diplomatic enclave in *Dwarka Phase II* attracted many developers to this micro-market. However, due to the high number of new launches, various developers, and lack of physical infrastructure, the unsold inventory stands at approximately 32.0% of the overall unsold inventory of Gurgaon. Certain developers have launched projects in this belt. *(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013 and Knight Frank Report.)*

Absorption and unsold inventory trends for this project are set out below:



(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013.)

New Gurgaon Sectors: This region was introduced along with Dwarka Expressway and has witnessed huge demand in recent years. Along with Dwarka Expressway, New Gurgaon is one of the leading regions in terms of new launches, with approximately 1,700 units being launched every quarter. This region has also benefitted from a steady absorption rate; approximately 1,500 units were absorbed every quarter for the period between the third quarter of 2007 and the fourth quarter of 2012. The weighted average price of available units has risen by 120.0% for the same period.



(Source: Updated Gurgaon Market Analytics, PropEquity, March 2013.) The chart opposite compares the new launch supply and weighted average price trends for Gurgaon and New Gurgaon for the period between the third quarter of 2007 and the third quarter of 2012. *(Source: Knight Frank Report and Updated Gurgaon Market Analytics, PropEquity, March 2013.)*

Rapid Metro Rail Gurgaon ("RMRG"): The RMRG is proposed to link various micro-markets including *Mall of India* and *DLF Phase II and DLF Phase III*, thereby enhancing connectivity with Gurgaon. This is expected to augment demand for residential real estate in these micro-markets. *(Source: Knight Frank Report.)*

Indian Real Estate Regulatory Framework

Under the Constitution of India, each state in India has the legislative and administrative jurisdiction in respect of lands within its jurisdictions and consequently, legislation varies from state to state. The real estate industry is governed by a number of laws in respect of acquisition of land and development of real estate in India, including the Urban Land (Ceiling and Regulation) Act, 1976, the Transfer of Property Act, 1882, the Land Acquisition Act, 1894, the Indian Stamp Act, 1899, the Environment (Protection) Act, 1986, the Special Economic Zone, Act, 2005, the Indian Easements Act, 1882, the Indian Registration Act, 1908, the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986; and various labour laws including the Contract Labour (Regulation and Abolition) Act, 1970 and the Minimum Wages Act, 1948. Further, a draft Real Estate (Regulation and Development) Bill, 2011 (the "**Draft Real Estate Bill**") has been proposed by the Ministry of Housing and Urban Property Alleviation and the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Bill, 2012 (the "**Land Acquisition Bill**") has been proposed by the Ministry of Rural Development in recent years. These proposed legislations may have an impact on the real estate industry in the near future.

Draft Real Estate Bill

The Draft Real Estate Bill currently awaits approval of the cabinet. The Draft Real Estate Bill seeks to regulate the real estate sector to protect the interest of consumers by establishing a real estate regulatory authority ("**RERA**") and an appellate tribunal. The Draft Real Estate Bill, among other things, proposes that every person constructing or causing to construct, developing or altering any immovable property, or converting any existing undeveloped immovable property or a part thereof for sale is required to register the project with RERA. In absence of such registration, no advertisement or invitation to any member of the public for bookings in the project can be made or advance payment or deposit can be accepted from any proposed buyer. Further, it is proposed that a website containing details of the proposed projects, including details of the sanctions obtained, nature of the title to the property, the agreement executed for the development of the proposed project, and details of all encumbrances on the land will be maintained by RERA. Further, no person proposing to develop a project for sale will be permitted to accept any sum of money as advance payment or deposit without entering into a written agreement for sale. Failure to register the project with RERA would attract an imprisonment of up to three years or a penalty of up to 10% of the cost of project, or both. Further, contravention of other provisions of the Draft Real Estate Bill, the orders of the RERA or the appellate tribunal would also attract an imprisonment which may extend up to one year or penalties which may extend up to 10% of the cost of the project, or both.

Land Acquisition Bill

The Land Acquisition Bill seeks to govern processes in relation to land acquisition in India and contains provisions relating to the compensation, rehabilitation and resettlement of persons affected by such acquisitions. The Land Acquisition Bill was introduced in the Indian Parliament and is currently pending approval. The Land Acquisition Bill proposes that "public purpose" as defined in the Land Acquisition Act, 1894 be redefined to restrict its scope for acquisition of land for strategic purposes vital to the state, and for infrastructure projects where the benefits accrue to the general public, for which consent of at least 80% of the project affected families would have to be obtained through a prior informed process. Additionally, a social impact assessment study is required to be carried out in the affected area by the appropriate government whenever land is intended to be acquired for a public purpose. It is proposed that a minimum compensation based on the market value of the land, as well as rehabilitation and resettlement benefits, including rehabilitation and resettlement amounts, land, one-time subsistence allowance or inflation adjusted annuity and mandatory employment be provided to members of the affected families. Further, the relevant district Collector may take possession of the land to be acquired only after the payment of compensation and completion of rehabilitation and resettlement of affected persons. While change of the purpose or related purposes for which the land is originally acquired is not permitted, specific permission from the appropriate Government authority is required for change in ownership of the acquiring entity.

Market Outlook and Future Trends

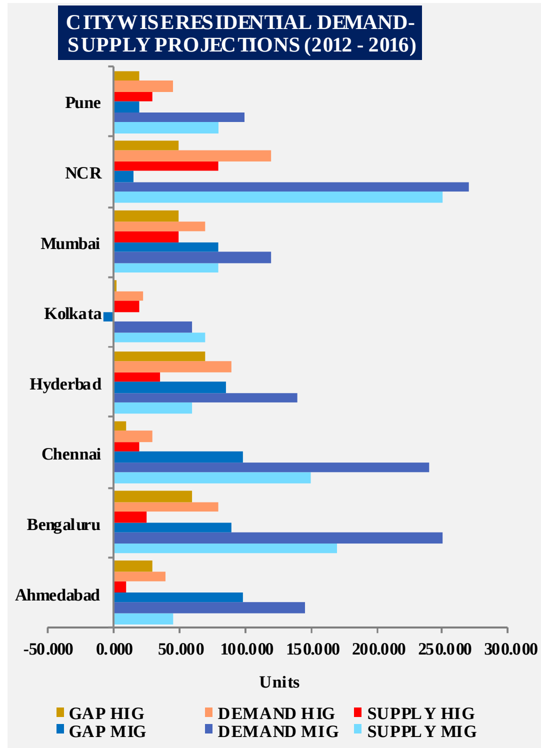
The year 2012 has seen a number of steps taken by the Government to support the real estate sector. As a result, developers believe that 2013 will be a positive year for the sector. The sector is expected to grow at a rate of 30.0% over the next decade. Further, it is expected that the sector will receive inflows of U.S.$ 4.0-5.0 billion from overseas investors in the next couple of years. *(Source: IBEF.)* Certain select future trends for each of the residential, commercial and retail sectors are set out below.

Residential

With significant changes taking place in the lifestyle and housing requirements of end-consumers across segments, several new trends have emerged in the residential sector. Set out below are some of the prominent trends.

- A number of developers are undertaking green buildings projects in order to create a sustainable environment. Home-buyers were also noticed to favour green developments.

- India's luxury housing market has evolved significantly over a period of time, with the latest trend being "branded homes". Cities like Pune, NCR and Mumbai have embraced the concept of branded homes, with several such projects already underway. These projects command a significant premium, i.e., over 25.0%, over the existing high-end and luxury units.
- End-users are increasingly preferring integrated townships and gated communities that provide easy accessibility to work places, retail options, day-care, schools, hospitals, and recreational options, in a safe, secure and pleasant environment.

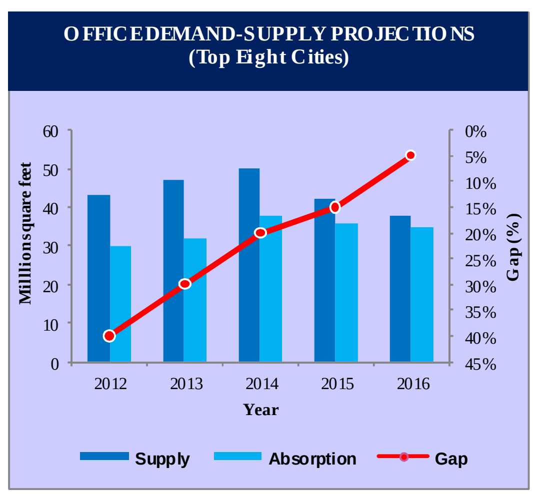


(Source: C&W Report.)

An additional demand of approximately 11.8 million housing units is expected in the next five years growing at a CAGR of 2.8% during the period between 2012 and 2016. Approximately 18.0% of the pan-India demand is likely to be concentrated across the top eight cities estimated at 2.1 million units during the period between 2012 and 2016. Of the total expected demand in the top eight cities, the mid income group (MIG) segment is estimated to be approximately 59.0% at 1.3 million units followed by demand from the higher income group (HIG) which is 451,000 units and the lower income group (LIG) with 362,000 units. The affordable segment of the property market, which is expected to record approximately three times more demand than supply, might see the demand-supply gap increasing during the next five years during the period between 2011 and 2015. *(Source: C&W Report.)*

Commercial

Overall, demand for commercial real estate is expected to be positive as companies, especially IT/ITeS companies are still committed to their plans of expansion and consolidation, albeit after some anticipated improvement to the global economy. The next five years, i.e., during the period between 2012 and 2016, are expected to witness absorption of nearly 180.0 msf of developed space across eight major cities. The top three office markets of Bengaluru, Mumbai and NCR, due to their attractive supply of Grade A office spaces and the talent pool available to multinational companies in these cities, will continue to dominate the absorption scenario with nearly 57.0% of the total absorption being concentrated in these cities. The overall absorption is likely to increase at a CAGR of 5.0%. However, in markets with existing high vacancy rates as of 2012 such as Mumbai, Pune, Bengaluru and NCR, the developers are likely to adopt a cautious approach towards supply and maintain a balance. Supply, on the other hand, is expected to witness moderate annual growth of around 2.0% over these years.

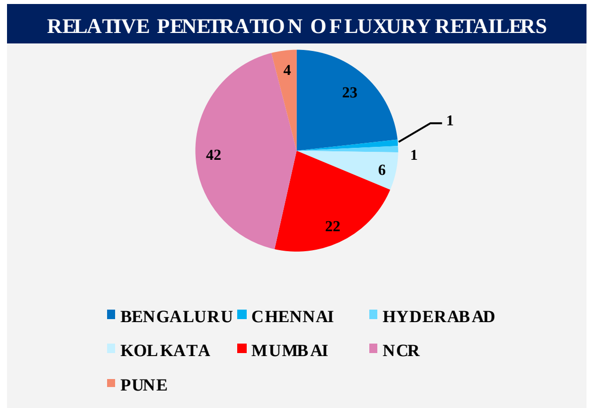


(Source: C&W Report.)

Nearly all cities are expected to experience positive CAGR in supply during the next five years. However, of the markets with the highest demand-supply gap, NCR, Mumbai and Kolkata will be the markets where supply will be higher than demand during the period between 2012 and 2016. In NCR, the locations of Gurgaon and Noida have a significant pipeline of under-construction and planned developments. *(Source: C&W Report.)*

Retail

The retail market size in India is estimated at approximately U.S.$ 450.0 billion as of 2012 and it is expected to be approximately U.S.$ 600.0 billion by 2016.



(Source: C&W Report.)

According to a sector profile released by the Federation of Indian Chambers of Commerce and Industry in 2010, 5.0% of the total retail market size was captured by organized retail, which was expected to increase to 7.0% by 2016. This would result in an organized retail market size of U.S.$ 22.5 billion in 2012, growing to U.S.$ 42.0 billion by 2020. The total mall stock spread across the top eight cities in India was estimated at 64.7 msf. However, this sudden growth in retail activities in India may have led developers to overestimate the demand, resulting in high vacancies in certain micro markets such as Ahmedabad, Pune and NCR. Demand for retail space was further affected by factors such as inefficient mall management, lack of understanding of tenant mix and absence of new retailing methods, which have kept retailers at bay from many projects in the initial period of mall development, most of which continue to remain vacant. Developers have since been cautious, while at the same time creating high quality, well serviced retail malls and adopting innovative rental structures to ensure that their malls have high occupancies and footfalls.

Traditionally, Mumbai and NCR have been considered a favourite destination for luxury retailers as they have marked the evolution of mall culture in India. However, luxury retailers have started focusing on Bengaluru due to a large consumer base which is globally well-travelled, with higher exposure to global brands apart from possessing higher disposable incomes. Despite the existing high vacancy levels, NCR may potentially witness completion of at least 10.0 msf of mall space by 2016 as developers cater to the ever-growing residential catchments of Gurgaon and Noida.

FDI in multi-brand retail will increase the fund flow in the sector over the next few years. As more international brands are introduced with quality product mix and best practices, new segments will evolve and the quality of future retail real estate supply in India will have an important role to play. Further, with the growth of private consumption due to relaxation in headline inflation and anticipated decline in interest rates, the retail dynamics in India may witness a second round of refinement in retail practices, designs and formats. *(Source: C&W Report.)*

OUR BUSINESS

Certain information presented in this section that relates to the Occupancy Rate of our commercial and retail leased properties, the percentage contribution to gross income by 10 largest tenants for our commercial and retail properties, the description of our projects, our DT Cinemas business, Hotel Hilton Garden Inn, The Lodhi and our fire stations is based on management estimates and has not been verified independently. Further, certain information presented in this section regarding Development Potential, Saleable Area or Leasable Area is based on management estimates and has not been verified independently to the extent it does not relate to our Projects under Construction or Planned Projects.

Unless otherwise stated, references in this section to "DLF", "the Company" or "our Company" are to DLF Limited, and references to "we", "our" or "us" are to the Company along with its Subsidiaries, Joint Ventures, Associates and partnerships on a consolidated basis.

OVERVIEW

We are one of the leading publicly listed real estate development companies in India. We are primarily engaged in the business of development and sale of residential properties (the "**Development Business**") and the development and leasing of commercial and retail properties (the "**Lease Business**").

Our Development Business spans all activities related to residential real estate development, from the identification and acquisition of land through to the planning, execution, marketing and sales of our development projects. Our residential properties include plotted developments, houses, villas and apartments of varying sizes, with a focus on luxury and high end residential developments, as well as integrated townships. Our Development Business also consists of the development and sale of certain commercial and shopping complexes including those that are integral to the residential developments they are attached to.

Our Lease Business involves leasing of our commercial and retail properties. Our commercial properties include corporate offices, IT Parks, IT SEZs and built-to-suit facilities, with a focus on properties that attract large multinational tenants. Our retail properties include shopping malls, which in many cases include multiplex cinemas and food courts. Our utilities and facility management services business supports and complements our Lease Business.

As of December 31, 2012, we had developed 105 real estate projects over approximately 262.4 msf of area, with approximately 231.9 msf of Saleable Area and approximately 30.6 msf of Leasable Area. As of December 31, 2012, we had 34 Projects under Construction over approximately 46.1 msf of Saleable Area and 5.8 msf of Leasable Area. As of that date, we were working on seven Planned Projects with approximately 11.0 msf of Saleable Area and 0.2 msf of Leasable Area. Set out below are certain details in relation to the aggregate Saleable Area and Leasable Area for our Completed Projects, Projects under Construction and Planned Projects, as of December 31, 2012.

Type of Real Estate Development	**Completed Projects [Ω]**		**Projects under Construction**		**Planned Projects**	
	Saleable Area	**Leasable Area**	**Saleable Area**	**Leasable Area**	**Saleable Area**	**Leasable Area**
	(msf)					
Development Business						
Residential	226.5	--	42.1[∞]	--	11.0	--
Commercial and shopping complexes*	5.4	--	3.9	--	--	--
Sub-Total	***231.9***	--	***46.1***[∞]	--	***11.0***	--
Lease Business						
Commercial	--	29.0	--	3.8[☼]	--	--
Retail	--	1.6	--	2.0	--	0.2
Sub-Total	--	***30.6***	--	***5.8***[☼]	--	--
Total	**231.9**	**30.6**	**46.1**[∞]	**5.8**[☼]	**11.0**	**0.2**

**Constitutes a miniscule portion of our Development Business.*
[Ω] *This information is based on management estimates and has not been verified independently.*
[∞]*Represents our economic interest in the projects and excludes 10.3 msf of Saleable Area being developed by us pursuant to certain joint development and joint venture arrangements.*
[☼] *Represents our economic interest in the projects and excludes 0.4 msf of Leasable Area being developed by us pursuant to certain joint development and joint venture arrangements.*

Historically, we have focused our business on the Delhi Metropolitan Region and Gurgaon. While we have expanded our operations in recent years to other metro cities and certain other regions in India, we expect markets in and around Chennai, Bengaluru, Kolkata, Hyderabad and Chandigarh to be our principal markets in the near future, in addition to the Delhi Metropolitan Region and Gurgaon.

We have Land Reserves across India, and as of December 31, 2012, we had approximately 6,175 acres of land parcels, with an aggregate estimated Development Potential of approximately 332.4 msf. Of these, approximately 274.9 msf, or 82.7% of the total Development Potential, relates to our Development Business and approximately 57.5 msf, or 17.3% of the total Development Potential, relates to our Lease Business. See "—Our Operations—Our Land Reserves" below.

During the nine month period ended December 31, 2012, our consolidated sales and other income was ₹67,769.5 million and our consolidated net profit was ₹7,161.1 million. In Fiscal 2012, Fiscal 2011 and Fiscal 2010, our consolidated sales and other income was ₹102,238.5 million, ₹101,444.4 million and ₹78,509.0 million, respectively, and our consolidated net profit was ₹12,008.2 million, ₹16,396.1 million and ₹17,198.3 million, respectively.

History and Recent Developments

We and our predecessors have been steadily building our real estate business since 1946 and have developed many of Delhi's well known urban colonies including Krishna Nagar, South Extension, Greater Kailash, Kailash Colony and Hauz Khas. We have also developed DLF City, which is an integrated township in Gurgaon that includes residential, commercial and retail properties in a modern city infrastructure with schools, shopping malls and a leading golf and country club. *DLF City* also incorporates *DLF Cyber-City*, our leading commercial development.

During the period from 2003 to 2008, the Indian real estate sector witnessed significant growth and demand, led by increasing affluence and an expanding middle-class with higher levels of disposable income, as well as increased demand for commercial and retail space from multinational businesses and retail operators. Our business grew steadily during this period, and we commenced and launched several new commercial, retail and residential projects and expanded our operations across India. Following our initial public offering and listing on the BSE and the NSE in 2007, we sought to diversify our operations into areas such as hospitality, wind power, SEZs and insurance.

In Fiscal 2009, the Indian economy started feeling the impact of the global financial crisis. This led to an increase in interest rates and a shortage of affordable credit, accompanied by inflationary pressures. These factors have had an adverse effect on the Indian real estate sector as a whole. The period of activity prior to the financial crisis had seen a build-up of large quantities of oversupply in the Indian real estate market, across the commercial leasing, retail leasing and residential housing sectors and this, combined with a lack of liquidity, high interest rates and investor uncertainty, resulted in reduced demand and downward pressure on prices for properties as well as a reduction in the volume of leasing and lease income. The outlook towards the Indian real estate sector changed significantly during this period and stricter provisioning and risk weightage norms adopted by banks resulted in a lack of affordable financing for the sector. As a consequence, our business was adversely affected by lower revenues and cash flows, on the one hand, and higher input and financing costs, on the other.

In order to effectively respond to the adverse effects of the macro-economic situation and in order to stabilize our business, we restructured our operations into two business streams – the Development Business and the Lease Business, and integrated the operations of Caraf and its subsidiaries, including DAL, with our Lease Business in Fiscal 2010. See "—Our Operations". This resulted in a substantial consolidation of our lease properties and provided us with relatively stable cash flows from lease income. Further, we implemented a strategy of focusing on our core business of real estate development and leasing while seeking to unlock the value of non-strategic businesses and non-core assets, and the divestment process is currently on-going. Set out below are certain key transactions that formed part of this process.

- Divested certain non-strategic and non-core land parcels in various regions in India.
- Divested a portion of our interest in an IT park commercial development in Noida, Uttar Pradesh (the "**Noida IT Park JV**") to IDFC Limited, in December 2011.[∞]
- Divested our interest in DLF Ackruti Info Parks (Pune) Limited, our joint venture with Hubtown Limited, which holds a land parcel notified as an IT/ITeS SEZ located in Pune, Maharashtra, in December 2011.
- Divested our interest in Adone Hotels and Hospitality Limited, our joint venture with Hilton International, which held certain land parcels in Chennai, Kolkata, Mysore and Thiruvananthapuram for the development of hotels and other hospitality projects, in June 2012.*
- Divested our interest in Jawala Real Estate Private Limited, which owns the NTC Mills land at Lower Parel in Mumbai, in August 2012.
- Entered into a definitive agreement in December 2012 for the sale of our shareholding in Silverlink Resorts Limited, which owns hotels and resorts operating under the "*Aman Resorts*" brand.**

- Entered into a definitive agreement in January 2013 for the sale of our wind energy undertaking in Gujarat with an aggregate capacity of 150MW. [Ω]
- Entered into a definitive agreement in April 2013 for the sale of our wind energy undertakings in Tamil Nadu and Rajasthan with an aggregate capacity of 67.5 MW. [Ω]

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∞ *Under the terms of the share purchase agreement, IDFC Limited is required to purchase our remaining shareholding in the Noida IT Park JV in proportion to the occupancy rate for this property.*

* *For further details, see "—Other Businesses—Hotels".*

** *This sale does not include The Lodhi hotel property located in New Delhi. See "—Other Businesses—Hotels".*

[Ω] *These transactions did not include our wind energy undertaking in the state of Karnataka with an aggregate capacity of 11.2 MW, the sale of which is currently under discussion. See "—Other Businesses—Wind Energy".*

Economic conditions in Fiscal 2012 and the nine month period ended December 31, 2012 remained challenging, and our net profits have continued to experience a downward trend during these periods. However, we believe that demand conditions in the real estate sector are exhibiting early signs of improvement, and signs of declining interest rates as well as renewed activity in the lending and public capital markets are expected to ease funding pressures. As we continue to build on our core business of real estate development and leasing and streamline our restructured organization structure, we believe that we are well placed to achieve our targets of reducing our overall indebtedness, executing our real estate development and leasing operations and taking advantage of a potential revival in economic growth and its resultant positive effects on the real estate sector.

STRENGTHS

We believe that the following are our primary competitive strengths:

An established, reputable developer with a strong brand name

We are one of the leading publicly listed real estate development companies in India. Since 1946, we have developed 105 real estate projects over approximately 262.4 msf of area, which included approximately 231.9 msf of Saleable Area and approximately 30.6 msf of Leasable Area. We believe that we have developed some of the most identifiable landmarks in the Delhi Metropolitan Region and Gurgaon.

We believe that our position as one of the leading real estate developers in India is largely due to our diversified product offering and established execution capabilities. Several of our office and retail lease properties are Grade-A spaces that are well-designed, energy efficient buildings with all modern amenities and high safety, maintenance and service standards. We continually offer our customers new designs and concepts. We believe that supporting facilities and infrastructure that we continue to develop, such as multi-level car parking facilities, fire stations, connecting roads, highways and rapid rail transit systems, benefit our customers and enhance the value of our developments. We also provide utilities and facility management services for all our lease properties and certain residential developments, including environment-friendly power and power back-up. Our developments typically integrate high construction and safety standards.

Our reputation as an established developer attracts high-income customers and multinational corporates seeking to occupy multiple locations. Further, we believe that our reputation for prompt payment, execution of projects and transparent business operations has created a relationship of trust with our suppliers, agents, customers and tenants, many of whom have been involved with us over a long period of time. We retain internationally and nationally renowned architectural, design and engineering consultant firms, and reputable construction and project management contractors, for our projects.

We and our development projects have received several awards and accolades in the last five years, including the "*Best Global Developer Award*" for 2009 by the Euromoney magazine and the "*Most Respected Real Estate Company in India*" award from the Business World magazine in 2011. We believe that these awards are a recognition of our strong brand and established track record.

Large Land Reserves and projects at strategic locations

We believe that our large Land Reserves are an important component of our real estate development business. We have Land Reserves across India, amounting to approximately 6,175 acres, with an aggregate estimated Development Potential of approximately 332.4 msf. Approximately 48.0% of our Land Reserves are located in Gurgaon, 7.0% in the Delhi Metropolitan Region, 7.0% in Chennai, 7.0% in the Chandigarh Tri-City, 6.0% in Hyderabad, 2.0% in Kolkata, 9.0% in Bengaluru and the remaining 14.0% in various other key locations such as Lucknow, Indore, Gandhi Nagar, Jalandhar, Shimla, Nagpur, Panipat, Sonepat, Kochi, Bhubaneswar and Nagpur. See "—Our Operations—Our Land Reserves" below. We believe that our current Land Reserves, of which approximately 90.0% are fully paid for, are sufficient for our planned developments and our intended growth plans for the foreseeable future. This, we believe, is one of our key competitive strengths and protects us against inflation in land prices.

Our Land Reserves provide us with the ability to develop projects at strategic locations, which we believe command higher values and growth rates resulting in relatively higher margins and higher lease income. Further, appreciation in the value of our Land Reserves has in the past resulted in the profitable sale of certain land parcels and plotted developments.

We believe that our strategically located luxury residential developments such as *The Aralias* and *The Magnolias* appeal to our higher income customers, while our townships such as *DLF City* are developed with easy access to city centers. Our commercial developments such as *DLF Cyber-City, Hyderabad IT SEZ* and *Chennai IT SEZ* are located in areas that are attractive to our multinational and Indian tenants. We believe that our strategically located retail shopping malls such as *DLF Emporio* at Vasant Kunj in New Delhi attract international and national luxury and designer brands as tenants. We further believe that our retail shopping malls such as *DLF Promenade* at Vasant Kunj, New Delhi, *DLF Place* at Saket, New Delhi and *City Centre DLF* at Chandigarh with integrated multiplex cinemas and food courts afford convenient access to target customers of our retail tenants, both in city centers and suburban locations. See the description of our key projects under "—Our Operations" below.

Large scale of operations

The size of our operations allows us to benefit from economies of scale and is one of the contributing factors to the greater credibility that we enjoy with sellers of land as well as buyers of our properties. We believe that our ability to purchase large plots of land from multiple sellers enables us to create large, contiguous parcels of land, which enables us to undertake projects with sizeable development potential such as DLF City, our integrated township in Gurgaon. In addition, our expansive Land Reserves also allow us to respond more effectively to changes in market conditions and demand. We are able to undertake large scale projects in multiple phases, which provides us the opportunity to monitor market acceptance and modify or vary the scale of our projects in accordance with customer preferences. The scale of our developments also creates demand for our other businesses such as the utilities and facility management services business. Additionally, the multiplicity of our projects, locations and size allows us to build strong, long-term relationships with construction and project management firms and contractors. We are also able to generate economies of scale for the acquisition of raw materials.

Diversified real estate portfolio

We believe that our portfolio of projects is diversified across locations, income groups and price-points, and also across the residential, commercial and retail segments. We offer our portfolio of residential projects and plotted developments across varying price-points for different income groups, while seeking to prevent excessive exposure to lower margin segments. We offer a wide spectrum of commercial and retail developments across all formats that cater to the requirements of the IT/ ITeS sector, the BFSI sector as well as the retail industry. We believe that our projects are strategically located and carefully planned. We conduct comprehensive market research and analysis of our projects to analyze absorption trends, competitive factors, market prices and product gaps, which we believe helps us customize our product offerings to cater to market demand in a particular location. We believe that this diversity of projects, locations and product offerings helps us cater to different market segments and mitigate the risk of dependence on a particular segment or region.

Recurring income from a strong portfolio of leased properties

We believe that we benefit from recurring income streams in our Lease Business, and that this income from our Lease Business provides us with a stable source of revenue and cash flow. We also generate revenues from the provision of utilities and facility management services as well as certain other ancillary services. The income from our Lease Business during the nine month period ended December 31, 2012 and in Fiscal 2012 was ₹12,098.3 million and ₹15,504.2 million, respectively, which constituted 17.9% and 15.2%, respectively, of our total sales and other income. Further, during these periods, we earned ₹9,909.0 million and ₹12,082.0 million in income from maintenance and other services and generation of power, which constituted 14.6% and 11.8%, respectively, of our total income during these periods.

Several of our commercial and retail developments are located in key Indian cities and locations that have experienced high growth in recent years. This has resulted in a strong demand for rental space in such locations. A majority of our commercial developments are conveniently located within the primary and secondary central business districts within such cities and locations, close to residential developments, amenities and an effective transportation system. Moreover, certain of these developments are located within certain notified SEZs that entitle us and our tenants to certain tax and other benefits. Our shopping malls are characterized by aesthetic design, high quality infrastructure as well as leisure and entertainment options such as multiplex cinemas, food courts and restaurants. The locations of our malls, as well as the mix of retail outlets within them, are carefully planned based on the profile of the relevant catchment areas as well as our understanding of consumer preferences, with the aim of attracting shoppers and ensuring an attractive mix of international brands, national retailers and leading local retailers.

A majority of our portfolio properties have been designed to be environment-friendly, are equipped with modern facilities and infrastructure such as power, power back-up, central air-conditioning and seamless voice and data connectivity as well as amenities that include restaurants, cafeterias, convenience stores, banks, ATMs and health clubs. We believe that these high quality, integrated building facilities enhance the attractiveness of our leased portfolio properties. We offer our tenants large floor plates, with wide column span and high floor-to-floor clearance for optimal space utilization. Certain internal structures within our portfolio properties have been specially constructed and customized to meet the requirements of our tenants.

Further, our ability to achieve strong recurring income is also driven by our ability to successfully establish and nurture relationships with reputable commercial and retail tenants. A significant proportion of our tenants are large multinational and Indian corporations which we believe provides us stability of operations and is evidence of the quality and competitive advantage our properties have over other competing developments.

Experienced and dedicated management

We have an experienced, highly qualified and dedicated management team, many of whom have over 25 years of experience in their respective fields. Our professional staff covers a variety of disciplines, including land acquisition, finance, engineering, project management, architecture, accounting, marketing and sales. Because of our established brand name and reputation, we have been able to recruit high caliber management and employees. We provide our staff with competitive compensation packages and a corporate environment that encourages responsibility, autonomy and innovation.

We believe that the experience of our management team and its in-depth understanding of the real estate market in India will enable us to continue to take advantage of both current and future market opportunities and identify strategic locations for land acquisitions, new markets and potential sites for development, as well as provide assistance in the design, engineering, construction management, supervision and marketing of our projects.

STRATEGY

The key elements of our business strategy are as follows:

Focus on our core business

We intend to focus on our core business of real estate development and leasing. As part of this strategy, we intend to focus on a volume, product and price combination that helps us achieve relatively better operating cash flows and realizations, i.e., average selling price per square foot of developed area. As a result, our Development Business is focused primarily on the development of premium and luxury residential projects. Over the last few years, we have launched several plotted developments, which we believe offer shorter cash flow cycles, reduce our exposure to commodity inflation and other macro-economic considerations and help in working capital management. We believe that our product mix of premium or luxury residential developments and plotted "gated" colonies is well balanced to achieve our margin and cash flow targets. We intend to continue outsourcing most of our construction related activities as well as project management to third-party contractors and firms. This, we believe, will improve our execution timetable and will enable our management to focus on our core activity of real estate development. We also believe that this will improve the quality of construction in our developments and will allow us to embark on more complex and ambitious projects.

Launch certain select residential and commercial projects

We believe that a revival in economic growth in India could result in increased demand for residential projects in the country, particularly in non-metro cities. Further, a reduction in interest rates would further enhance the ability of our potential customers to access finance. We propose to take advantage of such increased demand through the launch of certain select projects. We plan to focus on the development and launch of residential projects under our Development Business in certain key locations, particularly in the Delhi Metropolitan Region, Gurgaon and the Chandigarh Tri-City. As of December 31, 2012, we had 24 Projects under Construction and six Planned Projects for residential properties in our Development Business with expected Saleable Area of approximately 42.1 msf and 11.0 msf, respectively. We believe that these projects, when developed, will attract a premium on account of their strategic locations. Further, we plan to focus on certain commercial and shopping complexes under the Development Business in select locations, mainly in non-metro cities, with approximately 3.9 msf of Saleable Area under construction.

Continue to focus on the growth of our Lease Business

With respect to our Lease Business, we believe that demand for commercial office spaces will increase as the BFSI, IT/ITeS, knowledge processing and business outsourcing sectors grow and continue to drive real estate demand. We also expect increased demand from the manufacturing, consulting and telecom sectors. In addition, we expect significant demand for retail developments on account of factors such as scope for penetration of organized retail in India, relaxation of norms for FDI in multi-brand and single-brand retail trading and absorption of existing supply of retail space in certain key regions.

We believe that the income from our Lease Business will continue to increase over a period of time on account of an escalation in lease income in accordance with the terms of our lease deeds with our tenants, besides an increase in market rates in general. We intend to continue to maintain our existing relationships with our tenants as well as establish new relationships in order to improve our Occupancy Rates. We believe that the high quality and convenient location of our commercial and retail properties, as well as the modern facilities, infrastructure and amenities that we offer to our tenants, will assist us in differentiating our leased portfolio properties from those offered by our competitors. We propose to increase our leased commercial portfolio properties in order to meet increased demand over the medium term and intend to develop certain retail projects such as the *Mall of India* project in Noida and the *Yashwant Singh Place* project in Chanakyapuri, New Delhi to increase our leased retail properties in the near future.

Complete divestiture of selected non-core assets and businesses

We intend to complete our planned divestiture of select, non-core assets and non-strategic businesses. We have in the past divested our interests in certain non-core assets which included land parcels identified for IT parks, IT SEZs, hospitality projects and long gestation projects with no immediate development plans and integrated township projects, as well as certain businesses the monetization of which we believe would not enhance our financial performance over the long-term, such as hospitality, construction, retail brands and wind energy.

We commenced the divestment process in Fiscal 2010. Against an initial target of ₹100,000.0 million that we had set internally at the end of Fiscal 2011, we were able to realize cumulative proceeds of ₹48,410.0 million until Fiscal 2012 from the divestment of non-core assets and businesses. Subsequently, we realized proceeds of ₹31,600.0 million during the nine month period ended December 31, 2012 from the divestment of non-core assets and businesses. We intend to realize a sizeable portion of the remaining amount from certain divestments in the foreseeable future. Further, we are currently in discussions with prospective buyers for the sale of our wind energy undertaking in the state of Karnataka with an aggregate capacity of 11.2 MW. In addition, the terms of our share purchase agreement with IDFC Limited require it to purchase our remaining shareholding in the Noida IT Park JV in proportion to the occupancy rate of the property.

Reduce debt and rationalize costs

Our aggregate Net Debt amounted to ₹214,199.6 million, ₹226,997.2 million and ₹214,330.1 million as of March 31, 2011, March 31, 2012 and December 31, 2012, respectively. However, on account of successive hikes in the bank rate by the Reserve Bank of India between March 2010 and October 2011 and the lack of any significant reductions thereafter, our average cost of debt has continued to increase from 11.3% at the end of Fiscal 2011 to 12.7% at the end of Fiscal 2012. Our average cost of debt as of December 31, 2012 ranged between 12.5% and 13.0%. In Fiscal 2012 and the nine month period ended December 31, 2012, we incurred finance costs of ₹22,464.8 million and ₹17,258.7 million, or 22.0% and 25.5%, respectively, of our sales and other income during these periods. We therefore believe that it is important to reduce our overall indebtedness and to reduce the cost of our debt in order to improve our performance. Towards this end, we intend to utilize a portion of the proceeds from the divestiture process described above as well as a portion of the proceeds from this Issue to repay a portion of our debt.

Further, we believe that we have rationalized our capital expenditure. In particular, we do not expect to incur significant capital expenditure for our commercial projects as a substantial portion of capital expenditure for such projects has already been incurred. We will however continue to incur residual capital expenditure to complete projects where a significant portion of the planned expenditure has already been incurred, or where a major portion of the property has been pre-leased. We also plan to incur capital expenditure towards development of certain retail projects in the near future. See "—*Continue to focus on the growth of our Lease Business*" above. Further, in order to mitigate the risks relating to commodity inflation and rising labor costs, we have recently introduced an escalation clause in some of our development projects. We believe that this will assist us in partially mitigating an increase in construction costs in a fair, efficient and transparent manner.

Rationalize our Land Reserves and increase our presence in strategic locations

In furtherance of the strategies discussed above, we seek to concentrate on and expand our operations in certain key geographic markets that we consider to be strategically important. We intend to continue to focus on rationalizing portions of our Land Reserves that we do not consider having significant development potential. Towards this end, we divested our interests in certain identified, non-core land parcels in select cities related to hospitality projects, IT Parks or IT/ITeS SEZs, or other long-gestation projects with no immediate development plans. See "—History and Recent Developments" above. We intend to continue to do so in the near future. At the same time, we intend to continue to selectively replenish our Land Reserves to the extent consistent with our strategic imperative of contiguity and so far as it is required to implement our strategy of achieving the appropriate product and price mix. See "—*Focus on our core business*", discussed above. In this regard, we have acquired certain additional land parcels in New Gurgaon and the Chandigarh Tri-City in recent years, and may continue to do so in the near future in these and certain other regions.

Continue to develop supporting infrastructure for our key developments

We intend to continue to invest in the development of supporting infrastructure in certain select, strategic locations to ensure the high quality of our commercial and retail portfolio properties as well as certain residential developments. Since a significant portion of our developments are located in *DLF City* and *Phase-V* in Gurgaon, we have initiated the implementation of this strategy in areas within or surrounding this integrated township, in addition to certain areas in the Delhi Metropolitan Region.

In this regard, we have undertaken the joint development of a rapid metro-railway network around *DLF Cyber-City*, Gurgaon, which would be interconnected with the Delhi-Gurgaon metro link. When operational, this rapid metro-railway network will have a track length of approximately five kilometers with stops at six stations. The project is a joint venture with ITNL Enso Rail Systems Limited ("**IERS**") and ITNL, which are subsidiaries of IL&FS. We are also making investments in a joint project with HUDA, on a 50:50 cost-sharing basis, which involves upgrading a road network between National Highway-8 and Sector 55/56 in Gurgaon in accordance with the design specifications prescribed by the HUDA. When developed, the total length of this road network is expected to be approximately 10.2 kilometers, and will connect the Gurgaon Toll Plaza to Sector 55/56 through the *DLF Cyber-City* and the *DLF Phase-V* developments and several other residential developments in the vicinity. Further, we have set up two fire stations in Gurgaon, one at *DLF Cyber-City* and the second at *Phase-V*. The hydraulic platform at the *DLF Cyber-City* fire station is 90.0 meters in height, which we believe is the highest available to date in India. Further, we have built, and currently operate, two multi-level car parking facilities in New Delhi. We also offer certain retail and office space to our tenants at these facilities.

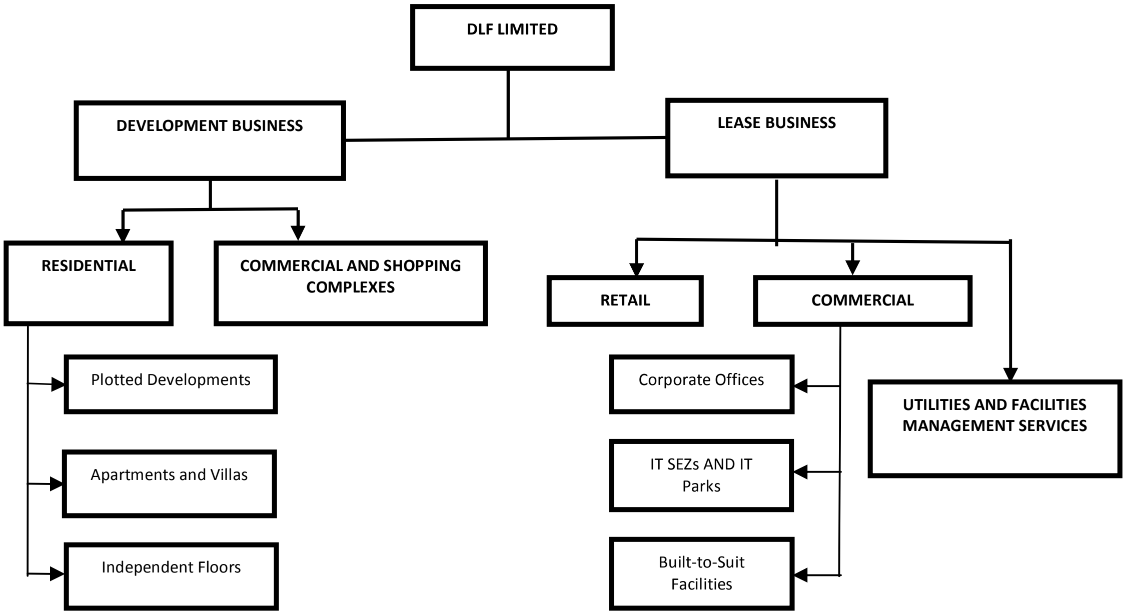
We believe that development of these infrastructure projects will benefit our customers and enhance the quality of our leased portfolio properties, resulting in higher lease income from such developments as well as an appreciation in value of our existing and future residential developments in the vicinity.

OUR OPERATIONS

In Fiscal 2010, we restructured our operations into two business streams – the Development Business and the Lease Business.

Subsequently, a special committee of our Board consisting of independent Directors was set up to examine the feasibility of integrating certain lease businesses held by the Promoter Group with our lease business with the intention of, among other things, eliminating conflicts of interest and achieving management integration. Upon acceptance of the recommendations of the special committee by our Board, we integrated the operations of Caraf and its subsidiaries, including DAL, with that of our subsidiary, DCCDL (the "**Caraf Transaction**"). Caraf and its subsidiaries were then owned by the Promoter Group companies. Since Caraf and its subsidiaries are also primarily engaged in the business of leasing developed commercial properties like DCCDL, the integrated entity represents a significant majority of our Lease Business. Under the terms of the Caraf Transaction, three Promoter Group companies, namely Rajdhani Investments and Agencies Private Limited, Buland Consultants & Investments Private Limited and Sidhant Housing and Development Company (together, the "**Caraf Promoters**"), who were also the controlling shareholders of Caraf, transferred the entire issued share capital of Caraf to DCCDL. The Caraf Promoters were issued 159,699,999 fully paid-up 9% compulsorily convertible preference shares (the "**CCPS**") by DCCDL, which upon conversion into equity shares would constitute 40.0% of the post-conversion issued and paid-up capital of DCCDL on a fully diluted basis. The terms of the CCPS require that the right of conversion should be exercised by the Caraf Promoters, in one or more tranches, on or before March 18, 2015. No dividends will be payable on the CCPS to the extent they are converted by the Caraf Promoters into equity shares of DCCDL.

Set out below is a graphical illustration of our two main business streams, along with brief details of the main segments under each business.



Set out below are certain details in relation to the aggregate Saleable Area and Leasable Area for our Completed Projects, Projects under Construction and Planned Projects, as of December 31, 2012.

Type of Real Estate Development	**Completed Projects** [Ω]		**Projects under Construction**		**Planned Projects**	
	Saleable Area	**Leasable Area**	**Saleable Area**	**Leasable Area**	**Saleable Area**	**Leasable Area**
			(msf)			
Development Business						
Residential*	226.5	--	42.1[∞]	--	11.0	--
Commercial and shopping complexes**	5.4	--	3.9	--	--	--
Sub-Total	***231.9***	--	***46.1***[∞]	--	***11.0***	--
Lease Business						
Commercial	--	29.0	--	3.8[☼]	--	--
Retail	--	1.6	--	2.0	--	0.2
Sub-Total	--	***30.6***	--	***5.8***[☼]	--	--
Total	**231.9**	**30.6**	**46.1**[∞]	**5.8**[☼]	**11.0**	**0.2**

[Ω] *This information is based on management estimates and has not been verified independently.*

* *Residential includes luxury and premium segments, which includes plotted developments and independent floors as well.*

***Constitutes a miniscule portion of our Development Business.*

[∞] *Represents our economic interest in the projects and excludes 10.3 msf of Saleable Area being developed by us pursuant to certain joint development and joint venture arrangements.*

[☼] *Represents our economic interest in the projects and excludes 0.4 msf of Leasable Area being developed by us pursuant to certain joint development and joint venture arrangements.*

Our Land Reserves

Land is an important resource and we consider it a significant contributing factor to our business. As of December 31, 2012, we had approximately 6,175 acres[∞] of Land Reserves, with an aggregate Development Potential of approximately 332.4 msf[∞]. As of December 31, 2012, we owned 2,773 acres[∞], or approximately 45.0% of our Land Reserves, either directly or through our Subsidiaries, and as of that date, we had entered into arrangements with third parties, including joint development and joint venture arrangements, for construction on, and development of, 3,403 acres[∞] of land, or approximately 55.0% of our Land Reserves.

As of December 31, 2012, approximately 90.0% of our Land Reserves was fully paid for, and as of that date, the balance due to third parties under various arrangements in respect of our Land Reserves was ₹21,876.9 million*, representing approximately 10.0% of our Land Reserves.

∞ *This figure does not include the land parcels underlying certain portions of our Projects under Construction where development had been completed as of December 31, 2012. Further, certain parcels of land are currently in dispute. See "Legal Proceedings" for details.*

* *This amount does not include a sum of approximately ₹3,000.0 million that may be payable in the future in the event we decide to acquire freehold rights in respect of certain land parcels for which we presently have leasehold rights, on completion of the relevant legal requirements in this regard.*

We have Land Reserves across India. Set forth below are certain details regarding geographic distribution of our Land Reserves.

Type of Real Estate Development	**Development Business**	**Lease Business**	**Total**
	Development Potential *(msf)* Ω		
Gurgaon	125.7	34.4	**160.1**
Bengaluru	30.5	--	**30.5**
Delhi Metropolitan Region	19.2	5.4	**24.6**
Chennai	17.7	6.2	**23.9**
Hyderabad	18.6	0.9	**19.5**
Chandigarh Tri-City	23.0	--	**23.0**
Kolkata	4.3	1.8	**6.1**
Other Indian Cities	36.0	8.8	**44.8**
Total	**274.9***	**57.5***	**332.4***

Ω *This information is based on management estimates and has not been verified independently.*

* *We are currently in negotiations with multiple buyers for sale of certain land parcels, which if concluded, may reduce the Development Potential of Land Reserves by an aggregate of approximately 7.0 msf.*

Approximately 51.8 msf of area, representing approximately 15.6% of our Land Reserves, is currently under construction across 34 Projects under Construction. In addition, we have seven Planned Projects over approximately 11.2 msf (net of any land used for projects abandoned, disposed off or handed over to purchasers), representing approximately 3.4% of our Land Reserves. We have not yet finalized any plans for development of the remaining 269.4 msf, representing approximately 81.0% of our Land Reserves. In addition, we intend to continue to selectively replenish our Land Reserves to the extent consistent with our strategic imperative of contiguity and so far as it is required to implement our strategy of achieving the appropriate product and price mix. See "—Strategy—*Rationalize our Land Reserves and increase our presence in strategic locations*".

Key Locations

Certain of our Land Reserves are located in areas which we believe offer the potential for high premium development, in particular, the following. We have not finalised development plans for these and provide no assurance as to the returns or margins we anticipate from their development.

Phase-V, Gurgaon

We believe that Phase-V in Gurgaon provides attractive development potential because of its location and its connection to the *DLF Golf Course* and several of our existing projects. For example, our existing projects such as *The Aralias*, *The Magnolias* and our Planned Projects such as the *Horizon Center* are located in Phase-V. Based on the current approvals, we have the potential to develop approximately 18.0 msf of Saleable Area in Phase-V, which is expected to be utilized mainly for residential development.

New Gurgaon

New Gurgaon constitutes a significant portion of our Land Reserves. We believe that New Gurgaon is a key strategic location for our business operations and that it holds significant development potential. We intend to develop a township similar to *DLF City* at this location with an eco-friendly environment, high quality structural amenities and supporting infrastructure. The proposed township is expected to be spread across approximately 2,000 acres, and will include residential, commercial and retail projects that will form part of our Development Business as well as Lease Business. Some of our notable projects in this area include *Garden City – New Town Heights Sector 86, Sector 90 and Sector 91*, *Alameda*, *Regal Gardens*, *The Primus*, *Sky Court* and *The Ultima*.

DLF Cyber-City, Gurgaon

We believe that *DLF Cyber-City* is one of the largest, self-sustainable, integrated business districts in India. It comprises Grade-A office buildings and structures that form part of corporate offices, IT Parks and IT SEZs with an operational space of approximately 12.0 msf. These buildings and structures have been designed to be environment-friendly, are equipped with modern facilities and infrastructure such as power, power back-up, security, fire-safety, car-parking facilities, central air-conditioning and seamless voice and data connectivity as well as amenities that include restaurants, cafeterias, convenience stores, banks, ATMs and health clubs. The additional development potential in *DLF Cyber-City* is approximately 5.0 msf.

We further believe that *DLF Cyber-City* is strategically located in close proximity to the international and domestic airports and several hotel properties, as well as our *DLF City* township and is well-connected to the Delhi Metropolitan Region and other locations in Gurgaon through well-developed road networks, including National Highway-8, as well as the Delhi Metro. *DLF Cyber-City* and certain nearby locations will shortly be connected to the Sikanderpur Delhi Metro station on M.G. Road through a rapid metro-railway network which is being jointly developed by us. See "—Our Lease Business—Development of supporting infrastructure for our portfolio properties" for details.

Shivaji Marg, New Delhi

We own a land parcel in central Delhi which is attractively located in the heart of New Delhi in close proximity to Connaught Place, the central business district of New Delhi, and is considered to be a prime location. It is situated close to the commercial and retail centers in New Delhi, including one of New Delhi's largest proposed office complexes. It is well connected to the Delhi Metro. We have undertaken development over a portion of this land parcel – DLF Capital Greens, a Project under Construction is located on a portion of this land parcel. We may in the future undertake development over the remaining area of approximately 58 acres once we finalize our plans for development. Subject to receipt of approvals, the total Development Potential at this location, along with the residual development potential in our adjoining parcels of land, is approximately 5.0 msf.

Chandigarh Tri-City

We define the Chandigarh Tri-City to include the city of Chandigarh along with certain areas in and around Panchkula and Mullanpur. Chandigarh is a strategic geographic location in North India and is one of the first few planned cities in India. We believe that the Chandigarh Tri-City provides significant development potential and is a key focus region for our business operations in the future on account of its strategic location. We have access to approximately 923 acres of land parcels in the Chandigarh Tri-City, which includes our existing projects *DLF Valley* in Panchkula and *Hyde Park* in Mullanpur.

Chennai

We have access to approximately 382 acres of land parcels in and around Chennai, including the Old Mahabalipuram Road in Chennai. We believe that this area has significant development potential as it comprises certain reputed educational institutes as well as various IT Parks and commercial offices. We are currently undertaking development of a premium residential project called *DLF Garden City, OMR* in this area with Development Potential of approximately 2.9 msf. The additional Development Potential in Chennai is approximately 21.0 msf.

Our Development Business

Our Development Business primarily focuses on the development and sale of residential real estate. Our residential properties include plotted developments, houses, villas and apartments of varying sizes and integrated townships, with a focus on the high end, luxury residential developments.

Our Development Business spans all activities related to residential real estate development, from the identification and acquisition of land, the planning, execution and sales and marketing of our development projects. Our Development Business also consists of certain commercial and shopping complexes, including those that are integral to the residential developments they are attached to.

We further split our Development Business into three geographical segments – Gurgaon, Super Metros and Rest of India. We classify the Delhi Metropolitan Region and the city of Mumbai as Super Metros. Within Rest of India, the cities and locations we currently focus on include Chennai, Bengaluru, Kolkata, Hyderabad, the Chandigarh Tri-City, Lucknow, Indore, Goa, Pune, Nagpur, Bhubaneswar, Gandhi Nagar, Ludhiana, Jalandhar, Shimla, Sonepat, Panipat and Kochi.

Each of these three geographical segments are independently responsible and accountable for all activities across the product value chain from acquisition of land, obtaining approvals, project planning and execution, to launch, sales and marketing and final delivery of the developed property to our customers.

Our Residential Developments and Projects

We develop a wide range of residential projects, from apartments of varying sizes and villas to integrated townships and plotted developments across our three geographical segments. We completed Krishna Nagar, our first residential colony, in 1949. Since then, we have been responsible for the development of approximately 231.9 msf of colonies and townships. This includes approximately 197.1 msf of plotted developments and 34.8 msf of residential properties.

Our residential real estate projects are focused primarily on the creation of new suburbs through large scale developments, as well as developments of certain luxury and ultra luxury residential accommodation on a smaller scale. As of December 31, 2012, our residential Projects Under Construction and Planned Projects comprised 16.0% of our total Development Potential. In addition, we develop and sell plotted developments, which comprise structural amenities such as internal roads, electricity supply, sanitation facilities and water supply for residential projects.

We aim to ensure that our residential projects reflect what we believe to be innovative designs and modern architectural styles. Our residential projects typically include amenities such as gymnasia, health clubs, tennis courts, badminton courts, squash courts and jogging tracks. We have implemented innovative approaches to the development and marketing of our residential projects and were one of the early developers to focus on theme-based projects, such as *The Magnolias* development in *Phase V*, Gurgaon, which is in close proximity to a golf course. We see the leisure facilities associated with our residential projects as a powerful marketing tool. Another innovation introduced in some of our luxury developments is to enable our customers to customize the layout of their new homes.

Our residential projects differ from each other based on aesthetic features, location, design and specification, and are in some instances, incorporated into a larger development such as *DLF City*.

Our Completed Residential Developments

We had completed 54 residential projects until December 31, 2012. The table below provides information as of December 31, 2012 relating to certain of our completed and sold residential developments.

Name of Residential Project	**Location**
Silver Oak	Gurgaon
Beverly Park I	Gurgaon
Beverly Park II	Gurgaon
Regency Park I	Gurgaon
Regency Park II	Gurgaon
Hamilton Court	Gurgaon
Windsor Estates	Gurgaon
Richmond Park	Gurgaon
Ridgewood Estates	Gurgaon
Oakwood Estate	Gurgaon
Wellington Estate	Gurgaon
Princeton Estate	Gurgaon
Carlton Estate	Gurgaon
DLF Regent House	Gurgaon
Belvedere Towers	Gurgaon
Belvedere Park	Gurgaon
Town Houses	Gurgaon
New Town Houses	Gurgaon
DLF Exclusive Floors	Gurgaon
Executive Homes	Gurgaon
Dilshad Plaza	Ghaziabad
Trinity Towers	Gurgaon
Westend Heights	Gurgaon
The Aralias	Gurgaon
Royalton	Gurgaon
The Pinnacle	Gurgaon
The Icon	Gurgaon
The Summit	Gurgaon
The Park Place	Gurgaon
The Belaire	Gurgaon
The Magnolias	Gurgaon
Garden City, Indore	Indore

Our major developments have been within *DLF City* in Gurgaon. The development of *DLF City* commenced in 1980, and *DLF City* has since become our largest development and is an integrated township with residential, commercial, retail and entertainment components. Within *DLF City*, many of our residential developments provide high quality amenities, including security systems, power generation, air conditioning, sports and recreational facilities, as well as valet parking.

Our Residential Projects under Construction

As of December 31, 2012, we had 24 Projects under Construction in our residential business with expected Saleable Area of approximately 42.1 msf.

The table below provides certain information as of December 31, 2012 relating to some of our residential Projects under Construction.

Name of Residential Project	**Location**	**Saleable Area** *(msf)*	**Construction Commencement Date** *(Fiscal)*	**Expected Completion Date** *(Fiscal)*
New Town Heights, Sector 90	New Gurgaon	3.1	2009	Handover expected to commence soon
New Town Heights, Sector 86	New Gurgaon	2.6	2009	Handover expected to commence soon
New Town Heights, Sector 91	New Gurgaon	1.3	2010	Handover expected to commence soon
Alameda*	New Gurgaon	2.5	2012	2014
Garden City Sector 91/92*	New Gurgaon	3.6	2012	2014
Express Green M1	New Gurgaon	1.3	2010	2014
Express Green M1A	New Gurgaon	1.6	2010	2014
Regal Garden	New Gurgaon	1.0	2013	2016
Primus	New Gurgaon	1.2	2013	2016
New Town Heights, Rajarhat	Kolkata	1.7	2008	2014**
GK II (E Block and W Block)	New Delhi	0.4	2008	2014**
DLF Capital Greens	New Delhi	4.7	2011	2015
Garden City, Indore*	Indore	1.3[∞]	2012	2014
DLF Riverside Vytilla	Kochi	0.6	2009	2014
DLF Garden City	Chennai	2.0[∞]	2009	Handover commenced
DLF Valley, Panchkula	Panchkula	1.8[∞]	2012	2015
Maiden Heights, Rajapura	Bengaluru	0.4[∞]	2012	2015
Commander's Court	Chennai	0.8	2011	2015
New Town Heights	Kakanad	1.4[∞]	2010	2015
Hyde Park, Mullanpur*	Mullanpur	2.9	2012	2014***
Garden City, Nandigama*	Hyderabad	1.3[∞]	2013	2014
Samavana, Kasauli	Kasauli	0.6	2011	2015
Westend Heights	Bengaluru	1.5[∞]	2011	2015
Garden City, Lucknow*	Lucknow	2.8	2013	2014
Total	--	**42.1**[∞]	--	--

** Plotted developments*
*** Only a portion would be completed by Fiscal 2014.*
****Phase I is expected to be completed by Fiscal 2014.*
[∞] Represents our economic interest in the projects and excludes 10.3 msf of Saleable Area being developed by us pursuant to certain joint development arrangements.

Except *DLF Capital Greens*, sales are currently underway for all the projects listed above. Further, all relevant approvals for commencing construction and development have been obtained in respect of all the Projects under Construction listed above.

Set forth below is a brief description of two of our notable residential Projects under Construction.

Commander's Court. *Commander's Court* is located in the central part of Chennai in the vicinity of the Taj Connemara, The Presidency Club and the Egmore Post Office. It consists of 356 units covering approximately 0.8 msf of Saleable Area. *Commander's Court* is equipped with modern amenities and facilities and is situated close to several malls, shopping arcades, multi-specialty hospitals, schools and colleges.

DLF Capital Greens. The *DLF Capital Greens* project consists of approximately 2,700 residential units with approximately 4.7 msf of Saleable Area with apartments ranging from 1,210 square feet to 2,630 square feet in size. The project is attractively located in the heart of New Delhi, and only 7 kms from Connaught Place, the central business district of Delhi. It is situated close to the commercial and retail centers in New Delhi, including one of New Delhi's largest proposed office complexes. It is well connected to the Delhi Metro. Further, the development also provides recreational facilities, including a multi-purpose room, swimming pool, a gymnasium, a convenience shop and other centralized services.

Our Planned Residential Projects

We plan to focus on the development of ultra luxury and luxury group-housing projects in certain key locations in India such as the cities of Delhi, Gurgaon, Mumbai, the Chandigarh Tri-City and certain areas in and around Chennai and Bengaluru. In addition, we also intend to launch the sale of plotted developments at several locations in India, including these cities. As of December 31, 2012, we had six Planned Projects in our residential development business with expected Saleable Area of approximately 11.0 msf.

The table below provides certain information as of December 31, 2012 relating to certain of our planned residential projects.

Name of Residential Project	**Location**	**Segment**	**Saleable Area** *(msf)*
Sky Court	New Gurgaon	Luxury	1.3
Ultima	New Gurgaon	Luxury	2.2
Crest	Phase-V, Gurgaon	Ultra luxury	2.5
Camelias	Phase-V, Gurgaon	Ultra luxury	3.5
Hyde Park Terraces and DLF Valley*	Chandigarh Tri-City	Premium	1.0
Woodland Heights, Rajapura**	Bengaluru	Premium	0.6
Total	--	--	**11.0**

** Includes plotted developments*
***Group housing society project*

All relevant approvals for conversion of the land use, wherever applicable, have been obtained for the planned residential projects mentioned above and all the land required has been acquired. However, internals designs and plans are currently under consideration and the process of making applications for approvals for commencing construction and development is yet to commence for any of these projects.

Set forth below is a brief description of a notable planned residential project.

<u>The Ultima</u>. *The Ultima* is our flagship premium residential project within *DLF Garden City*. The project consists of 864 residential units covering approximately 2.2 msf of Saleable Area with apartments ranging from approximately 1,900 square feet to approximately 2,800 square feet in size. Several units within *The Ultima* offer views of landscaped surroundings. The project offers modern amenities such as air-conditioning, security, a recreational club, tennis courts and kids' play area.

Integrated Townships

Some of the noteworthy plotted developments launched in recent years include *Alameda* in Gurgaon, *Garden City* in Gurgaon and Lucknow and *Hyde Park* in the Chandigarh Tri-City.

<u>Alameda, Gurgaon</u>. *Alameda* is a gated community project which offers customers an opportunity to build their own house with security, recreational facilities and maintenance services. This project offers abundant open spaces and easy accessibility to our customers. It consists of 549 units covering approximately 2.5 msf of Saleable Area. The total area of the development is approximately 111 acres with each plot being 450 square meters or above in size.

<u>Hyde Park, Chandigarh Tri-City</u>. *Hyde Park* is spread over approximately 580 acres of land near the Shivalik Hills, and includes various residential, retail and commercial projects. Hyde Park has Development Potential of approximately 12.0 msf.

<u>DLF Valley</u>. *DLF Valley* is a residential community with low-rise apartments and villas spread over approximately 340 acres of land near the Shivalik Hills providing access to open green spaces in the surrounding areas. *DLF Valley* has Development Potential of approximately 11.0 msf.

Commercial and Shopping Complexes

Our Completed and Sold Commercial and Shopping Complexes

We had completed and sold 23 commercial and shopping complexes until December 31, 2012.

In the past, we have sold almost all of the units in our commercial and shopping complexes generally before completion of construction, with payments of the purchase price being made in installments after payment of an initial deposit. Set out below are brief details of certain key commercial and shopping complexes sold by us.

Name of Commercial and Shopping Complex	**Location**
Jasola, Delhi	Delhi
SIEL Delhi IT Park	Delhi

Name of Commercial and Shopping Complex	Location
The Galleria Kolkata	Kolkata
Southcourt Delhi	Delhi
Mayur Vihar Mall	Delhi
Shalimar Bagh Mall	Delhi
Galleria, Jallandhar	Jallandhar
Central Arcade	Gurgaon
Galleria	Gurgaon
Park n Shop	Gurgaon
Super Mart – I	Gurgaon
Super Mart – II	Gurgaon
DLF Moulsari Arcade	Gurgaon
Shopping Mall	Gurgaon
Stop & Shop	Gurgaon
Qutub Plaza	Gurgaon
DLF Star Tower	Gurgaon
City Court	Gurgaon
Savitri Cinema	New Delhi
City Centre	Gurgaon
Mega Mall	Gurgaon
South Point Mall	Gurgaon
Grand Mall	Gurgaon

Our Commercial and Shopping Complexes under Construction

As of December 31, 2012, we had four commercial and shopping complexes under construction with expected Saleable Area of approximately 3.9 msf.

The table below provides certain information as of December 31, 2012 relating to some of our commercial and shopping complexes under construction.

Name of Commercial and Shopping Complex	Location	Saleable Area *(msf)*	Construction Commencement Date *(Fiscal)*	Expected Completion Date *(Fiscal)*
Corporate Green	Gurgaon	1.6	2010	2014*
DLF Prime Towers, Okhla	New Delhi	0.6	2009	2014
Horizon Center	Gurgaon	1.2	2011	2015
Cybercity	Bhubaneswar	0.5	2013	2014*
Total	--	**3.9**	--	--

** Only a portion would be completed by Fiscal 2014.*

All relevant approvals for commencing construction and development have been obtained in respect of all the Projects under Construction listed above.

Set forth below is a brief description of a notable commercial and shopping complex under construction.

DLF Prime Towers, Okhla. *DLF Prime Towers, Okhla* comprises modern office spaces with flexible units ranging from 726 square feet to 74,000 square feet that occupy approximately 70% of the total open area. This project includes certain retail spaces as well. This project is well connected through road and the Delhi Metro and is close to other business hubs such as Jasola and Nehru Place.

Our Lease Business

Our Lease Business involves leasing of our developed commercial and retail properties. One of the key objectives of our Lease Business is to achieve returns from investments in our portfolio properties within a targeted timeframe. Another key objective is to achieve high Occupancy Rates for our leased portfolio properties. Our utilities and facility management business supports and complements our Lease Business.

As of December 31, 2012, our Lease Business comprised completed commercial and retail properties with Leasable Area of 23.6 msf, which yielded incomes of approximately ₹10,250.0 million and ₹1,850.0 million from our commercial and retail leased properties during the nine months ended December 31, 2012, respectively. During this period, the average monthly lease income for every square feet of commercial and retail leased property were approximately ₹55 and ₹151, respectively. Further, as of that date, the Occupancy Rate for our leased commercial portfolio properties was approximately 87.0%, whereas the Occupancy Rate for our leased retail portfolio properties was approximately 96.0%.

We typically lease space to our tenants before or around the time when the warm-shell buildings are complete with systems such as electrical distribution, fire fighting equipment, voice and data communication provisions and 100% power back-up. Where a tenant requires a commercial fit-out, we provide such services through a specialized team. See "—Utilities and Facility Management Services—Fit-out Services" below.

Our Commercial Development Projects and Portfolio Properties

We develop a number of commercial projects including corporate offices, IT Parks, IT SEZs and built-to-suit facilities, with a focus on properties that are attractive to large multinational tenants. As of December 31, 2012, our commercial projects under construction and planned commercial projects comprised 1.1% of our total Development Potential.

Our first significant commercial development was *DLF Centre*, an office building located in central Delhi, which was completed in 1992. *DLF Centre* provides leased commercial space to a number of multinational corporations and serves as our corporate headquarters. The majority of our other commercial properties are in *DLF City*, Gurgaon. Many of these commercial properties are part of *DLF Cyber-City*, which is a major commercial area developed within *DLF City*. We believe that *DLF Cyber-City* is the largest privately built office complex in India spread across an area of approximately 17.0 msf of Development Potential.

During the last three years, we experienced a lack of adequate demand for commercial developments as well as oversupply of available inventory during this period, which we believe was a result of deferment of expansion and investment plans by companies, particularly those in the IT and ITeS sector, on account of adverse macro-economic conditions.

Our Leased Commercial/ Office Portfolio Properties

As of December 31, 2012, the Occupancy Rate for our leased commercial portfolio properties was approximately 87.0%. Our reputation in the Indian real estate market for commercial properties and our existing long-term relationships with major tenants which include multinational corporates provides us specific knowledge about their requirements regarding specifications, design and expansion plans. We intend to continue to strengthen and expand our relationships with our commercial tenants, which we believe, will assist us in increasing the Occupancy Rate at our commercial properties.

The table below provides information as of December 31, 2012 relating to certain of our leased commercial properties.

Name of Commercial Property	**Location**	**Leasable Area**
		(msf)
Cyber-City Non-SEZ	Gurgaon	11.0
DLF Chennai IT SEZ	Chennai	4.9
DLF Hyderabad IT SEZ	Hyderabad	2.9
DLF Silokhera IT SEZ	Gurgaon	2.0
Cyber-City – SEZ	Gurgaon	1.4
Chandigarh IT Park	Chandigarh	0.7
DLF Centre	Delhi	0.2
Kolkata IT SEZ – II	Kolkata	1.3
Kolkata IT Park – I	Kolkata	1.0
Total	--	**25.4**

In Fiscal 2012 and the nine month period ended December 31, 2012, the 10 largest tenants for our commercial properties together constituted 28.0% and 26.0%, respectively, of our gross income from leased commercial properties.

Set forth below is a brief description of two notable leased commercial properties.

DLF Chennai IT SEZ. This project was conceived in 2005 as an integrated business complex that matched global quality standards. We believe that it is one of the largest IT SEZs in Chennai with approximately 5.0 msf of operational area. Further, it is strategically located close to a proposed interchange for all four rail links within the city where two new metro corridors are currently being developed, which we believe will enhance the connectivity of the project. In addition, access from North and West Chennai to the project has been facilitated by the opening of an elevated corridor connecting Tambaram to Ambattur in 2010.

Tenants at *DLF Chennai IT SEZ* include leading software development companies, business processing and knowledge processing companies, consulting, design engineering and hardware chip manufacturing companies. The buildings and structures within *DLF Chennai IT SEZ* have been designed to be environment-friendly, are equipped with modern facilities and infrastructure such as power, power back-up, security, fire-safety, car-parking facilities, central air-conditioning and seamless voice and data connectivity as well as amenities that include restaurants, cafeterias, convenience stores, banks, ATMs and health clubs.

DLF Cyber Green. This business complex consists of 0.9 msf of leasable commercial space in Gurgaon. The complex consists of five multi-storied towers, offering high speed elevators, service lifts, a multi-level car park and power back up facilities. *DLF Cyber Green* also incorporates floor plates of 19,000 to 22,000 square feet with wide column spans and high floor-to-floor clearances and provides facilities such as a food court with a seating capacity of 450, a health club and ATMs. *DLF Cyber Green* is located just off National Highway-8 and is well connected to Delhi's international airport as well as south, central and west Delhi.

Our Commercial Projects under Construction

As of December 31, 2012, we had four commercial Projects under Construction with expected Leasable Area of approximately 3.8 msf. The table below provides certain information as of December 31, 2012 relating to certain of our commercial Projects under Construction.

Name of Commercial Project	**Location**	**Leasable Area**	**Construction Commencement Date**	**Expected Completion Date**
		(msf)	*(Fiscal)*	*(Fiscal)*
Chennai IT Park – Block 3	Chennai	0.8	2008	2014
Cyber-City – SEZ – Building 14, Block C and D	Gurgaon	1.4	2008	2014
Silokhera IT Park	Gurgaon	1.1	2008	2014
Hines Joint Venture	Gurgaon	0.4☼	2011	2015
Total	--	**3.8**☼	--	--

☼ *Represents our economic interest in the projects and excludes 0.4 msf of Leasable Area being developed by us pursuant to certain joint development and joint venture arrangements.*

All relevant approvals for commencing construction and development have been obtained in respect of the Projects under Construction listed above.

Set forth below is a brief description of a notable commercial Project under Construction.

Building 14, Cyber-City, Gurgaon. Building 14 is an IT SEZ located within an Integrated Business District of *DLF Cyber-City* in Gurgaon. The project is spread over a total Leasable Area of approximately 2.0 msf. While approximately 0.6 msf of Leasable Area is already operational, an additional area of approximately 1.4 msf is currently under construction, which we expect to complete during Fiscal 2014. This building has four interconnected blocks that incorporate large, efficient floor plans, wide column span and high floor-to-floor clearance for optimal space utilization. We believe that this building is strategically located in close proximity to the international and domestic airports and several hotel properties, as well as our *DLF City* township and is well-connected to the Delhi Metropolitan Region and other locations in Gurgaon through well-developed road networks, including National Highway-8, as well as the Delhi Metro.

Our Planned Commercial Projects

We believe that sectors such as BFSI, IT/ ITeS, knowledge processing and business outsourcing will continue to drive demand for commercial real estate. We also expect increased demand for commercial real estate from other sectors such as manufacturing, consulting and telecom. However, we do not expect to undertake significant developments in the near future on account of our existing commercial Projects under Construction, which we believe will be sufficient to meet this demand and our internal targets. As of December 31, 2012, we had no planned commercial projects.

In the future, we intend to focus on development and leasing of commercial properties in certain select cities such as Gurgaon, Chennai, Hyderabad, Kolkata and Pune. We believe that our commercial projects built to international standards will continue to attract key multinational tenants and will strengthen our position as a leading developer of commercial real estate.

Our Retail Development Projects and Portfolio Properties

We originally undertook the development of local markets and community shopping centers which were sold on a strata basis. However, we have actively pursued development of shopping malls and other modern retail spaces in recent years. We have now evolved into one of India's leading developers of retail space in terms of the development of malls, shopping centers and markets.

We have retail properties in the Delhi Metropolitan Region across different formats catering to the entire spectrum of the retail market. Through this broad-based approach, we believe that we are able to serve the needs of customers with different buying patterns and purchasing power. These formats are stand-alone stores, shopping centers, prime downtown shopping districts, neighborhood malls, destination malls and ultra luxury malls.

As of December 31, 2012, our retail projects under construction and planned retail projects comprised 0.7% of our total Development Potential.

Our Retail Leased Portfolio Properties

We typically retain ownership of our luxury retail projects and manage our malls in order to control the quality of the retail space and maintain an appropriate mix of tenants at most of our retail developments. Our malls have a superior tenant profile including certain anchor tenants, and are characterized by aesthetic design, high quality infrastructure as well as leisure and entertainment options such as multiplex cinemas, food courts and restaurants.

The locations of our malls, as well as the mix of retail outlets within them, are carefully planned based on the profile of the relevant catchment areas as well as our understanding of consumer preferences, with the aim of attracting shoppers and ensuring an attractive mix of international brands, national retailers and leading local retailers. We endeavor to cater to the expansion strategies of our tenants by providing them with retail space in a variety of preferred locations and encouraging them to take space in a number of our developments.

As of December 31, 2012, the Occupancy Rate for our leased retail portfolio properties was approximately 96.0%. The table below provides information as of December 31, 2012 in relation to certain of our leased retail properties.

Name of Retail Development	**Location**	**Leasable Area**
		(msf)
DLF Emporio, Vasant Kunj	New Delhi	0.3
DLF Promenade, Vasant Kunj	New Delhi	0.5
DLF Courtyard, Saket	New Delhi	0.5
DLF City Center Mall	Chandigarh	0.2
Multi-level Car Parking – Baba Kharag Singh Marg*	New Delhi	0.1
Multi-level Car Parking – Sarojini Nagar Market	New Delhi	0.1
Total	--	**1.6**

* *Includes space leased to certain small offices.*

In Fiscal 2012 and the nine month period ended December 31, 2012, the 10 largest tenants for our retail properties together constituted 19.0% and 20.0%, respectively, of our gross income from leased retail properties.

Set forth below is a brief description of certain of our notable leased retail properties.

DLF Emporio, Vasant Kunj, New Delhi. *DLF Emporio* is a luxury shopping mall, and offers a unique shopping experience where the accent is on exclusivity, space and aesthetics. With a Leasable Area of approximately 0.3 msf, this project houses exclusive luxury brands, designer labels and high-end lifestyle products from the international as well as national retailers.

DLF Promenade, Vasant Kunj, New Delhi. *DLF Promenade* is a premium mall with plush interiors and ambience. It is conveniently located in close proximity to catchment areas such as Vasant Kunj, Vasant Vihar and Shanti Niketan with easy accessibility through the Nelson Mandela Marg in New Delhi. With a Leasable Area of approximately 0.5 msf, this lifestyle shopping mall has a variety of options for fine dining that ensure footfalls for other retailers. The shopping mall also includes the "Hub", which is a leisure area with dancing fountains surrounded by cafes and a large LED screen. DT Star Cinemas, with a 7 screen multiplex, is one of the anchor tenants in this shopping mall.

Our Retail Projects under Construction

As of December 31, 2012, we had two Projects under Construction with expected Leasable Area of approximately 2.0 msf, both of which are malls catering to middle and higher income groups. These malls will have high quality amenities including designer stores, comprehensive entertainment facilities including multiplex cinemas, central air conditioning and underground parking. The table below provides certain information as of December 31, 2012 in relation to these projects.

Name of Retail Project	**Location**	**Leasable Area**	**Construction Commencement Date**	**Expected Completion Date**
		(msf)	*(Fiscal)*	*(Fiscal)*
DLF Mall of India	Noida	1.8	2008	2014
Cyber Hub	Gurgaon	0.2	2012	2014

Name of Retail Project	Location	Leasable Area	Construction Commencement Date	Expected Completion Date
		(msf)	*(Fiscal)*	*(Fiscal)*
Total	--	**2.0**	--	--

All relevant approvals for commencing construction and development have been obtained in respect of all the Projects under Construction listed above.

Set forth below is a brief description of our Mall of India retail project in Noida, which is currently under construction.

The *DLF Mall of India* project in Noida is based on a unique zoning strategy across six levels of retail providing an international shopping experience to the targeted customers of our retail tenants, an exclusive *Entertainment City* and a variety of fine dining options. We expected this project to be completed in Fiscal 2014, and when completed, we expect this project to be one of the largest retail projects in India with a total leasable area of approximately 1.8 msf. The project is strategically located in Sector 18 in Noida in close proximity to catchment areas of Greater Noida, Noida, Sarita Vihar and Greater Kailash – I and Greater Kailash – II, as well as a number of educational and research institutes and several corporate offices.

Our Planned Retail Projects

In the future, we intend to focus on development of retail properties in certain select regions in the Delhi Metropolitan Region and in cities such as Chandigarh and Gurgaon. A significant proportion of our planned retail projects will be malls situated in prime city centers, although a number of destination malls to be located at outskirts of India's major cities are also under consideration. Most of these malls will include multiplex cinemas and dedicated parking spaces.

As of December 31, 2012, we had one planned retail project at *Yashwant Singh Place, Chankyapuri* in New Delhi, with Leasable Area of approximately 0.2 msf. All relevant approvals for conversion of the land use (wherever applicable) have been obtained for this project, all the land required has been acquired and internals designs and plans have been finalized. The process of making applications for approvals for commencing construction and development is however yet to commence.

Set forth below is a brief description of this retail project.

The redevelopment of *Yashwant Singh Place* in Chankyapuri has been taken up as public-private partnership project by the New Delhi Municipal Corporation and DLF. The project is strategically located in the Chanakyapuri area with estimated Leasable Area of approximately 0.2 msf. This project follows contemporary architectural protocols consistent with the modern architectural style of Chanakyapuri, where this project is located. We engaged eminent international architectural consultants for this project, which has been designed as an urban retail-cum-entertainment center.

Components of Income from our Lease Business

Set out below is a description of the revenues we typically earn from our commercial and retail properties in our Lease Business.

a) Lease Income. We primarily derive revenues under our Lease Business from the payments received from our tenants occupying our commercial or retail properties. A significant portion of such payments are based on the lease rent negotiated in the lease agreements or the MoUs entered into with our tenants leasing these properties. In the case of certain retail developments, our lease payments are based on certain revenue sharing arrangements in terms of which either a fixed percentage of the tenant's monthly net sales, or a fixed amount and a percentage of tenant's monthly net sales, or the higher of a fixed amount or a percentage of tenant's monthly net sales, accrue to us. The agreed cost for fit-out services, if any, is included in the monthly lease payments. See "—Utilities and Facility Management Services—Fit-out Services" below.

b) Facility Management Services. In addition, we receive additional income from our tenants for utilities and facility management services provided by us. See "—Utilities and Facility Management Services" below.

c) Parking Charges. We provide paid parking space to our tenants as well as free parking spaces in certain cases on the payment of certain maintenance charges. The ratio of free to paid parking is determined by the location of the property and negotiations with our tenants.

d) Advertising and Signage. We also earn certain miniscule revenue from signage and short-term lease of advertising space within or on the external façade of our properties.

Key Features of our Leased Portfolio Properties

Strategically Located Properties

Several of our commercial and retail developments are located in key Indian cities and locations within certain metros that have experienced high growth in recent years. This has resulted in a strong demand for office space in such cities. A majority of our commercial and retail developments are conveniently located within the primary and secondary central business districts at such locations, close to residential developments, amenities and an effective transportation system. Moreover, certain of these developments are located within certain notified SEZs that entitle not just developers like us, but also our tenants, to significant tax and other policy incentives from the Government, resulting in increased attractiveness of our developments for several corporates and retailers. Our retail developments such as the *DLF Promenade* and *DLF Place* malls with integrated multiplex cinemas afford convenient access to target customers of our retail tenants, both in city centers and suburban locations.

High Quality Tenant Base

A significant proportion of our tenants are large multinational corporations having operations in India and large Indian companies, which we believe provides us stability of operations and is evidence of the quality and competitive advantage of our properties over other competing developments.

Integrated Properties with Modern Design, Facilities, Amenities and Value Added Services

Our portfolio properties have a range of integrated facilities and amenities to provide a unique work-lifestyle environment for our tenants and their workforce. These facilities include:

a) <u>Building Design</u>. We offer our tenants large floor plates, with wide column span and high floor-to-floor clearance for optimal space utilization.

b) <u>Customization</u>. Most of the internal structures within our portfolio properties have been customized to meet the requirements of each tenant, which can be easily reconfigured, if necessary.

c) <u>Power and Power Back-Up.</u> Few of our portfolio properties receive power through our energy centers which generate clean power based on the co-generation principle (See "—Utilities and Facility Management Services—DLF Utilities" below). We also earn carbon credits from such power generation. Additionally, our portfolio properties are equipped with a power back-up facility which operates in conjunction with the state power grid and diesel generator, providing a two-level power back-up system to ensure reliable electricity supply for our tenants' operations.

d) <u>Modern Infrastructure and Facilities</u>. Several of our portfolio properties have been designed to be environment-friendly, and are equipped with modern facilities and infrastructure such as central air-conditioning, seamless voice and data connectivity, fiber-optic network, elevators, escalators, fire detection and suppression systems, water storage and treatment plants and car parking lots.

e) <u>Amenities</u>. The amenities available within or near our portfolio properties include restaurants, food courts, cafeterias, convenience stores, banks, ATMs and health clubs.

We believe that these high quality and integrated building facilities enhance the attractiveness of our portfolio properties for our tenants.

Utilities and Facility Management Services

Facility Management Services

The key focus of our facility management services is to maintain the quality of the real estate developments after their completion. We provide maintenance and management services for our commercial and retail developments, as well as for certain of our residential developments. Examples of the maintenance and management services that we provide include cleaning, general maintenance, civil and electrical maintenance, and general facilities' management, which includes power distribution, back-up power generation, central air conditioning, water supply, drainage pumping, janitorial services, security services, parking management, pest control, fire detection and solid waste disposal and management.

We outsource most of these operations to qualified and experienced vendors, although we take responsibility for developing standard operating procedures, maintenance schedules and addressing complaints. We also maintain transparency by conducting annual audits of expenses incurred and refunding the excess amounts, if any, that may have been collected from tenants, which we believe contributes to tenant satisfaction.

Fit-out Services

We provide internal fit-out services (i.e., false ceiling, flooring, partitions, carpeting and furniture) to certain tenants and arrange to have these fit-outs completed as per the tenant's specifications for an agreed cost, which is typically included into the agreed lease payment.

Retail Shopping Mall Management Services

We provide the following services as part of our retail shopping mall management services:

- general maintenance;
- creating footfalls by initiating and conducting special events, festivals and promotions;
- managing relations with our tenants and analyzing retail market trends and customer preferences;
- managing and monitoring revenue sharing arrangements with our tenants; and
- providing reports on footfalls, buying patterns and general retail trends.

DLF Utilities

Our subsidiary DLF Utilities' early operations included the setting up of captive power plants. We have set up "energy centers" across our commercial and retail properties in an effort to conserve energy and promote green energy initiatives. The total capacity of the energy centers is approximately 127 MW. These energy centers are based on co-generation technology and use natural gas instead of diesel for power generation, which besides being environment friendly, also helps us reduce operating and maintenance costs. We believe that DLF Utilities' capabilities are a valuable asset in developing captive power resources for our Planned Projects and provides us a competitive advantage in the development of large SEZs, townships and infrastructure projects.

Development of supporting infrastructure for our portfolio properties

We will continue to invest in development of infrastructure in certain select, strategic locations to ensure the high quality of our portfolio properties. Set out below are certain examples of such initiatives.

Rapid Metro System

We have undertaken the joint development of a rapid metro-railway network around *DLF Cyber-City*, Gurgaon, which would be interconnected with the Delhi-Gurgaon metro link. This rapid metro is expected to be operational in the near future, and when operational, will have a track length of approximately five kilometers with stops at six stations. It will connect the Sikanderpur Delhi Metro station on M.G. Road to National Highway-8 in Gurgaon with other stations near different developments within *DLF Cyber-City*. The rapid metro system is expected to have a common ticketing system with the Delhi Metro.

This project is being implemented through Rapid Metro Rail Gurgaon Limited ("**RMRGL**"), a special purpose vehicle incorporated pursuant to a joint venture agreement dated May 7, 2010, entered into with IERS and ITNL, which are subsidiaries of IL&FS, for this purpose. The commercial covenants would be governed by a concession agreement entered into between RMRGL and HUDA. IERS and ITNL are the lead members and majority shareholders of the joint venture, and are responsible for project implementation as well as the operation of the rapid metro. We have provided the right to use the space and structures within our properties for construction and alignment of the project.

Upgrading an existing road network in Gurgaon

We are also undertaking a joint project with HUDA, on a 50:50 cost-sharing basis, that involves upgrading a road network between National Highway-8 and Sector 55/56 in Gurgaon to a highway in accordance with the design specifications prescribed by the HUDA. The total length of this road project is approximately 10.2 kilometers, with the road between *Gateway Tower* and the *Sector 55/56 Junction* on the HUDA sector road being approximately 8.1 kilometers long and the road between the *Gurgaon Toll Plaza* and *DLF Square* on National Highway-8 being approximately 2.1 kilometers long. It will connect the Gurgaon Toll Plaza to Sector 55/56 through the *DLF Cyber-City* and the *DLF Phase-V* developments and several other residential developments in the vicinity. The road network will also involve construction of certain flyovers and underpasses and will have a dedicated corridor for sewerage, water drainage and electric connections which will facilitate timely maintenance.

Fire Stations

We have set up two fire stations in Gurgaon, one at *DLF Cyber-City* and the second at *Phase-V*. The hydraulic platform, or sky-lifts, at the *DLF Cyber-City* fire station is 90.0 meters in height, which we believe is the highest available to date in India. These sky-lifts can carry a load of up to 400 kilograms and can rotate at a 360° angle. We have also built a fire station at *DLF IT SEZ Chennai*, which is equipped with a sky-light that is 60.0 meters in height.

Multi-level car parking facilities

We have developed, and currently operate, two multi-level car parking facilities located at *Baba Kharag Singh Marg* and *Sarojini Nagar Market* in New Delhi with the capacity to park approximately 1,400 and 800 cars, respectively. Under the terms of the respective concession agreement entered into with the local municipal authorities, we are permitted to operate these facilities for an initial period of 30 years from their date of completion. We also lease certain retail and office space at these facilities.

Our Operations Methodology

We follow an established, systematic process for our operations which can be divided into the following activities:

Identification of potential projects and land

One of the key factors in the real estate business is the ability to assess the development potential of a location after evaluating its demographic trends. We rely on our experience and ability of our senior management to identify and evaluate potential locations, and we conduct comprehensive market research and analysis of proposed projects to analyze financial viability, absorption trends, competitive factors, market prices and product gaps. In addition, we have a good working relationship with major external property consultants who provide information regarding future development areas and availability. We also work closely with several large local land or property dealers and marketing professionals who are instrumental in locating suitable parcels of land. After we conduct a preliminary land title evaluation and the land title is reviewed by local lawyers, a preliminary agreement is entered into with the landowners for the purchase of the land. Following title clearance, we either acquire the land or enter into a joint development agreement with the owners. The next step involves identifying the type and scale of the project. The final decision on the location, nature, financial feasibility and scale of each project is taken by our senior management.

Acquisition of land parcels for construction and development

We typically acquire title through sale deeds or lease deeds in perpetuity executed in our favor. We also enter into certain arrangements with third parties for construction on, and development of certain land parcels owned by them. Such arrangements include MoUs, agreements to purchase, letters of acceptance or other agreements pursuant to which the land owners grant us the right to construct properties on, or develop, a parcel of land for a fixed consideration. In addition, we receive letters of allotment of land parcels from government or municipal authorities, which are typically followed by the execution of definitive agreements, such as sale deeds or development agreements.

We also enter into certain joint development arrangements ("**JDAs**") and joint venture arrangements ("**JVAs**"). The counterparty to a JDA is typically a land owner, whereas we may typically enter into a JVA with another real estate developer.

Ordinarily, we are responsible for, and bear the costs of construction and development of the land under a JDA, and are also responsible for the marketing, sale or leasing of the project. The economic interest in the developed property is shared with the counterparty in an agreed proportion. Our economic interest in a jointly developed project represents a percentage of sale proceeds or the lease income or a percentage of the share in the land area conveyed to us, in accordance with the terms of the JDA.

Under a JVA, we typically incorporate an SPV to which each party contributes a stipulated capital. The acquisition of land for the project and the construction and development costs are borne by the SPV and the project is typically sold and marketed through one of our brands. Each party's economic interest or share in the project is based on a number of parameters which vary depending on the project being developed, but which typically include factors such as the size of the land being developed, its location and the total achievable Saleable Area or Leasable Area. Accordingly, we may receive the profits from the development (being a percentage of sale proceeds or a percentage of the lease income) as a distribution from the SPV in the proportion to our investment in the joint venture.

Legal Analysis and Regulatory Approvals

We believe it is important to understand the legal regime governing land acquisition and real estate development in a particular location while evaluating its feasibility for a particular project. The applicable laws and regulations typically vary across different states and cities. We also evaluate the factors which affect the receipt of approvals required for the development and implementation of a project. The approvals which are typically required for a project include approvals for building plans, the conversion of land use where applicable (such as from agricultural to non-agricultural), the approval of lay-outs and approvals relating to certain infrastructure facilities. Similarly, approvals from various government authorities, including from the relevant environmental authorities, airport authorities and fire authorities are required for buildings. Building completion certificates are obtained in accordance with applicable laws from the appropriate local authorities after the projects have been completed.

Project Planning, Design and Engineering

After a detailed review of the site parameters, we formalize an architectural brief based on the project concept which is subsequently finalized with selected architects and other external consultants. We retain internationally and nationally renowned architectural, design and engineering consultant firms for our projects. The majority of the architects and structural consultants engaged by us are specific to a particular project and are drawn from a pool of designers and architects. The architect we appoint provides us with the architectural design of the project and the structural design is provided by an external structural consultant. A tender process is conducted with an approved, pre-qualified panel of contractors. The external consultants may continue to advise us during the course of the project.

Construction and Project Management

We outsource certain construction related activities as well as project management to third-party contractors and firms. The EPC contractors typically engaged by us are responsible for preparation of the estimates of resources required, the procurement of materials as well as construction and execution of our projects in accordance with our specifications. These contractors are also responsible for compliance with environmental, safety and quality guidelines, managing vendors, machinery and resource mobilization as well as the completion and delivery of our Completed Projects within the stipulated time and cost.

Further, we typically engage project management firms that help us in monitoring the development process, construction quality, safety, actual and estimated project costs and construction schedules. At times, the project management firm is also responsible for project execution, design, administration, site management and contractor management. The project manager appointed by the project management firm is responsible for centralized coordination and reports to our senior management. We are not dependent on any single contractor or project management firm for our construction activities. We place the orders on the basis of arms-length negotiations and conduct tender and bidding processes accordingly. We endeavor to maintain high health and safety standards in all of our real estate developments. For details, see "—Safety Measures" below.

Agreements with Purchasers

We typically enter into agreements with purchasers of our residential, commercial and retail properties once we receive a completed application form after the launch of a project. This agreement governs our relationship with our customers until the property is completed and handed over to them, on execution of a sale/conveyance deed. In order to de-risk ourselves from risks in relation to commodity inflation, we have introduced an escalation clause in some of our recently launched development projects. We believe that the escalation clause will assist in mitigating an increase in construction costs in a fair, efficient and transparent manner based on published benchmarks.

Agreements with Tenants

We typically enter into lease deeds or agreements with our tenants for our commercial lease properties for a period of three to five years, with a right of renewal for another equal term or more, which can be exercised at the discretion of the lessee. We typically enter into lease deeds or agreements for our retail developments for a period of 11 months to three years. Under the terms of many of the leases, our tenants are subject to a lock-up for a period of 11 months. In most cases, our lease deeds provide for an escalation of 15.0% – 25.0% in the rent payable by the tenant on expiry of an agreed period of lease. We typically enter into certain memorandum of understanding or a letter of intent, which contain the commercial arrangement agreed with a prospective tenant, before entering into a lease deed.

Pricing

The prices of our properties are determined principally by market forces of supply and demand. We price our sales and lease properties by reference to the prevailing market rates for similar types of properties in their locality and the type of amenities and infrastructure provided by us in those regions. The sales and rental prices of our properties will therefore depend on the location, number, square footage and mix of properties we sell or rent during each fiscal period, and on the prevailing market supply and demand conditions. Supply and demand conditions in the real estate market in the areas in which we operate, and hence the prices we may charge for our properties, are affected by various factors outside our control, including prevailing local economic, income and demographic conditions, interest rates available to purchasers requiring financing, the availability of comparable properties completed or under construction, changes in governmental policies relating to zoning and land use, changes in applicable regulatory schemes, and competition from other real estate development firms. We ordinarily conduct this pricing exercise prior to pre-launch marketing of a project, and review the prices regularly.

Sales and marketing

We operate separate marketing departments for the Development Business and the Lease Business. Our Development Business has a sales department which functions in conjunction with its marketing department. Our sales and marketing function employs various strategies and processes to sell our projects. A competitive survey is conducted in the nearby locations to aptly position the project vis-a-vis other competing projects in terms of pricing, volume and specifications. We sell projects both on launch as well as during and after construction. We host events for customers before the launch for our projects where details of a project are presented after which we invite applications for allotments. The applications are processed at the project sites as well as our corporate offices, after which we enter into agreements with the shortlisted customers. We have a dedicated customer service department that is responsible for all activities ranging from the execution of the agreements to the handover of the projects.

We believe that we have a loyal customer base and encourage the participation of former buyers or tenants in our new product launches. We employ various marketing approaches depending on whether the project is residential, commercial or retail. These include launch events, corporate presentations, web marketing, direct and indirect marketing, as well as newspaper and outdoor advertising. Our marketing team sells our residential projects both directly to customers and through brokers. We use several brokerage firms to market our properties. Most of the sale bookings are performed at project sites and at our corporate offices. Our customer service department services the customer from the booking process through to the transfer of property to the new owner. We have relationships with various banks and housing finance companies which provides our customers with convenient access to financing. These banks also share some of our advertising costs.

We have a dedicated leasing team which focuses on the leasing of commercial and retail projects. For our commercial and retail developments, we market space primarily through property consultants and by using our relationships with existing tenants. Different marketing approaches are used to target anchor commercial and retail tenants. Our leasing team has established relationships with international property consultants, who in return of a fee, introduce us to a number of our commercial and retail lease tenants. Our leasing team maintains regular contacts with such property consultants and regularly updates them on the availability of commercial and retail space in our developments. In addition, our leasing team also conducts independent marketing activities aimed at procuring new lease tenants, such as exhibiting at commercial trade fairs and events. Our leasing team also recommends the terms of leases to management based on prevailing market conditions, and provides input to the project design process in order to ensure that our projects meet the prevailing demands of the market. The leasing team retains responsibility for legal documentation, the collection of lease deposits and the timely collection of lease payments.

Collection of Sales Value and Rent

As part of our sales process we typically ensure that we collect at least 15.0% – 20.0% of the purchase price within 30-90 days of booking the sale of a unit, with structured, time and progress based installment payments to follow in terms of our agreements with our customers. We transfer the title or lease hold rights and hand over possession to our customers or tenants, as the case may be, on completion of all the payments.

We offer certain discounts and incentives to our customers who opt to pay a substantial portion of payments shortly after bookings. The terms on which we offer such discounts may vary for each project. In instances where our customers default on the payment of the balance of the purchase price and other dues as per the agreement, our agreements include provisions which allow to undertake appropriate action, which may in certain events include the forfeiture of earnest moneys. All receivables are managed using integrated ERP and accounting software to monitor the performance of our customers' purchase price or tenants' lease payments and other financial obligations in accordance with the agreements. This integrated software also generates both statements for our customers and tenants, as well as the appropriate data for our management information systems.

Failure of our tenants to pay rent within the stipulated period entitles us to terminate the lease deed. If our tenants terminate the lease deed before expiry of the lock-in period, we are entitled to receive rent and other maintenance charges for the remaining lease period. Tenants for our lease properties typically pay us an interest-free, refundable security deposit at the time of signing the lease deed, which is typically refunded on the expiry of the lease, after adjustments for any outstanding payments or charges. We charge interest on delayed payments from our tenants.

We send statements to our customers and tenants on a periodic basis as per the agreed schedule of payments and any outstanding payment obligations are promptly followed up with the customer or tenant in question. We draw the attention of our senior management to any significant arrears, after which we may negotiate with the defaulting customers or tenants. We charge interest on payment obligations that are in arrears.

Competition

The real estate industry in India, while fragmented, is highly competitive and competition is primarily due to limited entry barriers. To remain competitive, we strive to reduce land procurement costs and improve operating efficiencies.

We expect to face competition from large and small domestic as well as international property development and construction companies, corporations with large land reserves, as well as government bodies such as urban development authorities that are in the business of real estate development. We face the risk that some of our competitors may be better known in certain regional markets, have more experience in undertaking real estate development in these markets or may be better placed to acquire such land for new property development projects.

Competition in the market for leased commercial and retail properties is driven principally by the location of the development and the pricing of rentals. In central business districts, competition in this segment comes from both new developments as well as existing developments which will soon become vacant.

Our competitors across the different markets that we operate in include real estate developers such as Unitech Limited, Emaar MGF, Lodha Developers, Vatika Developers, Sobha Developers, Jaypee Infratech, Godrej Properties, AnantRaj Industries, Hiranandani Developers and the Raheja Group.

Human Resources

As of December 31, 2012, our Company had 3,165 employees consisting of finance, technical (engineering and architecture), marketing, facility management, legal and administrative and non-technical staff. We do not take into count any manpower employed by our contractors or sub-contractors in calculating our personnel. We believe that our employees are key contributors to our growth and competitiveness. We continue to focus on human resource practices, systems and people development initiatives that encourage continuous learning on the job and meritocracy and which enhance our capabilities. We make a concerted effort to provide training and development to newly hired professionals in order to maximize the performance of our employees. Our work force consists of (i) our permanent employees and (ii) consultants who we engage on a contractual basis to assist in the architectural and structural design of our projects.

Safety Measures

We have implemented a number of precautionary measures for the safety of our customers and tenants while undertaking the development of various projects, including the following:

- The structural design and construction of our buildings are carried out in accordance with the relevant provisions of National Building Code, applicable building bylaws, as stipulated by the Bureau of Indian Standards.
- Our buildings are designed and built for the prevalent appropriate seismic loads, all dead loads and live loads, and wind pressure. In all cases, normal strengthening is provided in the designs of buildings to resist distress during an earthquake.
- To ensure fire safety in the buildings, we have set up three fire stations at *DLF Cyber-City*, Gurgaon, *DLF Phase-V*, Gurgaon and at *DLF IT SEZ*, Chennai. Further, we comply with the applicable statutory fire safety

standards as stipulated by the National Building Code involving provisions of fire detection and fire fighting equipment, fire alarm systems, wet riser systems, sprinkler systems, smoke detectors and fire doors. Moreover, fire escape stairs or ramps, are provided for evacuation. We have introduced third-party fire safety audits for all our commercial and retail developments. Additionally, inspections of our fire safety systems and equipment are undertaken at regular intervals to ensure their operational effectiveness.

- To ensure safety against flooding, we have adopted suitable design measures, including the provision of storm water drainage systems, drains in basements connected to collection sumps with sump pumps, and raised plinth levels in the buildings.
- We have appointed DuPont to review, facilitate and implement high standards of safety across our construction projects and developments that relate to our Lease Business as well as our leased commercial and retail properties. As a result, we have implemented several safety standards, implemented emergency preparedness plans and trained our employees and tenants on safety standards through regular safety awareness programs.
- All buildings are insured.

Additionally, we have employed various measures and technologies to enhance the life of the buildings, and we undertake regular inspections to repair any damage caused by normal wear and tear. We also utilize scientific methods to check the land mass strength needed for constructing multi-storey buildings. Based on the scientific tests performed on soil load bearing capacity and other soil properties, suitable foundation arrangements and design are implemented to ensure safe and stable structures.

Intellectual Property

We operate primarily under the DLF BUILDING INDIA brand name and logo. We have obtained, or have applied for, trademark registrations for our various logos, labels and brands which we use in our business and for our projects.

Information Technology

We have incorporated modern software systems in our businesses and operations. In addition to standard software systems for word processing, providing secure access to applications and content from systems used by our employees, we operate an ERP platform to integrate and effectively manage our financial and procurement systems. We are currently in the process of integrating certain external tools and processes on our ERP platform.

Insurance

We maintained a comprehensive insurance coverage with HDFC ERGO General Insurance Company Limited, along with ICICI Lombard General Insurance Company Limited, Reliance General Insurance Company Limited and IFFCO Tokio General Insurance as co-insurers, for all of our projects, with us, our Subsidiaries, Associates, associations of persons, contractors and sub-contractors as the insuring parties. Our insurance includes coverage for all risks in relation to property, including annual outlay on assets in the course of construction, completely constructed assets, fit out value, leasehold improvements, machinery insurance, excluding that of energy centers in DLF Utilities, all risks in relation to operational business interruption and money and fidelity insurance. We do not have coverage for contractor's liability, timely project completion, loss of rent or profit, defects in the quality of materials used or consequential damages for a tenant's lost profits.

Awards and Recognition

We were awarded the "*Best Global Developer Award*" for 2009 by the Euromoney magazine at the Fifth Euromoney Annual Real Estate Awards. Further, we were chosen as the leader in the "*Building & Construction – Real Estate*" category at the NDTV Profit Business Leadership Awards in 2007 and received the "*Most Respected Real Estate Company in India*" award from the Business World magazine in 2011.

The HUDA has, over the last eight years, awarded us with the "*Excellence in Horticulture Preservation*" award. The DLF Golf & Country Club has won the "Best Golf Course Award" at the Asian Golf Monthly Awards - 2012. We have won this award five times in the last six years. Our *Queens Court* project, won the CNBC "National Real Estate Awards 2012" under the ultra luxury residential category, whereas our *DLF IT SEZ – Chennai* and *DLF Emporio* mall projects won this award under the commercial and retail categories. We also received the "*Best Retail Developer in India*" award at Euromoney's Real Estate Survey 2012.

Credit Rating

Set forth below is certain information with respect to our credit ratings in respect of our outstanding indebtedness.

Rating Agency	Credit Rating	Instrument and Limit/Rating amount
ICRA	[ICRA]A	₹40,000.0 million of non-convertible debentures, and ₹111,180.0 million of fund based facilities and ₹16,360.0 million of non-fund based facilities.
CRISIL	A2+*	₹17,640.0 million of short-term debt instruments, ₹6,770.0 million of bank guarantee, ₹12,290.0 million of letter of credit facilities and ₹30,000 million of short-term debt facilities.
CRISIL	A/Negative**	₹50,000.0 million of non-convertible debentures, ₹4,040.0 million of overdraft facilities, ₹115,330.0 million term loans and working capital facilities and a proposed term loan facility of ₹1,230.0 million.

* *indicates "strong safety with relatively higher standing within the category".*
** *indicates "adequate degree of safety regarding timely servicing of financial obligations".*

Corporate Social Responsibility

We believe that we make significant investments in community welfare initiatives, including through education, vocational training, health, environment, capacity building and rural-centric interventions. The DLF Foundation provides assistance in several of these initiatives, including in the setting up of primary health centers and providing special medical and schooling facilities for children of construction workers at our sites. In addition, it contributes to several other ongoing rural healthcare and education schemes, including for imparting job oriented skills and for rewarding meritorious students among the underprivileged. We have received several awards for our corporate social responsibility initiatives including the "*Golden Peacock Award for Excellence in CSR Practices*" in 2010 and the "*Responsible Business Leadership Award*" in 2012.

OTHER BUSINESSES

Hotels

As part of our strategy to exit non-core assets and non-strategic businesses, we have divested a significant portion of our interests in the hospitality business. We divested our entire shareholding in Adone Hotels and Hospitality Limited, which held land parcels in Chennai, Mysore, Kolkata and Thiruvananthapuram for development of hotels and other hospitality projects.

Our wholly owned subsidiary, DLF Global Hospitality Limited entered into a share purchase agreement with Mahaman Assets Limited on December 12, 2012 to sell its 100% shareholding in Silverlink at an enterprise value of approximately U.S.$300.0 million (or, ₹16,281.8 million). Silverlink operates 25 hotels and resorts in 15 international locations and two hotels in India under the "*Aman Resorts*" brand with more than 976 keys. Of the 25 international hotels and resorts, 14 are owned by Silverlink. Pursuant to an amendment agreement dated April 10, 2013 and upon satisfaction of certain conditions specified under the share purchase agreement, we expect this transaction to be completed by June 30, 2013.

However, *The Lodhi*, which is a hotel property with 40 keys and 28 serviced apartments located in New Delhi, was not included in this sale. We continue to own and operate this hotel property.

Our other operating hotel properties include *Hilton Garden Inn*, a 116-room hotel at *DLF Place* at Saket in New Delhi which is managed by Hilton International. We expect to divest the ownership of this hotel in the foreseeable future.

Wind Energy

We currently operate wind energy turbines spread across the states of Gujarat, Tamil Nadu, Karnataka and Rajasthan with an installed capacity of approximately 227 MW. We have entered into contractual arrangements with the respective state electricity boards for sale of power generated from these wind energy turbines.

We entered into a definitive agreement in January 2013 with BLP Vayu (Project 1) Private Limited, a subsidiary of Bharat Light & Power Private Limited, for the sale of our wind energy undertaking in Gujarat with a capacity of 150 MW for ₹2,823.0 million. Further, we entered into definitive agreements in April 2013 with Tulip Renewable Powertech Private Limited and Violet Green Power Private Limited for the sale of our wind energy undertakings in Tamil Nadu and Rajasthan, with capacities of 34.5 MW and 33.0 MW, respectively, for a sale consideration of ₹1,887.0 million and ₹522.0 million, respectively. These transactions are expected to be completed in the near future on satisfaction of certain closing conditions and receipt of regulatory approvals.

We are currently in discussions with prospective buyers for the sale of our wind energy undertaking in the state of Karnataka with an aggregate capacity of 11.2 MW.

DT Cinemas

We operate a multiplex cinema business under the "DT Star Cinemas" brand. We presently operate 29 movie screens at seven locations in the Delhi Metropolitan Region, Gurgaon and Chandigarh with an overall seating capacity of more than 6,200 seats and derive revenues from ticket receipts, advertisements and concessions. We expect to add another 4,000 seats on completion of the *DLF Mall of India* project at Noida, the *Yashwant Singh Place* project in Delhi and the *Horizon Center* project in Gurgaon. We believe that our multiplex cinemas act as the "entertainment anchor" for our malls and create footfalls. Prominent among these are our shopping malls at Saket and Vasant Kunj in New Delhi and our malls in Gurgaon and Chandigarh. Further, we believe that we have been able to differentiate our services through use of advanced digital cinema equipment, several food and beverage options as well as push back seats with increased leg-room for additional comfort of our patrons.

Life Insurance

In February 2007, we entered into an agreement with U.S.-based Prudential International Insurance Holdings to establish a joint venture company to develop, promote, market and sell life insurance products in India. We currently hold 74% equity stake in the joint venture. The joint venture completed its fourth year of operations on March 31, 2012, and as of December 31, 2012, had 47 branches in India and a team of 6,037 individual agents. Further, it had issued 69,458 insurance policies as of December 31, 2012 as against 44,953 as of December 31, 2011. The joint venture's loss in Fiscal 2012 and the nine month period ended December 31, 2012 was ₹1,282.5 million and ₹1,165.9 million, respectively.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The Company's Articles of Association provide that the number of Directors shall not be less than three or more than twelve unless otherwise determined by special resolution. As of the date of this Red Herring Prospectus, the Company has nine Directors.

Not less than two-thirds of the total number of Directors is required to be persons whose period of office is liable to determination by retirement of Directors by rotation. At each annual general meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, than the number nearest to one-third shall retire from office. Neither the Chairman of the Board nor the Managing Director are liable to retire by rotation. The quorum necessary for the transaction of the business shall be one-third of its total strength (any fraction in that one-third being rounded off as one), or two Directors, whichever is higher.

The Company's Directors are not required to hold any Equity Shares to qualify to be a Director.

The following table provides information about the Company's current Directors as of the date of this Red Herring Prospectus:

Sr. No.	Name, DIN, Term and Nationality	Age (Years)	Designation
1.	**Dr. Kushal Pal Singh** **DIN**: 00003191 **Term**: Re-appointed as the 'Chairman and Whole Time Director' with effect from October 1, 2008 for a term of five years; not liable to retire by rotation **Nationality**: Indian	81	Chairman and Whole-time Director
2.	**Mr. Rajiv Singh** **DIN**: 00003214 **Term**: Re-appointed as the 'Vice-Chairman and Whole Time Director' with effect from April 9, 2009 for a term of five years; liable to retire by rotation **Nationality**: Indian	53	Vice-Chairman and Whole-time Director
3.	**Mr. Trilok Chand Goyal** **DIN**: 00003231 **Term**: Re-appointed as the 'Managing Director' with effect from March 1, 2013, to March 31, 2015; not liable to retire by rotation **Nationality**: Indian	68	Managing Director

Sr. No.	Name, DIN, Term and Nationality	Age (Years)	Designation
4.	**Ms. Pia Singh** **DIN**: 00067233 **Term**: Re-appointed as the 'Whole Time Director' with effect from February 18, 2013 for a term of five years; liable to retire by rotation **Nationality**: Indian	42	Whole-time Director
5.	**Mr. Gurvirendra Singh Talwar** **DIN**: 00559460 **Term**: Liable to retire by rotation **Nationality**: Indian	65	Director (Non-executive and non-independent)
6.	**Dr. Dharam Vir Kapur** **DIN**: 00001982 **Term**: Liable to retire by rotation **Nationality**: Indian	84	Director (Independent)
7.	**Mr. Kashi Nath Memani** **DIN**: 00020696 **Term**: Liable to retire by rotation **Nationality**: Indian	74	Director (Independent)
8.	**Mr. Brijender Bhushan** **DIN**: 00004942 **Term**: Liable to retire by rotation **Nationality**: Indian	80	Director (Independent)
9.	**Brig. (Retd.) Narendra Pal Singh** **DIN**: 00003220 **Term**: Liable to retire by rotation **Nationality**: Indian	75	Director (Independent)

Brief Profile of the Directors

Dr. Kushal Pal Singh, age 81 years, is Chairman and Whole-time Director of our Company. He graduated in science from Meerut University and pursued Aeronautical Engineering in England. He was selected to the Indian Army by the British Officers Services Selection Board, U.K., underwent training as cadet at Indian Military Academy, Dehradun and served in The Deccan Horse cavalry regiment. In 1960, he joined American Universal Electric Company and took over as the Managing Director after its merger with DLF Universal Limited (now DLF Limited). As the Chairman of our Company, he is known for developing the Gurgaon satellite city project in Haryana.

In 2010, he was conferred the Padma Bhushan national award by the President of India in his recognition of exceptional and distinguished services to the nation. He is also the recipient of numerous awards and honours, including the Samman Patra by the Government of India for being one of the top tax payers of Delhi region in 2000, and the Delhi Ratna Award by the Government of Delhi for his contribution towards urban development. He has been conferred with an Honorary Doctorate by G.B. Pant Agriculture University. He has been presented with the prestigious royal decoration of *Officer of the Order of St. Charles*, by HSH Prince Albert II in recognition of his valuable contributions as a Honorary Consul General of the Principality of Monaco in Delhi. He is the recipient of the Entrepreneur of the Year 2011 award at the Asian Awards in October, 2011 at London and was conferred the Indian Business Leader of the Year award at the Horasis Global Indian Business Meeting held in Antwerp, Belgium in June, 2012.

He has held several important business, financial and diplomatic positions including as a Member of the International Advisory Board of Directors of General Electric; Member, Central Board of the Reserve Bank of India and was the President of ASSOCHAM in 1999, and was earlier President of the PHD Chamber of Commerce and Industry. He is currently on the Governing/ Executive Board of several well-known universities and educational institutions, including the Indian School of Business, Hyderabad and the Indian Institute of Technology, Rajasthan.

Committed to the philosophy that the corporate sector should play a proactive role in promoting the cause of inclusive growth, he established *DLF Foundation in 2008* as the philanthropic arm of our Company, providing structure and focus to the social outreach initiatives of our Company.

Mr. Rajiv Singh, age 53 years, is the Vice-Chairman and Whole-time Director of the Company. He is a graduate from the Massachusetts Institute of Technology, U.S.A. and holds a degree in Mechanical Engineering. He has over 30 years of professional experience. He spearheads the strategy implementation and oversees the operations of our Company.

Mr. Trilok Chand Goyal, age 68 years, is the Managing Director of our Company. He has done his B. Com. (Hons.) from Shri Ram College of Commerce, University of Delhi and is a Fellow Member of the Institute of Chartered Accountants of India. He has been holding the position of Managing Director of our Company since March, 1998. He has over four decades of experience in business management and real estate development. He has been a member of the Management Committee of PHD Chamber of Commerce & Industry for over a decade. He is also the managing trustee of a number of charitable trusts engaged in education and welfare activities.

Ms. Pia Singh, age 42 years, is the Whole-time Director of our Company. She is a graduate from the Wharton School of Business, University of Pennsylvania, U.S.A. with a degree in finance. Having over 17 years of experience, she has been a Director of our Company for the last nine years. Prior to that she has worked for the risk-undertaking department of GE Capital, the investment division of General Electric.

Mr. Gurvirendra Singh Talwar, age 65 years, is a non-executive and non-independent Director of our Company. He is the founding Chairman and Managing Partner of Sabre Capital Worldwide, a private equity and investment company focused on financial services. He holds a Bachelor of Arts (Hons.) degree in Economics from St. Stephen’s College, University of Delhi. He was previously the Chairman of Centurion Bank of Punjab Limited (merged with HDFC Bank Limited) and non-executive director of Fortis Group (Belgium and Netherlands), Schlumberger Limited and Pearson PLC. Prior to joining the Board of our Company, he has worked for Standard Chartered PLC as group chief executive and for Citigroup in various positions including as its executive vice president. He is a founding member of the governing board of Indian School of Business, Hyderabad and is a former Governor of the London Business School, U.K.

Dr. Dharam Vir Kapur, age 84 years, is an independent Director of our Company. He is an honours graduate in electrical engineering with wide experience in power, capital goods, chemicals and petrochemicals industries. He has had a long career in the Government sector. He served Bharat Heavy Electricals Limited in various positions with distinction and was the founder Chairman-cum-Managing Director of NTPC Limited. ENERTIA Awards 2010 conferred ‘Life Time Achievement Award’ on him for his contribution to the power and energy sector and for his role in NTPC Limited for which he was described as a model manager by the Board of Executive Directors of the World Bank.

As Secretary to the Government of India in the Ministries of Power, Heavy Industry and Chemicals & Petrochemicals during 1980-86, he made significant contributions with introduction of new management practices and liberalisation initiatives including authorship of ‘Broad banding’ and ‘Minimum economic sizes’ in industrial licensing. He was also associated with a number of national institutions as Member, Atomic Energy Commission; Member, Advisory Committee of the Cabinet for Science and Technology; Chairman, Board of Governors, Indian Institute of Technology, Bombay; Member, Board of Governors, IIM, Lucknow and Chairman, National Productivity Council. In recognition of his services and significant contributions in the field of technology, management and industrial development, Jawaharlal Nehru Technological University, Hyderabad conferred on him the degree of D. Sc. He is also the recipient of 'India Power, Life Time Achievement Award' presented by the Council of Power Utilities, for his contributions to energy and industry sectors.

Mr. Kashi Nath Memani, age 74 years, is an independent Director of our Company. He, a fellow member of the Institute of Chartered Accountants of India, is a former chairman and country managing partner of Ernst & Young, India. He was also the member of the Ernst & Young Global Council. He specialises in business and corporate advisory, foreign taxation, financial consultancy etc. and is a consultant on corporate matters of several domestic and foreign companies. He headed Quality Review Board, an oversight board to review the quality of auditors set up by the Government of India. He was associated with National Advisory Committee on Accounting Standards and an expert committee for amendments to the Companies Act, 1956 constituted by the Government of India. He was also member of the External Audit Committee of International Monetary Fund for 2 years. Currently, he is on the managing committee/governing boards of various industry chambers, educational institutions and social organisations.

Mr. Brijender Bhushan, age 80 years, is an independent Director of our Company. He is a Fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Cost Accountants of India, has over four decades of experience in finance, capital markets, taxation, corporate affairs and general management. He is currently the chairman of Integrated Capital Services Limited.

Brig. (Retd.) Narendra Pal Singh, age 75 years, is an independent Director of our Company and holds a master's degree in arts and science. He is an associate member of British Institute of Management. He served in the Indian Army for 34 years prior to joining our Company's Board in 1993. He is trained Personnel Selection Officer from psycological research wing, Ministry of Defence, Government of India. He is on the board of several companies.

Mr. Rajiv Singh and Ms. Pia Singh are children of Dr. Kushal Pal Singh. Mr. Gurvirendra Singh Talwar is the son-in law of Dr. Kushal Pal Singh and brother-in law of Mr. Rajiv Singh and Ms. Pia Singh. Apart from these, none of our Directors are related to each other.

Borrowing Powers of the Board

Pursuant to a resolution dated April 20, 2006 passed by our shareholders in accordance with provisions of the Companies Act, our Board has been authorised to borrow sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board of Directors may think fit. The Company may borrow money up to ₹ 500,000 million as to amount and upon such terms and in such manner as they think fit and to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party.

Shareholding of Directors

The following table sets forth the number of Equity Shares held by and the stock options granted (which are outstanding) to the Directors as of March 31, 2013:

Name	Number of Equity Shares	Percentage (%)	Number of employee stock options granted (which are outstanding) under ESOP 2006
Dr. Kushal Pal Singh	1,04,61,000	0.62	Nil
Mr. Rajiv Singh	1,64,56,320	0.97	Nil
Mr. Trilok Chand Goyal	4,44,091	0.03	349,719
Ms. Pia Singh	81,38,600	0.48	Nil
Mr. Gurvirendra Singh Talwar	1,00,000	0.00	Nil
Dr. Dharam Vir Kapur	10,000	*Negligible*	Nil
Mr. Kashi Nath Memani	Nil	-	Nil

Name	Number of Equity Shares	Percentage (%)	Number of employee stock options granted (which are outstanding) under ESOP 2006
Mr. Brijender Bhushan	Nil	-	Nil
Brig. (Retd.) Narendra Pal Singh	Nil	-	Nil

Remuneration of the Directors

Executive Directors

The following tables set forth the remuneration paid by the Company to its current Executive Directors for the Financial Year 2012:

Name of Director	Designation	Salary and HRA (₹ in million)	Other perquisites, benefits and allowances (₹ in million)	Commission (₹ in million)	Contribution to provident and superannuation fund (₹ in million)	Total (₹ in million)
Dr. Kushal Pal Singh	Chairman and Whole-time Director	10.71	0.73	25.00	0.76	37.20
Mr. Rajiv Singh	Vice Chairman and Whole-time Director	6.30	21.12	25.00	1.70	54.12
Mr. Trilok Chand Goyal	Managing Director	30.65	26.77	19.00	2.03	78.45
Ms. Pia Singh	Whole-time Director	17.26	3.18	10.00	2.53	32.97

Non-Executive Directors

The following tables set forth the remuneration paid by the Company to its current Non-Executive Directors for the Financial Year 2012:

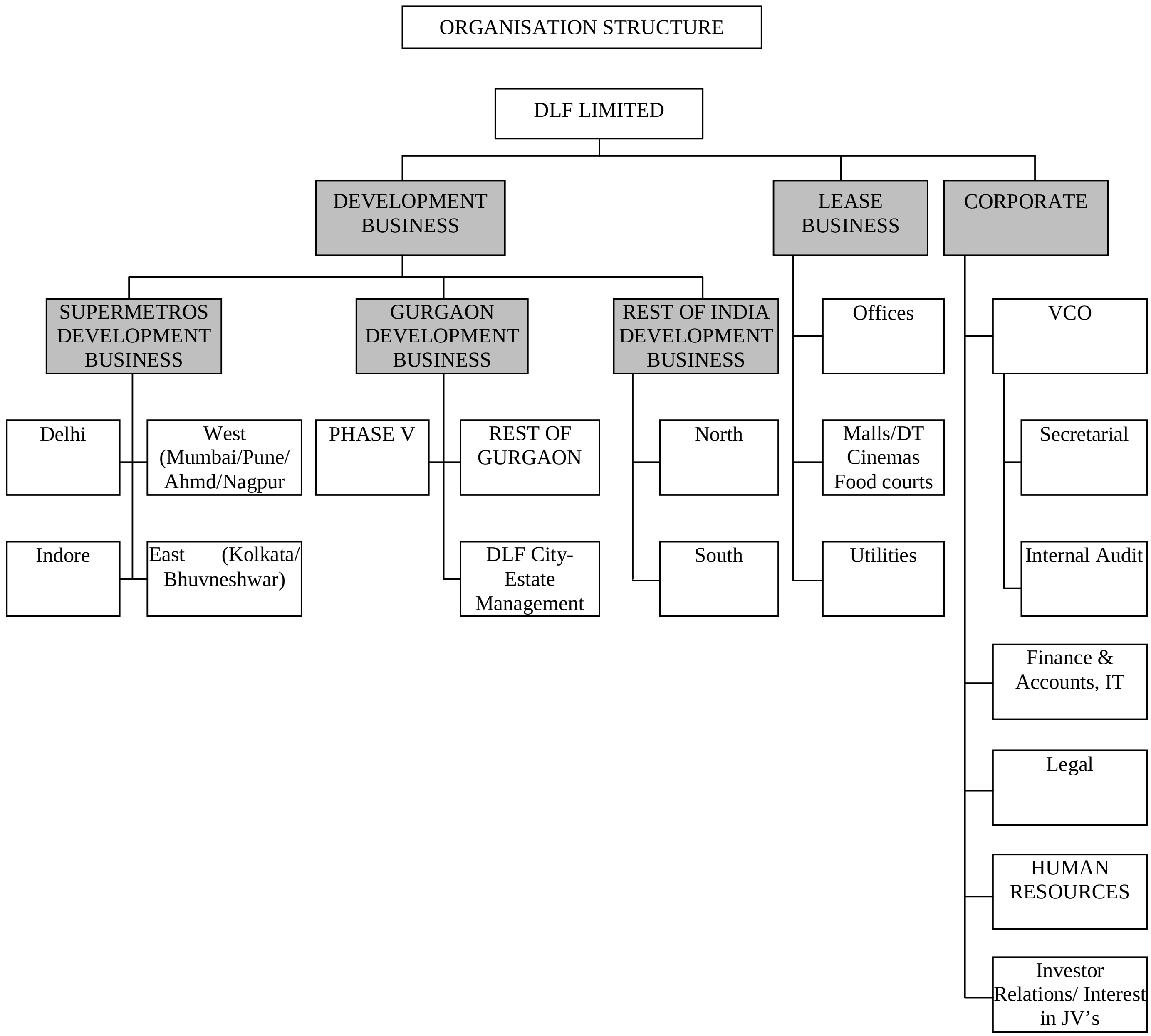
Name	Sitting Fees* (In ₹ million)	Commission (In ₹ million)	Total (In ₹ million)
Mr. Gurvirendra Singh Talwar	0.08	2.20	2.28
Dr. Dharam Vir Kapur	0.38	2.20	2.58
Mr. Kashi Nath Memani	0.30	2.20	2.50
Mr. Brijender Bhushan	0.26	2.20	2.46
Brig. (Retd.) Narendra Pal Singh	0.22	2.20	2.42

* *For attending Board & Committee Meetings*

Prohibition by SEBI or Other Governmental Authorities

None of the Directors or the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI.

Management Organisation Structure



Key Management Personnel

The key management personnel, as per SEBI Regulations, are as follows:

Mr. Anil Gupta (Executive Director, Technical): Mr. Anil Gupta, age 57 years, has done Bachelor of Architecture from University of Roorkee. He joined us in May 1990 and has work experience of about 34 years. Prior to joining us, he was with Bhasin Associate Limited, STUP Consultants Limited, Arvind Gupta Associate Private Limited etc. He is currently overall responsible for design and engineering services for our projects in Delhi, Kolkata and Indore.

Mr. Ashok Kumar Tyagi (Group Chief Financial Officer): Mr. Ashok Kumar Tyagi, age 51 years, is B.E. (Mechanical Engineering) from I.I.T., Roorkee and has also done P.G.D.M. from the Indian Institute of Management, Ahmedabad. He joined us in July 2008 and has work experience of over 28 years. Prior to joining us, he was with Genpact, GE Motors and IFFCO. He is overall responsible for the finance and accounting, treasury, taxation, investor relations, business planning and information technology at the group level.

Mr. C.P. Poonacha (Executive director of DLF Utilities Limited): Mr. C.P. Poonacha, age 57 years, is B.E. (Mechanical) from Mysore University and has also done Post Graduate Programme in International Business Management from International Management Institute (India), New Delhi. He joined us in October 2007 and has work experience of over 36 years. Prior to joining us, he was with DLF Power Limited, Bharat Heavy Electricals Limited and Canadian Metchem – Consultants Limited and is responsible for utilities (energy centers and power).

Mr. Deepak Banerjee (Executive Director, Technical, Delhi): Mr. Deepak Banerjee, age 62 years, is B.Tech. (Civil Engineering) from Indian Institute of Technology, Delhi. He joined us in September 2003 and has work experience of over 39 years. Prior to joining us, he was with SIEL Limited and Landbase India Limited of the ITC group. He is currently responsible for execution and delivery of existing and upcoming projects in Delhi.

Mr. Devinder Singh (Managing Director, DLF Home Developers Limited): Mr. Devinder Singh, age 49 years, is B.E. (Civil) from Punjab University and PGDM from MDI Gurgaon. He joined us in November 1985 and has work experience of over 27 years. He was appointed as Managing Director, DLF Home Developers Limited with effect from November 2, 2012 and is responsible for the overall business in New Gurgaon. He is also responsible for land and approval issue for Gurgaon.

Mr. Harsh Dhar (Executive Director, Projects): Mr. Harsh Dhar, age 59 years, is B.E. (Civil Engineering) from University of Baroda. He joined us in May 2011 and has work experience of over 35 years. Prior to joining us, he was with Keystone Realtors (Rustomjee), Arkiteknik International Consulting Engineers and Dubai Police Force. He is overall responsible for execution and delivery of our existing and upcoming development projects in Northern/Southern Region.

Mr. J. Subrahmanian (Senior Executive Director, Southern Region): Mr. J. Subrahmanian, age 58 years, is B.Tech. (Electrical Engineering) from Indian Institute of Technology, Delhi and has also done PGDM from Indian Institute of Management, Bangalore. He joined us in January 2004 and has work experience of over 33 years. Prior to joining us, he was with Aseania Group of Companies, Kuala Lumpur, DLF Cement Limited, Dalmia Bros Private Limited He is overall responsible for development business in Southern Region.

Mr. Kapil Gupta (Executive Director, Commercial, Delhi): Mr. Kapil Gupta, age 51 years, is B.Com. (Hons) from University of Delhi and is a fellow member of the Institute of Chartered Accountants of India. He joined us in December 2007 and has an aggregate work experience of over 28 years. Prior to joining us, he worked as consultant/partner with PT. Indorama Synthetics Tbk, Manoj Aggarwal & Associates and K.S.Mehta & Co. He is currently responsible for commercial functions, approvals and business development for Delhi.

Mr. Mohit Gujral (Business leader, Rest of India Devco): Mr. Mohit Gujral, age 54 years, holds Diploma in architecture from The Centre for Environmental Planning and Technology, Ahmedabad. He joined us on August 1, 2010 and has an aggregate work experience of over 27 years. Prior to joining us, he was self employed and headed his own establishments, Design Plus and Delanco. He was appointed as business leader for rest of India Devco with effect from November 19, 2010 and is overall responsible for the development business in the Northern and Southern Regions.

Mr. Rajbeer S. Sachdeva (Group General Counsel): Mr. Rajbeer S.Sachdeva, age 47 years, is B.Sc., LL.B. and LL.M. from University of Delhi. He joined us in October 2011 and has work experience of over 23 years.

Prior to joining us, he was with Ranbaxy Laboratories Limited, Essar Telecom Limited, SIEL Limited. He is overall responsible for the legal Function at group level.

Mr. Rajeev Talwar (Managing Director-DLF Universal Limited): Mr. Rajeev Talwar, age 58 years, is an I.A.S. officer of 1979 batch, who resigned from Government service in 2006 when he had 8 more years of service left. He joined our Company on August 24 2006. He is B.A (Hons.) and has also done his M.A. (History) from St. Stephens College, Delhi University. He has work experience of over 35 years including 28 years in Indian Administrative Services (I.A.S). He worked in Government of NCT of Delhi, Government of Goa, Government of Arunachal Pradesh, Ministry of Home Affairs and many ministries in Government of India like civil aviation, tourism, labour, food processing industries, surface transport and coal. He was appointed as the Managing Director, DLF Universal Limited on October 28, 2009 and is currently responsible for the development of and operations of business in Delhi, Eastern and Western Region in addition to being the Group Executive Director of our Company.

Mr. Ramesh Sanka (Managing director of DLF Cybercity Developers Limited): Mr. Ramesh Sanka, age 53 years, is B.Tech. (Mechanical Engineering) from Jawaharlal Nehru Technological University, Andhra Pradesh and has also done Master of Management Studies from University of Bombay. He joined us in June 2004 and has work experience of over 29 years. Prior to joining us, he was with Moser Baer India, Bharti Mobitel (Spice Cell Limited), Alcatel India Limited. He was appointed as managing director of DLF Cybercity Developers Limited with effect from September 30, 2009 and is overall responsible for our rental business including utilities.

Mr. Ravi S. Kachru (Chairman cum managing director of DLF Projects Limited): Mr. Ravi S. Kachru, age 65 years, is B.Sc. (Civil Engineering) from the Birla Institute of Technology, Ranchi. He joined us in March 1991 and has work experience of over 40 years. Prior to joining us, he worked with M/s Al-Habook General Trading & Contracting Establishment, A.K.D.A. - J N Joint Venture, Saud & Ebrahim Al-Abdulrazak. He was appointed as chairman cum managing director of DLF Projects with effect from April 1, 2008 and is overall responsible for execution and delivery of our existing and upcoming projects in Phase-V, Gurgaon.

Mr. Sanjay Goenka (Executive Director-Finance and Taxation): Mr. Sanjay Goenka, age 48 years, is B.Com. from H.L.College of Commerce and LL.B. from Sir L.A. Shah Law College, Ahmedabad, Gujarat University and Inter CA from the Institute of Chartered Accountants of India. He joined us in June 1992 and has work experience of over 28 years. Prior to joining us, he was with The Jay Engineering Works Limited (Shriram Group), Jain Saxena & Nagalia, Chartered Accountants. He is currently responsible for direct taxation function at group level.

Mr. Saurabh Chawla (Executive Director-Finance): Mr. Saurabh Chawla, age 49 years, is B.Com. (Hons.) from University of Delhi and has also done M.B.A. (Finance) from Pace University, New York. He joined us in April 2006 and has work experience of over 21 years. Prior to joining us, he worked with Moser Baer India, Intellistudent Services Private Limited, GE Capital Services India. Beside heading the investor relations function at the group level, he is also responsible for capital market transactions (debt or equity) and additionally has oversight responsibilities in the hospitality vertical including Aman Resorts, and other joint ventures as the insurance JV with Prudential Insurance (U.S.).

Mr. Sriram Khattar (Sr. Executive Director –Vice Chairman's office): Mr. Sriram Khattar, age 55 years, is B.Com. (Hons.), University of Delhi and is a fellow member of The Institute of Chartered Accountants of India. He joined us in December 2007 and has an aggregate work experience of over 30 years. Prior to joining us, he was with Fortis Group, Escorts, ITC Limited He is overall responsible for Vice Chairman's office. He is also overall responsible for risk management including compliance, internal audit, corporate affairs and fire/safety compliance at the group level.

Mr. Sudhir Sahgal (Executive Director, East): Mr. Sudhir Sahgal, age 67 years, is B.Sc. (Mechanical-Engineering) from Punjab Engineering College, Chandigarh. He joined us in January 2007 and has work experience of over 45 years. Prior to joining us, he was with Phillips Carbon Black Limited, Remington Rand and Dunlop India. He is overall responsible for the Eastern Region.

Mr. Surojit Basak (Executive Director, Finance): Mr. Surojit Basak, age 56 years, is B.Com. from University of Kolkata, a member of The Chartered Accountants of India. He joined us in April 2006 and has work experience of over 34 years. Prior to joining us, he was with Berger Paints Group, UK Paints, J AND N Exports. He is currently heading the finance function for Northern and Southern Regions.

Mr. Yogeshwar Kumar Tyagi (Executive Director, Commercial): Mr. Yogeshwar Kumar Tyagi, age 63 years, is B.Tech. (Chemical Engineering) from Indian Institute of Technology, Delhi and has also done M.B.A. (Finance) from Delhi University. He joined us in May 2006 and has work experience of over 42 years. Prior to joining us, he was with IFC, Indo Rama Synthetics and Anand Group. He is overall responsible for strategic sourcing, procurements and contracts functions at the group level.

Ms. Madhu Kumar Gambhir (Executive Director-Human Resources): Ms. Madhu Kumar Gambhir, age 54 years is B.A. (Hons) Psychology and M.A. (Social Work) from University of Delhi and has also done a P.G.D.P.M.I.R. from the Faculty of Management Studies, University of Delhi. She joined us in August 1992 and has work experience of about 31 years. Prior to joining us, she worked with ITDC, East India Hotels Limited and Clarion Advertising. She is overall responsible for the human resources function at the group level.

Ms. Valsala (Sr. Executive Director, Marketing): Ms. Valsala, age 52 years, has done M.A. (Public Administration) from University of Rajasthan and Master of Business Administration from IGNOU. She joined us in March 1983 and has work experience of about 34 years. As Sr. Executive Director, Marketing, she is responsible for sales, marketing and customer services functions for Delhi/Gurgaon.

Unless otherwise specified, the aforesaid key management personnels are permanent employees of our Company.

Corporate Governance

Currently, the Board consists of nine Directors, out of which four are independent Directors. As the Chairman of the Company is an executive director, at least half of the Board is required to consist of independent directors, as required under the corporate governance norms provided in Clause 49 of the Equity Listing Agreement. Pursuant to retirement of Mr. M.M. Sabharwal, who was an independent director, at the 47th AGM of the Company on September 7, 2012, the Board of Directors does not comprise of adequate number of independent directors. Our Company is required to appoint one more independent director by May 31, 2013.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of the Board

As of the date of this Red Herring Prospectus, Board level committees in the Company which have been constituted are (i) Audit Committee; (ii) Shareholders'/Investors' Grievance Committee; (iii) Finance Committee; (iv) Corpoarate Governance Committee; and (v) Remuneration Committee.

The members of the aforesaid committees as of the date of this Red Herring Prospectus are:

Committee	Members
Audit Committee	Mr. Kashi Nath Memani (Chairman), Dr. Dharam Vir Kapur, Mr. Brijender Bhushan and Mr. Trilok Chand Goyal
Shareholders'/Investors' Grievance Committee	Dr. Dharam Vir Kapur (Chairman), Brig. (Retd.) Narendra Pal Singh and Mr. Trilok Chand Goyal
Finance Committee	Mr. Rajiv Singh (Chairman), Mr. Trilok Chand Goyal, Ms. Pia Singh and Brig. (Retd.) Narendra Pal Singh
Corporate Governance Committee	Dr. Dharam Vir Kapur (Chairman), Mr. Kashi Nath Memani, Mr. Gurvirendra Singh Talwar and Mr. Trilok Chand Goyal
Remuneration Committee	Brig. (Retd.) Narendra Pal Singh (Chairman) and Mr. Brijender Bhushan

In addition, the Board also constitutes functional committees, from time to time, depending on the business needs. The terms of reference of the committees are reviewed and modified by the Board from time to time. For the Issue, the Board has constituted the Equity Issuance Committee.

Interest of Directors and Key Management Personnel

Except as stated in "**Financial Statements**", and to the extent of shareholding and stock options held in the Company and remuneration and benefits to which they are entitled as per their terms of appointment, the Directors do not have any other interest in the Company or its business. All the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members. The Non-Executive Directors of the Company may also be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee.

Employee Stock Option Scheme

In accordance with the resolution passed at the meeting of the shareholders of the Company held on April 20, 2006 and duly amended by way of a special resolution passed on January 4, 2007 and February 15, 2007, the Company instituted an Employee Stock Option Scheme ("**ESOP 2006**"). It was resolved to issue to eligible employees employee stock options exercisable into not more than 17,000,000 Equity Shares, with each option conferring a right upon the eligible employee to apply for one Equity Share of the Company in accordance with the terms and conditions of ESOP 2006. ESOP 2006 is administered by the Remuneration Committee. The Remuneration Committee determines, among other things, the quantum of employee stock options to be granted and the eligibility criteria.

Certain details regarding the ESOP 2006 as at March 31, 2013 are provided in the following table:

Sr. No.	Description	Details
1.	Total number of employee options under the ESOP 2006	17,000,000
2.	Options granted	9,812,903
3.	Options vested	1,603,991
4.	Options exercised and allotted	1,568,644
5.	Options lapsed or forfeited	3,077,798
6.	Total number of options outstanding	5,166,461

Employee Shadow Option Scheme

In addition to the remuneration and benefits that may be payable to the employees of our Company, certain of our employees are entitled to cash benefit under an employee shadow option scheme set up in 2007 ("**ESOS 2007**"). ESOS 2007 is one of ways by which our Company rewards its employees. A shadow option under ESOS 2007 is an option to receive cash on the appreciation of the value of the Equity Shares. The option in a shadow option gives the concerned employee a choice to receive cash from our Company on the fulfilment of all conditions mentioned in ESOS 2007. However, options are not Equity Shares and do not give the right to receive Equity Shares. ESOS 2007 is administered by the Remuneration Committee of our Board of Directors.

PRINCIPAL SHAREHOLDERS

The Promoters of the Company are Dr. Kushal Pal Singh, Mr. Rajiv Singh, Panchsheel Investment Company and Sidhant Housing and Development Company.

The shareholding pattern of the Company as of March 31, 2013 is as indicated in the table below:

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialised Form	Total Shareholding as a % of total No. of Equity Shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of Equity Shares	As a % of Total No. of Equity Shares
Shareholding of Promoter and Promoter Group								
Indian								
(a)	Individuals / Hindu Undivided Family	6	47,844,360	47,844,360	2.82	2.82	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	19	1,286,870,760	1,286,870,760	75.76	75.76	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other- Promoter trust	1	88,000	88,000	0.01	0.01	-	-
	Sub Total (A)(1)	**26**	**1,334,803,120**	**1,334,803,120**	**78.58**	**78.58**	**-**	**-**
Foreign								
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**26**	**1,334,803,120**	**1,334,803,120**	**78.58**	**78.58**	**-**	**-**
Public Shareholding								
Institutions								
(a)	Mutual Funds / UTI	45	917,091	917,091	0.05	0.05	-	-
(b)	Financial Institutions / Banks	17	1,925,498	1,925,498	0.11	0.11	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	6	2,365,571	2,365,571	0.14	0.14	-	-
(f)	Foreign Institutional Investors	376	282,636,581	282,636,581	16.64	16.64	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Qualified Foreign Investors	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-
	Sub Total (B)(1)	**444**	**287,844,741**	**287,844,741**	**16.94**	**16.94**	-	-

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialised Form	Total Shareholding as a % of total No. of Equity Shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of Equity Shares	As a % of Total No. of Equity Shares
Non-Institutions								
(a)	Bodies Corporate	2,397	14,388,395	14,382,345	0.85	0.85	-	-
(b)	Individuals							
i.	Individual shareholders holding nominal share capital up to ₹ 1 lakh.	452,883	45,154,778	43,128,706	2.66	2.66	-	-
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	57	9,003,023	6,268,863	0.53	0.53	-	-
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-
(d)	Any Other (specify)							
i.	Non-Resident Individuals	4,237	1,621,200	1,621,200	0.10	0.10	-	-
ii.	Foreign nationals	3	49,600	17,600	Negligible	Negligible	-	-
iii.	Trusts	49	4,241,830	4,241,830	0.25	0.25	-	-
iv.	Clearing Members	270	1,612,379	1,612,379	0.09	0.09	-	-
v.	Overseas corporate bodies	2	11	11	Negligible	Negligible	-	-
	Sub-Total (B)(2)	**459,898**	**76,071,216**	**71,264,934**	**4.48**	**4.48**	-	-
	Total Public Shareholding (B) = (B)(1) + (B)(2)	**460,342**	**363,915,957**	**359,109,675**	**21.42**	**21.42**	-	-
	Total (A) + (B)	**460,368**	**1,698,719,077**	**1,693,912,795**	**100.00**	**100.00**	-	-
Shares held by Custodians and against which Depository Receipts have been issued								
(1)	**Promoter and Promoter group**	-	-	-	-	-	-	-
(2)	**Public**	-	-	-	-	-	-	-
	Grant Total (A)+(B)+(C)	**460,368**	**1,698,719,077**	**1,693,912,795**	**100.00**	**100.00**	-	-

Shareholding of persons belonging to the category "Promoter and Promoter Group" as of March 31, 2013 is detailed in the table below:

Serial no.	Name of the Shareholder	Details of Equity Shares held	
		No. of Equity Shares held	As a % of total
1.	Panchsheel Investment Company	312,110,500	18.37
2.	Sidhant Housing and Development Company	237,209,700	13.96
3.	Kohinoor Real Estates Company	95,353,400	5.61
4.	Madhur Housing and Development Company	93,819,600	5.52
5.	Yashika Properties and Development Company	92,080,400	5.42
6.	Mallika Housing Company LLP	90,992,000	5.36
7.	Prem Traders Private Limited	90,059,200	5.30
8.	Vishal Foods and Investments Private Limited	74,769,060	4.40
9.	Raisina Agencies LLP	65,889,120	3.88
10	Jhandewalan Ancillaries Private Limited	47,388,000	2.79

Serial no.	Name of the Shareholder	Details of Equity Shares held	
		No. of Equity Shares held	As a % of total
11	DLF Investments Private Limited	39,154,500	2.30
12	Rajiv Singh	16,456,320	0.97
13	Realest Builders and Services Private Limited	14,927,680	0.88
14	Haryana Electrical Udyog (P) Ltd	14,052,400	0.83
15	K. P. Singh	10,461,000	0.62
16	Pia Singh	8,138,600	0.48
17	Kavita Singh	7,214,080	0.42
18	Parvati Estates LLP	6,380,000	0.38
19	Universal Management and Sales LLP	5,455,560	0.32
20	Indira Kushal Pal Singh	4,034,360	0.24
21	Megha Estates Private Limited	3,464,600	0.20
22	Buland Consultants and Investments Private Limited	2,568,000	0.15
23	Renuka Talwar	1,540,000	0.09
24	Beverly Park Operation and Maintenance Services LLP	1,099,120	0.06
25	Rajdhani Investment and Agencies Private Limited	97,920	0.01
26	Prem's Will Trust (held by Mr.K.P.Singh and Rajiv Singh)	88,000	0.01
	Total	**1,334,803,120**	**78.58**

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares offered in the Issue. The Company and the Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. This section applies to all Applicants. The Applicants are advised to inform themselves of any restrictions or limitations that may be applicable to them. Applicants are advised to make their independent investigations and ensure that their applications do not exceed the Issue Size or the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

Authority for the Issue

The Issue was authorised and approved by the Board of Directors through a resolution dated March 6, 2013 and by the shareholders of the Company through a special resolution dated April 4, 2013.

The Company has applied for and received in-principle approvals from the BSE and the NSE on April 25, 2013 and April 26, 2013, respectively, under Clause 24(a) of the Equity Listing Agreement for listing of the Equity Shares offered in the Issue on the Stock Exchanges. The Company has also filed a copy of this Red Herring Prospectus with the RoC, SEBI and the Stock Exchanges.

Prohibition by SEBI or Other Governmental Authorities

The Company, its Promoter, the members of the Promoter Group, the Directors and the persons in control of the Company have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which the Promoter, the Directors or the persons in control of the Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Restrictions on Issue Size

In terms of Regulation 91-I of the SEBI Regulations, the aggregate of all tranches of the Issue undertaken by the Company cannot result in an increase in the public shareholding in the Company by more than 10% or such lesser percentage as may be required for the Company to achieve the required minimum public shareholding. Based on the Issue Size of up to 81,018,417 Equity Shares, the increase in public shareholding of the Company shall be approximately 3.58%.

Who can Apply

The Issue is being made only to Eligible QIBs, being the following:

- mutual funds, venture capital funds and AIFs registered with SEBI;
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- public financial institutions, as defined in Section 4A of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- Insurance Companies;
- provident funds with minimum corpus of ₹ 250 million;
- pension funds with minimum corpus of ₹ 250 million;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the GoI published in the Gazette of India;

- insurance funds set up and managed by army, navy or air force of the Union of India; and
- insurance funds set up and managed by the Department of Posts, India.

Note: FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in this Issue.

FIIs are permitted to participate in the Issue only under the Portfolio Investment Scheme, subject to compliance with all applicable laws and such that the shareholding of the FIIs does not exceed specified limits as prescribed under applicable laws in this regard.

No single FII can hold more than 10% of the post Issue paid-up capital of the Company. In respect of an FII investing in the Equity Shares offered in the Issue on behalf of its eligible sub-accounts, the investment on behalf of each eligible sub-account shall not exceed 10% of the Company's total paid-up capital. **The aggregate FII holding in the Company cannot exceed 24% of the total paid-up capital of the Company.**

Note: Eligible sub-accounts of an FII, other than sub-accounts which are foreign corporates or foreign individuals, will need to submit separate ASBA Applications. FIIs or sub-accounts of FIIs, are required to indicate the SEBI FII/sub-account registration number in the ASBA Applications.

No Allotment shall be made, either directly or indirectly, to any Eligible QIB being a Promoter or any person related to the Promoter. Eligible QIBs which have all or any of the following rights shall be deemed to be persons related to Promoter:

a) rights under a shareholders' agreement or voting agreement entered into with our Promoter or persons related to our Promoter;

b) veto rights; or

c) right to appoint any nominee director on the Board.

Provided that an Eligible QIB which does not hold any Equity Shares and which has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoter.

Applicants are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Applicants are advised to ensure that the number of Equity Shares for which they have provided ASBA Applications does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus. Further, Applicants are required to satisfy themselves that their ASBA Applications would not result in triggering a tender offer under the Takeover Regulations.

A minimum of 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds and Insurance Companies, subject to receipt of valid ASBA Applications at or above the Issue Price, provided that if this portion or any part thereof to be Allocated and Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other Eligible QIBs. For further details, please see "- Basis of Allocation".

Affiliates or associates of the Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

No person connected with the Issue shall offer any incentive, direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Applicant for making an ASBA Application.

Number of Allottees

The Equity Shares offered in the Issue will not be Allotted to less than 10 Allottees.

As provided in the SEBI Regulations, no single Allottee shall be Allotted more than 25% of the aggregate number of the Equity Shares to be Allotted in the Issue.

Provided further that Eligible QIBs belonging to the same group or those who are under common control shall be deemed to be a single Allottee for the purpose of the foregoing.

i. The expression ‘belong to the same group’ shall have the same meaning as ‘companies under the same group’ as provided in sub-section (11) of Section 372 of the Companies Act:

Section 372(11) of the Companies Act - “*For the purposes of this section, a body corporate shall be deemed to be in the same group as the investing company-*

(a) if the body corporate is the managing agent of the investing company; or

(b) *if the body corporate and the investing company should, in virtue of subsection (1B) of section 370, be deemed to be under the same management.*”

Under Section 370(1B) of the Companies Act, two bodies corporate are deemed to be under the same management if any of the following conditions are satisfied:

(a) The managing agent, secretaries and treasurers, managing director or manager of one body corporate is the managing agent, secretary or treasurer, managing director or manager of the other body corporate or a partner in a firm acting as the managing agents or secretaries and treasurers of the other body corporate or a director of a private company acting as managing agent or secretaries and treasurers of the other body corporate;

(b) A majority of the directors of the one body corporate constitute or at any time within the immediately preceding six months have constituted a majority of the directors on the board of the other body corporate;

(c) Not less than one-third of the total voting power with respect to any matter relating to each of the two bodies corporate is exercised or controlled by the same individual or body corporate;

(d) The holding company of one body corporate is under the same management as the other body corporate within the meaning of (a), (b) or (c) above; and

(e) One of more directors of one body corporate hold, either by themselves or together with their relatives, the majority of the shares in the other body corporate.

ii. The expression ‘control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations:

Regulation 2(1)(e) of the Takeover Regulations – *“control” includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:*

Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position.”

Minimum Application Size

Each ASBA Application is required to be for such number of Equity Shares and at such price per Equity Share that the minimum Application exceeds ₹ 200,000.

Information for the Applicants

(a) Only ASBA mode of payment can be used by Eligible QIBs to participate in the Issue.

(b) The Company, in consultation with the Managers, will decide the Floor Price or the Price Band for the Issue, which shall be announced at least one day prior to the Issue Opening Date.

(c) The Company will publish the Issue Opening Date and the Issue Closing Date in the Floor Price/ Price Band Announcement. The Issue Period shall be for a minimum of one Working Day and shall not exceed two Working Days.

(d) The Company has filed this Red Herring Prospectus with the RoC at least three days before the Issue

Opening Date.

(e) Once a duly filled in ASBA Application is submitted by an Applicant, such ASBA Application constitutes an irrevocable offer and cannot be withdrawn. In addition, the price per Equity Share and/or the number of Equity Shares applied for in an ASBA Application cannot be revised downwards.

(f) The Company shall open the Public Issue Account with the Public Issue Account Bank in terms of Section 73 of the Companies Act to receive monies on the Designated Date from the ASBA Accounts.

(g) Upon the receipt of the ASBA Applications, the Company, after the closure of the Issue, shall determine the Issue Price and the number of Equity Shares to be issued at the Issue Price, in consultation with the Managers and in accordance with the Allotment Criteria. Upon finalisation of the Basis of Allocation in consultation with the Stock Exchanges, the Company will issue CANs to the successful Applicants. The dispatch of the CANs shall be deemed a valid, binding and irrevocable agreement on the part of the Applicant to subscribe to such number of Equity Shares as mentioned in their respective CANs at the Issue Price indicated in such CAN. The CAN shall contain details such as the number of Equity Shares Allocated to the Applicant and the Issue Price.

(h) The Company shall ensure that listing and commencement of trading of the Equity Shares Allotted in the Issue at the Stock Exchanges is within 12 Working Days of the Issue Closing Date.

(i) The Company or the Managers shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. Applicants are advised to apprise themselves of the status of the receipt of the listing and trading approvals from the Stock Exchanges or the Company.

(j) The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC in terms of Regulation 66 of the SEBI Regulations, in an English national newspaper and a Hindi national newspaper, each with wide circulation.

(k) In case of a Mutual Fund, a separate ASBA Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such ASBA Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple ASBA Applications, provided that the ASBA Applications clearly indicate the scheme concerned for which it has been made. No Mutual Fund scheme can invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. Further, no single Mutual Fund shall be Allocated and Allotted more than 25% of the aggregate number of the Equity Shares Allotted in the Issue.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in an English national newspaper and a Hindi national newspaper, each with wide circulation.

ASBA Application and Revision Form

The ASBA Application and the Revision Form shall be in the form prescribed by SEBI pursuant to the circular dated September 27, 2011, to the extent applicable to the Issue.

By making an application for the Equity Shares offered in the Issue through an ASBA Application, an Applicant will be deemed to have made the representations, warranties and agreements made under "**Representations by Investors**".

SCSBs would be entitled to a processing fee of ₹ 25 per valid ASBA Application collected by the Managers in the Specified City and submitted to the SCSBs. No selling commission is payable in respect of ASBA Applications procured in the Issue.

Method and Process of Bidding

(a) ASBA Applications will be available with the SCSBs, the Managers (only in the Specified City) and at the Registered Office of the Company. Electronic ASBA Applications will be available for download on the website of the Stock Exchanges and the Designated Branches of the SCSBs.

(b) Any eligible Applicant may obtain a copy of this Red Herring Prospectus and the ASBA Applications from the Registered Office of the Company.

(c) Applicants should approach the Designated Branches of the SCSBs or the Managers (only in the Specified City) to submit their ASBA Applications.

(d) Applicants may submit their ASBA Applications, and / or the Revision Forms, during the Issue Period to (i) the Managers in the Specified City; (ii) the Designated Branches of the SCSBs where the ASBA Account is maintained; or (iii) in electronic form to the SCSBs with whom the ASBA Account is maintained, in the event that such SCSB offers such a facility. For details, the Applicants should contact the SCSBs where the ASBA Account is maintained. The SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or through any secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

(e) ASBA Applications submitted directly to the SCSBs should bear the stamp of the SCSBs and the ASBA Application submitted to the Managers in the Specified City should bear the stamp of the Managers.

(f) For ASBA Applications submitted to the Managers in the Specified City, the Managers shall upload the details of the ASBA Application onto the electronic bidding system of the Stock Exchanges and deposit a schedule (containing certain information including the ASBA Application number and the Application Amount) along with the ASBA Application with the relevant branch of the SCSB, named by such SCSB to accept such ASBA Applications from the Managers in such Specified City (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/B55898148848.html). The relevant branch of the SCSB shall block an amount equal to the Application Amount specified in the ASBA Application in the ASBA Account.

(g) The Applicant should mention its PAN allotted under the IT Act in the ASBA Application. Any ASBA Application without the PAN is liable to be rejected. Applicants should not submit the GIR number instead of the PAN as the ASBA Application is liable to be rejected on this ground.

(h) Each Applicant will provide a representation in the ASBA Application and Revision Form that it is either (i) outside the United States, or (ii) an institutional investor meeting the requirements of a "qualified institutional buyer" as defined in Rule 144A, and (iii) it has agreed to certain other representations set forth in this Red Herring Prospectus.

(i) The Registrar to the Issue shall validate the details of the ASBA Application uploaded on the electronic bidding system of the Stock Exchanges with the Depository records and the complete reconciliation of the final certificates received from the SCSBs with the electronic details of the ASBA Applications.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the ASBA Application and entered into the electronic bidding system of the Stock Exchanges by the Managers / SCSBs do not match with the DP ID, Client ID and PAN available in the database of Depositories, the ASBA Application is liable to be rejected.

(j) Each ASBA Application will give the Applicant the option to indicate up to three prices within the Price Band or at or above the Floor Price, as the case may be, and specify the demand (i.e., the number of Equity Shares applied for at each such price). The number of Equity Shares applied for by an Applicant at or above the Floor Price or within the Price Band, as the case may be, will be considered for Allocation and Allotment in accordance with the Basis of Allocation. The highest value indicated by the Applicant in the ASBA Application to subscribe for the Equity Shares applied for in the ASBA Application shall be blocked in the ASBA Account of such Applicant. After determination of the Issue Price, the maximum number of Equity Shares applied for by an Applicant at or above the Issue Price will be considered for Allocation and the rest of the options will become automatically invalid.

(k) The Applicant cannot submit another ASBA Application after one ASBA Application has been submitted to the SCSBs or the Managers. Submission of a second ASBA Application to either the same or to another SCSBs or the Managers will be treated as multiple ASBA Applications and is liable to be rejected either before entering the required details of the ASBA Application into the electronic bidding system, or at any point of time prior to the Allotment of the Equity Shares offered in the Issue. However, the Applicant can revise upwards the price per Equity Share or the number of Equity Shares applied for through the Revision Form, the procedure for which is detailed under the paragraph titled "-**Revision of ASBA Applications**".

(l) Upon the receipt of an ASBA Application from the Applicant, in physical mode, the Designated Branches of the SCSBs shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading details of the ASBA Application on the electronic bidding system of the Stock Exchanges.

(m) If sufficient funds are not available in the ASBA Account, the Designated Branches of the SCSBs shall reject such ASBA Application and shall not upload the details of the ASBA Application on the electronic bidding system of the Stock Exchanges.

(n) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application and will enter the details of the ASBA Application into the electronic bidding system and generate a TRS for each price and demand option. It is the Applicant's responsibility to obtain the TRS from the Managers or the Designated Branches of the SCSBs. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(o) SCSBs making ASBA Applications on their own account using the ASBA facility are required to have a separate account in their own name with any other SEBI registered SCSB. Such account should be used solely for the purpose of making applications in public issues and clear demarcated funds should be available in such account for ASBA Applications.

(p) The Application Amount shall remain blocked in the ASBA Account until the finalisation of the Basis of Allocation, the dispatch of the CAN and consequent transfer of the Application Amount for the Allotted Equity Shares to the Public Issue Account from the ASBA Accounts, or alternatively, until the withdrawal of the Issue or the rejection of the ASBA Application, as the case may be. Once the Basis of Allocation is finalised and the CAN is dispatched, the Registrar to the Issue shall send an appropriate request to the SCSBs to unblock the relevant ASBA Accounts and to transfer the amount due on the Equity Shares to be Allotted to the successful Applicants to the Public Issue Account on the Designated Date.

(q) In case the Company withdraws or cancels the Issue, the Registrar to the Issue shall give instructions to the SCSBs to unblock the Application Amounts in the relevant ASBA Accounts of the Applicants within one day of receipt of such instruction. The Company shall also inform the Stock Exchanges of such cancellation or withdrawal.

Electronic Registration of ASBA Applications

(a) The members of the Syndicate and the SCSBs will register the ASBA Applications received, using the electronic bidding system of the Stock Exchanges.

(b) The Stock Exchanges will offer an electronic facility for registering details under the ASBA Applications for the Issue. This facility will be available with the Managers and their authorised agents and the SCSBs during the Issue Period. The Managers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of details under the ASBA Applications, subject to the condition that they will subsequently upload the off-line data file into the electronic facilities offered by the Stock Exchanges. The Managers and the SCSBs will register the ASBA Applications received, using the electronic bidding system of the Stock Exchanges. On the Issue Closing Date, the of the Managers and the Designated Branches of the SCSBs shall upload the details under the ASBA Applications on the electronic bidding system of the Stock Exchanges till such time as may be permitted by the Stock Exchanges.

(c) With respect to details under the ASBA Applications submitted to the Managers at the Specified City, the Managers shall enter the following details in the electronic bidding system of the Stock Exchanges:

- ASBA Application number;
- PAN;

- DP ID and Client ID number of the beneficiary account of the Applicant;
- Application Amount;
- ASBA Account number (not compulsory);
- Category of the Applicant;
- Numbers of Equity Shares applied for;
- Price per Equity Share;
- Bank code for the SCSB where the ASBA Account is maintained; and
- Name of the Specified City.

(d) With respect to details under the ASBA Applications submitted to the SCSBs, the SCSBs shall enter the following details in the electronic bidding system of the Stock Exchanges:

- ASBA Application number;
- PAN;
- DP ID and Client ID number of the beneficiary account of the Applicant;
- Application Amount;
- ASBA Account number;
- Category of the Applicant;
- Numbers of Equity Shares applied for; and
- Price per Equity Share.

(e) A TRS will be generated when the ASBA Application is registered for each price and demand option. The registration of the ASBA Application by the Managers or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be Allocated/Allotted either by the Managers or the Company.

(f) The Managers and the SCSBs may undertake modification of selected fields in the details under the ASBA Application already uploaded within one Working Day from the Issue Closing Date.

(g) Neither the Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the ASBA Applications accepted by the Managers or the SCSBs, (ii) the details under the ASBA Applications uploaded by the Managers or the SCSBs, or (iii) the ASBA Applications accepted but not uploaded by the Managers or the SCSBs.

(h) The SCSBs shall be responsible for any acts, mistakes, errors or omissions and commissions in relation to (i) the ASBA Applications accepted by them, (ii) the details under the ASBA Applications uploaded by them, (iii) the ASBA Applications accepted but details not uploaded by them, and (iv) the ASBA Applications accepted and details uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for ASBA Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account, and that clear demarcated funds are available in the blocked ASBA Account, and can be transferred to the Public Issue Account on the Designated Date.

(i) The permission given by the Stock Exchanges to use its network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company, the Managers or the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company or any scheme or project of the

Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares offered in the Issue will be listed or will continue to be listed on the Stock Exchanges.

(j) The aggregate demand in relation to ASBA Applications registered shall be displayed by Stock Exchanges without disclosing the price.

(k) Only those ASBA Applications details of which are uploaded on the electronic bidding system of the Stock Exchanges shall be considered for the Allocation and Allotment. The Managers and the SCSBs will be given up to one Working Day after the Issue Closing Date to verify the DP ID and Client ID uploaded on the electronic bidding system of the Stock Exchanges during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchanges and will reconcile and validate the details of the ASBA Application uploaded on the electronic bidding system of the Stock Exchanges with the Depositories records. In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such ASBA Applications are liable to be rejected.

(l) The details of the ASBA Applications uploaded on the electronic bidding system of the Stock Exchanges shall be considered as final and Allocation and Allotment will be based on such details.

Revision of ASBA Applications

(a) During the Issue Period, any Applicant who has submitted an ASBA Application may revise upwards the number of Equity Shares applied for and/or the price per Equity Shares within the Price Band or at or above the Floor Price, as the case may be, using the printed Revision Form, which is a part of the ASBA Application. **An ASBA Application cannot be withdrawn and the price per Equity Share and/or the number of Equity Shares applied for cannot be revised downwards**.

(b) Upward revisions can be made in both the desired number of Equity Shares and the price per Equity Share by using the Revision Form.

(c) The Applicant can make this upward revision any number of times during the Issue Period. However, for any revision(s) in the ASBA Application, the Applicants will have to use the services of the Managers or the SCSB through whom such Applicant had placed the original ASBA Application. Applicants are advised to retain copies of the blank Revision Form and any revision in the ASBA Application must be made only in such Revision Form or copies thereof.

(d) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the options in his or her ASBA Application or earlier Revision Form. For example, if an Applicant has applied for three options in the ASBA Application and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Managers and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) In case of revision of the number of Equity Shares and/or the price per Equity Share, the relevant SCSB shall block the additional Application Amount in the ASBA Account of such Applicant. The Registrar to the Issue will reconcile the ASBA Application data and consider the revised ASBA Application data for preparing the Basis of Allocation.

(f) When an Applicant revises its ASBA Application, it should surrender the earlier TRS and request for a revised TRS from the Managers or the SCSB as proof of it having revised the previous ASBA Application.

Allocation

(a) Allocation to FIIs and FVCIs, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(b) A minimum of 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds and Insurance Companies, subject to valid ASBA Applications being received at or above the Issue Price, provided that if this portion or any part thereof to be Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other Eligible QIBs.

(c) The Equity Shares will be Allotted to at least 10 Allottees under the Issue. As provided in the SEBI Regulations, no single Allottee shall be Allotted more than 25% of the aggregate number of the Equity Shares Allotted in the Issue. See "**- Number of Allottees**".

Price Discovery

(a) Based on the demand for the Equity Shares offered in the Issue generated at various price levels, the Company, in consultation with the Managers, shall finalise the Issue Price.

(b) The Issue Price shall be the price at or above the Floor Price, or within the Price Band, as the case may be. The Equity Shares offered in the Issue shall be Allocated and Allotted at the Issue Price.

RoC Filing

The Company will update and deliver a copy of the updated Red Herring Prospectus for registration to the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue and will be complete in all material respects. The Company will register a copy of the Prospectus with the RoC in terms of relevant provisions of the Companies Act.

Allotment Criteria

The Equity Shares offered in the Issue will be Allocated and Allotted to successful Applicants as per the proportionate method.

Basis of Allocation

- ASBA Applications received at or above the Issue Price shall be grouped together to determine the total demand for the Equity Shares offered in the Issue. The Allocation and Allotment to all successful Applicants will be made at the Issue Price finalised by the Company, in consultation with the Managers.

- The Allocation shall be undertaken in the following manner:

  (a) In the first instance, Allocation shall be made to Mutual Funds and Insurance Companies for up to 25% of the aggregate number of Equity Shares to be Allotted in the Issue as follows:

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies exceeds 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then subject to valid ASBA Applications received at or above the Issue Price, Allocation to Mutual Funds and Insurance Companies shall be made on a proportionate basis at the Issue Price for up to 25% of the aggregate number of Equity Shares to be Allotted in the Issue. For the method of proportionate Basis of Allocation, see "**– Proportionate Method**" below.

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies is equal to or less than 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then all Mutual Funds and Insurance Companies shall get full Allocation at the Issue Price to the extent of valid ASBA Applications received at or above the Issue Price.

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies exceeds 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then the additional demand from Mutual Funds and Insurance Companies after Allocation of 25% of the aggregate number of Equity Shares to be Allotted in the Issue, shall be aggregated with the demand from other Eligible QIBs applying in the Issue.

    - In the event subscription from Mutual Funds and Insurance Companies is below 25% of the aggregate number of Equity Shares to be Allotted in the Issue and if any Equity Shares offered in the Issue that are available for the Allocation in the Mutual

Funds and Insurance Company category remain unsubscribed, such Equity Shares shall be available for Allocation to other Eligible QIBs as set out in paragraph (b) below.

(b) In the second instance, Allocation to the remaining Applicants shall be determined as follows:

- All Applicants who have submitted valid ASBA Applications at or above the Issue Price shall be Allocated Equity Shares offered in the Issue at the Issue Price on a proportionate basis, until the Equity Shares offered in the Issue representing up to 75% of the Issue Size or such number of Equity Shares offered in the Issue as may remain after Allocation to Mutual Funds and Insurance Companies are exhausted. For the method of proportionate Basis of Allocation, see "**– Proportionate Method**" below.

- Mutual Funds and Insurance Companies, who have received Allocation as per paragraph (a) above, for less than the number of Equity Shares applied for by them, are eligible to receive Equity Shares on a proportionate basis along with the other Eligible QIBs. For the purpose of Allocation to Mutual Funds and Insurance Companies in this category, quantity of Equity Shares applied for in the Issue less the Equity Shares Allocated as per (a) above shall be considered for Allocation.

- In the event subscription from Mutual Funds and Insurance Companies pursuant to paragraph (a) above is below 25% of the aggregate number of Equity Shares to be Allotted in the Issue, such portion which remains unsubscribed would be included for Allocation along with the other Eligible QIBs on a proportionate basis.

Proportionate Method

The Allocation and Allotment shall be made on a proportionate basis as explained below:

(a) The number of Equity Shares applied for in the Issue at or above the Issue Price shall first be aggregated.

(b) The number of Equity Shares to be Allocated to the successful Applicants will be calculated on a proportionate basis, which is total number of Equity Shares applied for by each Applicant (subject to the maximum limit of 25% of the aggregate number of Equity Shares to be Allotted) multiplied by the inverse of the over-subscription ratio, where over-subscription ratio means the ratio of the total number of Equity Shares applied for in the Issue and the remaining number of Equity Shares offered in the Issue that are available for Allocation.

(c) If the determination of proportionate Allocation to an Applicant is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allocation and Allotment to all Applicants would be arrived at after such rounding off.

THE DECISION OF THE COMPANY AND THE MANAGERS IN RESPECT OF ALLOCATION AND ALLOTMENT SHALL BE BINDING ON ALL APPLICANTS.

Issuance of the CAN

(a) Upon approval of the Basis of Allocation by the Stock Exchanges and the dispatch of the CAN, the Registrar to the Issue shall send to the Managers a list of the Applicants who have been Allocated Equity Shares in the Issue.

(b) The Company will then issue CANs to the Applicants who have been Allocated Equity Shares in the Issue.

(c) The dispatch of CANs shall be deemed a valid, binding and irrevocable agreement on part of the Applicant to subscribe to the Equity Shares Allocated to such Applicant at the Issue Price.

(d) On the basis of the approved Basis of Allocation, the Company shall pass necessary corporate action for Allotment of Equity Shares in the Issue.

Advertisement under Regulation 66 of the SEBI Regulations

The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC in terms of Regulation 66 of the SEBI Regulations, in an English national newspaper and a Hindi national newspaper, each with wide circulation. Any material updates between the date of this Red Herring Prospectus and the date of the Prospectus will be included in such statutory advertisement.

Designated Date and Allotment of Equity Shares offered in the Issue

(a) The Company will ensure that (i) the Allotment of Equity Shares offered in the Issue; and (ii) credit to the successful Applicant's depository account will be completed within 12 Working Days of the Issue Closing Date. After the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account on the Designated Date, the Company will ensure that the credit of the Equity Shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

(b) In accordance with the SEBI Regulations, Equity Shares offered in the Issue will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted in the Issue as per the provisions of the Companies Act and the Depositories Act.

(d) The Equity Shares will be Allotted to at least 10 Allottees under the Issue. As provided in the SEBI Regulations, no single Allottee shall be Allotted more than 25% of the aggregate number of the Equity Shares Allotted in the Issue. See "- **Number of Allottees**".

Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

GENERAL INSTRUCTIONS

(a) Check if you are eligible to apply;

(b) Ensure that the price per Equity Share you have included in the ASBA Applications is a price per Equity Share at or above the Floor Price or within the Price Band, as the case may be;

(c) Do not apply for or revise the prices indicated in the ASBA Application to a price higher than the Cap Price, if applicable;

(d) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares in the Issue will be in the dematerialised form only;

(e) Ensure that the ASBA Applications are submitted either to the Managers (only in Specified City) or at a Designated Branch of the SCSB where the Applicant or the person whose ASBA Account will be utilised by the Applicant for bidding has an ASBA Account;

(f) If you are an SCSB and are making an ASBA Application on your own account, ensure that the ASBA Application is made through an ASBA Account in your own name held with any other SCSB and that such ASBA Account is used solely for the purposes of applying in public issues and clear demarcated funds are available for blocking in such ASBA Account;

(g) Ensure that the ASBA Application is signed by the account holder(s) or an authorised signatory on behalf of the account holder, in case the Applicant is not the account holder. Ensure that you have mentioned the correct ASBA Account number in the ASBA Application;

(h) Ensure that the ASBA Application is completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Application or in the Revision Form. Applicants should note that the Managers and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible ASBA Applications or Revision Forms;

(i) Ensure that you request for and receive a TRS for each of the options applied for in the ASBA Application;

(j) Ensure that you have funds equal at least to the Application Amount in your ASBA Account maintained with the SCSB before submitting the ASBA Application to the respective Designated Branch of the SCSB or the Managers in Specified City;

(k) Submit revised ASBA Applications to the same member of the Managers/SCSB through whom the original ASBA Application was placed and obtain a revised TRS;

(l) Ensure that the Demographic Details (as defined hereinafter) are updated, true and correct in all respects;

(m) Ensure that the name given in the ASBA Application is exactly the same as the name in which the beneficiary account is held with the Depository Participant;

(n) Ensure that the DP ID, the Client ID and the PAN mentioned in the ASBA Application and entered into the electronic bidding system of the Stock Exchanges by the Managers match with the DP ID, Client ID and PAN available in the Depository database;

(o) Ensure that you use the ASBA Application bearing the stamp of the relevant SCSB and/or the Designated Branch of the SCSB and/or the Managers (except in case of electronic ASBA Applications);

(p) Applicants bidding through the Managers should ensure that the ASBA Application is submitted to the Managers only in the Specified City and that the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has named at least one branch in the Specified City for the Managers to deposit the ASBA Applications;

(q) Ensure that in case of ASBA Applications made under power of attorney, relevant documents are submitted;

(r) Ensure that ASBA Applications submitted by Eligible QIBs resident outside India should be in compliance with applicable foreign and Indian laws;

(s) Ensure that you have correctly signed the authorisation/undertaking box in the ASBA Application, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the ASBA Application;

(t) ASBA Applications made on a repatriation basis shall be in the name of FIIs under the Portfolio Investment Scheme;

(u) Do not fill up the ASBA Application such that the number of Equity Shares applied for exceeds the investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; and

(v) Information provided by the Applicants will be uploaded on the electronic bidding system of the Stock Exchanges by the Managers and the SCSBs, as the case may be, and the electronic data will be used to make Allocation and Allotment. Please ensure that the details are correct and legible.

Applicant's PAN, Depository Account and ASBA Account Details

Applicants should note that on the basis of PAN, DP ID and Client ID of the Applicants entered into the electronic bidding system of the Stock Exchanges by the Managers or SCSBs, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants' ASBA Account details, and PAN registered with the Depository (the "Demographic Details"). These Demographic Details would be used for processing, including identifying ASBA Applications to be rejected on technical grounds and unblocking of ASBA Account. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in unblocking of the ASBA Account at the Applicant's sole risk and none of the Managers, the Registrar to the Issue, the SCSBs or the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the ASBA Application.

The Demographic Details would be used for all correspondence with the Applicants including mailing of the

CANs. The Demographic Details given by Applicants in the ASBA Application would not be used for any other purpose by the Registrar to the Issue.

By signing the ASBA Application, the Applicant would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

The CAN will be mailed at the address of the Applicant as per the Demographic Details received from the Depositories or the email address provided by the Applicant in the ASBA Application. Applicants may note that delivery of the CAN may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Please note that any such delay shall be at such Applicant's sole risk and none of the Company, Managers or the Registrar to the Issue shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the parameters, namely, PAN of the Applicant, the DP ID and Client ID, then such ASBA Application is liable to be rejected.

ASBA Applications made under Power of Attorney

In case of ASBA Applications made pursuant to a power of attorney or by FIIs, Mutual Funds, VCFs, AIFs, Insurance Companies and provident funds with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the ASBA Application.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to ASBA Applications by FIIs, Mutual Funds, VCFs and AIFs a certified copy of their SEBI registration certificate must be lodged along with the ASBA Application.

(b) With respect to ASBA Applications by Insurance Companies, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the ASBA Application.

(c) With respect to ASBA Applications made by provident funds with a minimum corpus of ₹ 250 million and pension funds (subject to applicable law and in accordance with their constitutional documents) with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the ASBA Application.

PAYMENT INSTRUCTIONS

Payment mechanism for Applicants

The Applicants shall specify the ASBA Account number in the ASBA Application. The SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the ASBA Application and each Applicant or the ASBA Account holder shall be deemed to have agreed to block such amount. In case of upward revision of the number of Equity Shares applied for or the price per Equity Share, the SCSB shall block additional Application Amount in the ASBA Account of such Applicant and the Applicants or the account holder shall be deemed to have agreed to block such amount.

The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allocation in the Issue, dispatch of the CAN and consequent transfer of the Application Amount to the Public Issue Account, until rejection of the ASBA Applications or until withdrawal of the Issue, as the case may be. In the event of rejection of the ASBA Application or for unsuccessful or partially successful ASBA Applications, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant ASBA Account and the same shall be acted upon by the SCSB concerned within one Working Day of receipt of such instruction.

OTHER INSTRUCTIONS

Multiple Applications

An Applicant should submit only one (and not more than one) ASBA Application.

In case of a Mutual Fund, a separate ASBA Application may be made in respect of each scheme of the Mutual Fund and such ASBA Applications in respect of over one scheme of the Mutual Fund will not be treated as multiple ASBA Applications provided that the ASBA Applications clearly indicate the scheme concerned for which the ASBA Application has been made.

After submitting an ASBA Application, an Applicant cannot submit another ASBA Application, to either the same or another Designated Branch of the SCSB or the Managers. Submission of a second ASBA Applications in such manner will be deemed a multiple ASBA Application and is liable to be rejected. However, the Applicants may revise their ASBA Application through the Revision Form, the procedure for which is described in "**Revision of ASBA Applications**".

Copies of ASBA Applications with the same PAN details shall be treated as multiple ASBA Applications and are liable to be rejected.

The Company, in consultation with the Managers, reserves the right to reject, in its absolute discretion, all or all except one of such multiple ASBA Application(s) in any or all categories.

1. All ASBA Applications will be checked for common PAN as per the records of Depository. For Applicants other than Mutual Funds and FII sub-accounts, ASBA Applications bearing the same PAN will be treated as multiple ASBA Applications and will be rejected.

2. For ASBA Applications from Mutual Funds and FII sub-accounts which were submitted under the same PAN, the ASBA Applications will be scrutinised for DP ID and Client ID. In case applications bear the same DP ID and Client ID, these will be treated as multiple applications.

The Registrar to the Issue will obtain, from the depositories, details of the Applicant's address based on the DP ID and Client ID provided in the ASBA Applications.

REJECTION OF ASBA APPLICATIONS

The Company has a right to reject the ASBA Applications based on technical grounds. The Designated Branches of the SCSBs shall have the right to reject ASBA Applications if at the time of blocking the Application Amount in the Applicant's ASBA Account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Applicant's ASBA Account maintained with the SCSB.

Grounds for Technical Rejections

Applicants are advised to note that ASBA Applications are liable to be rejected *inter alia* on the following technical grounds and for any other reasons after assigning reason for such rejection in writing:

(a) ASBA Applications other than by Eligible QIBs.

(b) Incomplete ASBA Application. For instance, ASBA Application not having details of the ASBA Account to be blocked or not containing the authorisations for blocking the Application Amount in the ASBA Account specified in the ASBA Application;

(c) The amount mentioned in ASBA Application does not tally with the amount payable for the value of the Equity Shares applied for;

(d) PAN not mentioned in the ASBA Application;

(e) ASBA Applications not having details of the Applicant's Depository account;

(f) ASBA Applications made at a price per Equity Share less than the Floor Price or not within the Price Band, as the case may be;

(g) ASBA Application by Applicants whose demat account have been "suspended for credit" pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(h) Multiple ASBA Applications as explained in this Red Herring Prospectus. See "- **Other Instructions – Multiple ASBA Applications**";

(i) ASBA Applications are not delivered by the Applicants within the time prescribed as per the ASBA Applications, the Floor Price / Price Band Announcement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the ASBA Applications;

(j) In case no matching or corresponding record is available with the Depositories that matches the DP ID and the Client ID;

(k) Inadequate funds in the ASBA Account to block the Application Amount specified in the ASBA Application at the time of blocking such Application Amount in the ASBA Account;

(l) ASBA Application submitted by Applicants to the Managers at locations other than the Specified City;

(m) ASBA Applications, details of which are not uploaded on the electronic bidding system of the Stock Exchanges;

(n) ASBA Applications by persons in the United States other than U.S. QIBs;

(o) ASBA Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(p) ASBA Applications by SCSBs in their own name, which are not made through separate ASBA Accounts maintained in the name of such SCSB Applicants with a different SCSB.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

The Allotment of Equity Shares in the Issue shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

Applicants can seek Allotment only in dematerialised mode. ASBA Applications from any Applicant without relevant details of its depository account are liable to be rejected.

(a) An Applicant applying for Equity Shares in the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the ASBA Application.

(b) Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant as provided in the ASBA Application.

(c) Names in the ASBA Application or Revision Form should be identical to those appearing in the account details in the Depository.

(d) The Applicant is responsible for the correctness of its Demographic Details given in the ASBA Application vis-à-vis those with its Depository Participant.

(e) The trading of the Equity Shares issued pursuant to the Issue of the Company would be in dematerialised form only for all Applicants in the demat segment of the Stock Exchanges.

(f) Non transferable CAN will be directly sent to the Applicants.

The Company or the Managers will not be responsible or liable for the delay in the credit of the Equity Shares Allotted in the Issue due to errors in the ASBA Application or otherwise on part of the Applicants.

Communications

All future communications in connection with ASBA Applications made in the Issue should be addressed to the Registrar to the Issue quoting the full name of the Applicant, ASBA Application number, the Applicants' Depository Account details, number of Equity Shares applied for, date of the ASBA Application, name and address of the Managers or the Designated Branch of the SCSBs where the ASBA Application was submitted and ASBA Account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Registrar to the Issue in case of any pre-Issue or post- Issue related problems such as non-receipt of the CAN, credit of Allotted Equity Shares in the respective beneficiary accounts etc. In case of ASBA Applications submitted with the Designated Branches of the SCSBs, Applicants can contact the Designated Branches of the SCSBs.

UNBLOCKING THE FUNDS

The Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Application Amount specified in the ASBA Applications for rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date and the same shall be acted upon by the SCSBs within one Working Day of receipt of such instruction.

DISPOSAL OF ASBA APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall take all steps to ensure that listing and commencement of trading of the Equity Shares Allotted in the Issue at the Stock Exchanges is within 12 Working Days of the Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges, the SEBI Regulations and other applicable laws, the Company further undertakes that:

(a) Allotment of Equity Shares in the Issue shall be made only in dematerialised form within 12 Working Days of the Issue Closing Date;

(b) Instructions for unblocking of the Applicant's ASBA Account shall be made within 12 Working Days from the Issue Closing Date; and

(c) The Company shall pay interest at 15% per annum for any delay, if Allotment is not made, funds in the relevant ASBA Accounts to the extent of the Application Amount specified in the ASBA Applications for rejected or unsuccessful or partially successful ASBA Applications are not unblocked and/or demat credits are not made to investors within the 12 Working Days from the Issue Closing Date.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Issue Programme

ISSUE OPENS ON	[●], 2013
ISSUE CLOSES ON	[●], 2013

Details of the Issue programme shall be disclosed in the Floor Price/ Price Band Announcement. Investors should refer to the pre-Issue advertisement and the Floor Price/ Price Band Announcement for further details.

ASBA Applications and any revision in the ASBA Applications shall be accepted and uploaded only between 10 a.m. (Indian Standard Time, "**IST**") and 5 p.m. IST during the Issue Period as mentioned above by the Managers at the Syndicate ASBA Bidding Centres and the Designated Branches of SCSBs as mentioned on the ASBA Application.

Withdrawal of the Issue

The Company reserves the right to withdraw the Issue at any stage prior to Allotment. In such an event, the Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published. The Registrar to the Issue, shall issue instructions to the SCSBs to unblock the ASBA Accounts of the Applicants within one day of receipt of such instructions. The Company shall also inform the Stock Exchanges of such withdrawal.

PLACEMENT

Issue and Placement Agreement

The Managers have entered into an Issue and Placement Agreement with the Company, pursuant to which the Managers have agreed to manage the Issue and use their commercially reasonable efforts to procure Eligible QIBs to subscribe the Equity Shares to be issued pursuant to the Issue.

The Issue and Placement Agreement contains customary representations and warranties, as well as indemnities from the Company and is subject to termination in accordance with the terms contained therein.

Our Company has received in-principle approvals from the Stock Exchanges under Clause 24(a) of the Equity Listing Agreement to list the Equity Shares being offered in the Issue on the Stock Exchanges. After Allotment of the Equity Shares, applications shall be made to list the Equity Shares and admit them to trading on the Stock Exchanges. The Issue is subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after the Allotment.

Lock-up

Our Company has agreed in the Issue and Placement Agreement that it will not, without the prior written consent of the Managers, from the date of the Issue and Placement Agreement and for a period of up to 90 days from the date of Allotment, directly or indirectly (a) issue, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing, (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares, (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility, or (d) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise, other than (i) in relation to the Issue in accordance with the terms of the Issue and Placement Agreement or (ii) issue of the Equity Shares to employees of our Company and the Subsidiaries under the ESOP 2006 as described in this Red Herring Prospectus.

Certain members of the Promoter Group have agreed in the Issue and Placement Agreement that they will not, without the prior written consent of the Managers, during the period commencing on the date of the Issue and Placement Agreement and ending 90 days after the date of Allotment pursuant to the Issue (the "**Lock-up Period**"), directly or indirectly: (a) offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares which may be deemed to be beneficially owned by the undersigned, or file any registration statement under the U.S. Securities Act of 1933, or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares which may be deemed to be beneficially owned by the undersigned; (c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise; provided that the foregoing restrictions do not apply to any sale, purchase, transfer or disposition of the Equity Shares (including without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned) pursuant to (A) transactions solely among the promoters/promoter group or their affiliates, provided that prior to any such sale, transfer or disposition, the transferee shall agree to be bound by the foregoing restrictions set forth in the Issue and

Placement Agreement as if it were the transferor by executing and delivering a lock-up agreement to the Managers to the satisfaction of the Managers; (B) with prior written intimation to and consent of the Managers, such consent not to be unreasonably withheld or delayed; and (C) to the extent such sale, transfer or disposition is required by applicable law.

Inter-se Allocation of Responsibilities of the Managers

	Activities	Responsibility	Coordinator
1	Capital structuring with the relative components and formalities	All Banks	Standard Chartered Securities
2	Due diligence of the Company including its operations, management, business plans, legal etc. Drafting and design of offer documents and other issue related material such as application forms etc. The Book Running Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of offer documents and RoC filing.	All Banks	Standard Chartered Securities
3	Drafting and approval of all statutory advertisements	All Banks	Standard Chartered Securities
4	Review of other publicity material such as corporate advertisements, press releases, etc.	All Banks	Standard Chartered Securities
5	Appointment of Intermediaries: Public Issue Account Bank, Registrar to the Issue and other intermediaries including printers, advertising agency, etc.	All Banks	Standard Chartered Securities
6	International and domestic institutional marketing strategy, which will cover, *inter alia:*	All Banks	DSP Merrill Lynch
	· Finalising the list and division of investors for one to one meetings		
	· Finalising the road show schedule and investor meeting schedules		
	· Preparing road show presentation and frequently asked questions		
7	Domestic institutional marketing strategy, which will cover, *inter alia*:	All Banks	Standard Chartered Securities, DSP Merrill Lynch
	· Finalising the list and division of investors for one to one meetings		
	· Finalising the domestic road show schedule and investor meeting schedules		
8	Pricing, managing the book and allocation	All Banks	DSP Merrill Lynch
9	Co-ordination with the Stock Exchanges for book building software and bidding terminals.	All Banks	Standard Chartered Securities
10	Post-bidding activities including management of escrow accounts, follow-up with SCSBs, Registrar to the Issue, co-ordination for allocation, demat delivery of shares, intimation of allocation and dispatch of CANs to successful Applicants etc. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company. The post Issue activities will involve essential co-ordination and follow up steps with the Stock Exchanges, which include the finalisation of listing and trading of Equity Shares successfully Allotted.	All Banks	DSP Merrill Lynch

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from SEBI, the BSE and the NSE, and has not been prepared or independently verified by the Company, the Managers or any of their respective affiliates or advisors.

India has a long history of organised securities trading. In 1875, the first Indian stock exchange was established in Mumbai.

Stock Exchange Regulations

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On June 20, 2012, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. Further, various rules, bye-laws and regulations of Indian stock exchanges also regulate the recognition of the stock exchanges and provide for the qualifications for membership thereof and the manner in which contracts are entered into, settled and enforced between members.

The SEBI Act empowers SEBI to promote, develop and regulate the Indian securities markets, including stock exchanges and other intermediaries, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeovers of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authorities.

Most of the stock exchanges have their own governing board for self regulation. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the equity listing agreements of the respective stock exchanges. The governing body of each recognised stock exchange is empowered to suspend or withdraw admission to dealings in a listed security for breach of or non compliance with any conditions under such equity listing agreement or for any other reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend such equity listing agreements and the bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognised stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the “**Delisting Regulations**”) in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Pursuant to an amendment of the SCRR in June 2010, all listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25% and have been given a period of three years to comply with such requirement.

Pursuant to a notification dated January 30, 2012 and circulars dated February 1, 2012 and August 29, 2012, SEBI has introduced new mechanisms for listed Indian companies and their controlling shareholders to meet minimum public shareholding requirements, i.e., (i) the institutional placement programme; (ii) an offer for sale (secondary offering) by the promoters and promoter group through the relevant stock exchange; (iii) rights issue to public shareholders, with promoters and members of the promoter group foregoing their rights entitlement, and (iv) bonus issues to public shareholders, with promoters and members of the promoter group foregoing their bonus entitlement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Trading Hours

Trading on both the BSE and the NSE occurs from Monday through Friday, from 9.15 a.m. to 3.30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. to 9.15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in cash and derivatives segments) subject to the condition that (i) the trading hours are between 9 a.m. and 5 p.m.; and (ii) the stock exchange has in place risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (BOLT) facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. NSE also provides on-line trading facilities through a fully automated screen based trading system called ‘National Exchange for Automated Trading’ (NEAT).

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover being the Takeover Regulations. Since the Company is an Indian listed company, the provisions of the Takeover Regulations apply to the Company. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

The Insider Trading Regulations have been notified by SEBI to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information. The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, promoters, persons who form a part of the promoter group and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of “insider” includes any person who has received or has had access to unpublished price sensitive information of the company.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, which among other things provide regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

The National Securities Depository Limited ("**NSDL**") and the Central Depository Services Limited ("**CDSL**") are two depositories that provide electronic depository facilities for the trading of equity and debt securities in India.

DESCRIPTION OF THE EQUITY SHARES

The following is a summary of some of the provisions contained in, and is qualified in its entirety by, the Company's Memorandum and Articles of Association, the Companies Act, the SCRA and other related Indian regulations. Prospective investors are urged to read the Company's Memorandum and Articles of Association carefully, and consult with their advisers, as to the Company's Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights of the holders of the Equity Shares.

Authorised Capital

The authorised share capital of the Company is ₹ 5,000 million divided into 2,497,500,000 equity shares of ₹ 2 each and 50,000 cumulative redeemable preference shares of ₹ 100 each.

Articles of Association

The Company is governed by its Articles of Association.

Dividends

Under the Companies Act, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the members, who have the right to decrease but not to increase the amount of the dividend recommended by the board of directors. Subject to certain conditions specified under Section 205 of the Companies Act, no dividend can be declared or paid by a company for any financial year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous financial year(s) arrived at as laid down by the Companies Act and remaining undistributed, or out of both.

However, the board of directors is not obligated to recommend a dividend. The decision of the Board of Directors and shareholders of the Company may depend on a number of factors, including but not limited to, the Company's profits, capital requirements and overall financial condition.

No unpaid or unclaimed dividend shall be forfeited unless the claim thereto becomes barred by law. The Company shall comply with the provisions of Section 205A read with Section 205C of the Companies Act and the Articles of the Company in respect of unpaid or unclaimed dividend. In addition, as permitted by the Articles, the Board may from time to time pay to the members of the Company such interim dividends as appear to them to be justified by the profits of the Company.

Subject to the provisions of the Companies Act, the quantum of dividend to be declared by the Directors for any period shall be recommended by the Directors on a policy that ensures that the Company retains not more than 65% of its annual net profits after tax, which would include the transfer of 10% of the profits to reserves as required by the Companies Act, provided that the policy may be changed with the consent of the Board.

Subject to applicable provisions of the FEMA, all dividends and other distributions declared and payable on the Equity Shares may be paid by the Company to the holder thereof in Indian Rupees and may be converted into foreign currency and freely transferred out of India without the necessity of obtaining any governmental or regulatory authorisation or approval in the India or any political subdivision or taxing authority thereof.

The Equity Shares issued pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of the Company, in all respects including entitlements to any dividends that may be declared by the Company.

Capitalisation of profits and issue of bonus shares

The Company may, upon recommendation of the Board, capitalise any amounts standing to the credit of the Company's reserve funds or capital redemption reserve account or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the securities premium account) and distribute among shareholders in paying up in full either at par or at premium any unissued shares of the Company or in payment of uncalled liability on the issued shares. However, the securities premium account or the capital redemption reserve account of the Company can only be applied towards payment for unissued Equity Shares to be issued to members of the Company as fully paid bonus shares. Any issue of bonus shares by a listed company will be subject to the applicable SEBI regulations.

Alteration of Share Capital

The Company's issued share capital may be increased by, among other things, creation of new shares.

Subject to provisions of the Companies Act, the Company may also from time to time by special resolution reduce its capital redemption reserve account or premium account. Further, the Company may convert all or any of its fully paid paid-up Equity Shares into stock and re-convert that stock into paid-up equity shares of any denomination and cancel the Equity Shares which have not been taken or agreed to be taken by any person.

The Articles further provide that the Company may in a general meeting, from time to time consolidate or sub-divide its share capital or any of them subject as aforesaid and the Company in a general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. The Company may also buyback its shares or any other securities issued by it.

Pre-emptive Rights

When it is proposed to increase the subscribed capital of the Company by the issue of new Equity Shares, whether out of unissued share capital or out of increased share capital, such Equity Shares shall be offered first to the existing shareholders in proportion to the capital paid up on those shares at that date.

Further, new Equity Shares may be offered to any person whether or not those persons include existing shareholders, either if a special resolution to that effect is passed by the shareholders of the Company in a general meeting, or where a simple majority of shareholders present and voting have passed the resolution and the permission of the Government has been obtained.

Preference Shares

The Company may issue preference shares which are liable to be redeemed subject to provisions of the Companies Act.

General Meetings of Shareholders

The Company must hold its annual general meeting within six months after the expiry of each financial year, provided that not more than 15 months shall elapse between the date of the previous annual general meeting and the next, unless extended by the Registrar of Companies at the request of the Company for any special reason for a period not exceeding three months.

Written notices convening a meeting setting out the date, place and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received from all shareholders entitled to vote at an annual general meeting, and from shareholders holding not less than 95% of the paid-up capital of the company, at any other meeting. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

A listed company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the memorandum of association, the issuing of shares with differential voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares under the Section 77A(1) of the Companies Act, giving loans or extending guarantee or providing security in excess of the limits prescribed under Section 372A(1) of the Companies Act, is required to obtain the resolution passed by means of a postal ballot instead of transacting such business in the company's general meeting. A notice to all the shareholders is required to be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Such postal ballot includes procedure for voting by electronic mode.

Voting Rights

Every member present in person and entitled to vote shall have one vote on a show of hands and on a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles. The instrument appointing a proxy is required to be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the meeting. Further no member shall be entitled to exercise any voting right personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid in regard to which the Company has exercised any right of lien.

Pursuant to SEBI Circular dated July 13 2012, the Company (being one of the top 500 companies listed on the Stock Exchanges based on market capitalization as on the date of the circular) is required to provide e-voting facility to its shareholders for the businesses which are transacted through postal ballot and for which the notices are issued on or after October 1, 2012.

Register of Members

The Company is required to maintain a register of members wherein the particulars of the members of the Company are entered. For the purpose of determining the shareholders the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the board of directors may deem expedient.

Annual Report and Financial Results

The annual report must be laid before the annual general meeting of the shareholders of a company. This includes financial information about the company such as the audited financial statements as of the date of closing of the financial year, directors' report, management's discussion and analysis and a corporate governance section, and is sent to the shareholders of the company.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI, which provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. The Company has entered into an agreement for such depository services with NSDL and CDSL.

Under the Equity Listing Agreements, in respect of transfer of Equity Shares, in the event the Company does not effect transfer of Equity Shares within one month or where the Company fails to communicate to the transferee any valid objection to the transfer within the stipulated time period of one month, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares of the Company are freely transferable. Further, in terms of the Articles, any person, entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, or money as provided in the Articles, be entitled to receive, and may give a discharge for any dividends or other money payable in respect of the share.

Liquidation Rights

Under the Articles of the Company, the liquidator on any winding-up (whether voluntary under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributors in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator shall think fit.

STATEMENT OF TAX BENEFITS

Statement of possible tax benefits available to the Company and its shareholders under the applicable laws in India

To
The Board of Directors
DLF Limited
Delhi 110001

Dear Sirs/Madams,

Subject: Statement of Possible Tax Benefits

We hereby certify that the enclosed annexure states the possible tax benefits available to DLF Limited ("the Company") and to the shareholders of the Company under the provisions of the Income-tax Act, 1961 ("the IT Act") and Wealth-tax Act, 1957 ("the WT Act"), presently in force in India for the Financial Year ("FY") 2012-13 and amendments proposed vide the Finance Bill, 2013 ("FB 2013")[1] to give effect to the financial proposals of the Central Government for the FY 2013-14 (collectively referred to as "tax laws"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been or would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. The same shall be subject to notes to this annexure.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein.

The Government of India introduced the Direct Taxes Code Bill, 2010 ("DTC 2010") in Parliament on August 30, 2010. The DTC is under the legislative process and is expected to be enacted soon. We are unable to express any opinion on the effect of the same on the Company and its shareholders pending enactment.

This note is intended solely in connection with the offering of equity shares by the Company through an Institutional Placement Programme under the Securities and Exchange Board of India ("SEBI") Regulations and is not to be used, referred to or distributed for any other purpose without our prior written consent.

[1] It is to be noted that the amendments proposed vide the FB 2013 are yet to be approved by the President of India.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **David Jones**
Partner
Membership No. 98113

Gurgaon
April 4, 2013

Annexure

TAXATION

The tax benefits listed below are the possible benefits available under the tax laws in India in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares, under the tax laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional advice.

The following tax benefits shall be available to the Company and the prospective shareholders based on the provisions of the IT Act as of the date hereof and proposed amendments vide the FB, 2013. The IT Act is amended by the Finance Act every fiscal year. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon the fulfilling such conditions.

I. Benefits to the Company - Under the IT Act

1. Special Tax Benefits

1.1 Under Section 80IA of the IT Act, 100% of the profits and gains derived by an undertaking from the business of developing, developing and operating or maintaining and operating an industrial park notified by the Central Government in accordance with the scheme framed and notified by that Government for the period beginning on April 1, 1997 and ending on March 31, 2011, is deductible for 10 consecutive Assessment Years ("AYs") out of 15 years beginning from the year in which the undertakings develops such an industrial park, subject to conditions specified in that Section.

No deduction under section 80IA of the IT Act shall be allowed where the assessee fails to make a claim in its return of income.

1.2 Under Section 80IA of the IT Act, 100% of the profits and gains derived by an undertaking from the business of generation or generation and distribution of power, is deductible for 10 consecutive AYs out of 15 years beginning from the year in which the undertakings generates power or commences transmission or distribution of power, subject to conditions specified in that Section, provided it begins to generate power at any time during the period beginning on April 1, 1993 and ending on March 31, 2013.

No deduction under section 80IA of the IT Act shall be allowed where the assessee fails to make a claim in its return of income.

Vide the amendment proposed in the FB 2013, the terminal date has been extended by a period of further one year i.e. upto March 31, 2014. [2]

1.3 Under Section 80IAB of the IT Act, 100% of the profits derived by a developer, from the business of developing a special economic zone, notified after 1st day of April 2005 under the Special Economic Zones Act, 2005, is deductible for a period of 10 consecutive AYs out of 15 years beginning from the year in which a Special Economic Zone has been notified by the Central Government. For this purpose, 'Developer' would have the same meaning as mentioned under clause (g) of Section 2 of the Special Economic Zones Act, 2005.

No deduction under section 80IAB of the IT Act shall be allowed where the assessee fails to make a claim in its return of income.

[2] It is to be noted that the amendments proposed vide the FB 2013 are yet to be approved by the President of India.

2. General Tax Benefits

2.1 Under Section 10(2A) of the IT Act, share in the total income of the partnership firm which is separately assessed as such, is exempt from tax in the hands of the Company being a partner in the partnership firm.

2.2 Under Section 10(33) of the IT Act, any income arising from the transfer of a capital asset, being a unit of the Unit Scheme, 1964 referred to in Schedule I to the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002) and where the transfer of such asset takes place on or after the April 1, 2002 is exempt from tax.

2.3 Under Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115O[3] of the IT Act (i.e. dividends declared, distributed or paid by domestic companies on or after April 1, 2003) received on the shares of any domestic company is exempt from tax.

2.4 Under Section 10(35) of the IT Act, any income by way of income received in respect of the units of a Mutual Fund specified in Section 10(23D) of the IT Act; or in respect of units from the Administrator of the specified undertaking; or in respect of units from the specified company as defined in Explanation to Section 10(35) of the IT Act is exempt from tax.

However, no deduction is permitted in respect of expenditures incurred in relation to income which is not chargeable to tax. The expenditures relatable to "exempt income" need to be determined in accordance with the provisions specified in Section 14A of the IT Act read with Rule 8D of the Income Tax Rules, 1962 ("the IT Rules").

2.5 **Deductions under "Income from House Property"**

2.5.1 Under Section 24(a) of the IT Act, the Company is eligible for a standard deduction of 30% of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out); where the Company has income chargeable to tax under the head "*Income from House Property*".

2.5.2 Further, under Section 24(b) of the IT Act, where the house property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing the income, if any, from such house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in 5 equal installments beginning with the year of acquisition or construction.

2.6 **Computation of capital gains**

2.6.1 Under Section 10(38) of the IT Act, long-term capital gain arising on transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund will be exempt in the hands of the Company, provided such transaction is chargeable to Securities Transaction Tax. However, such long term capital gains shall be taken into account in computing the book profit of the Company and the tax is payable thereon under Section 115JB of the IT Act.

2.6.2 Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gain (in cases not covered under Section 10(38) of the IT Act) arising on transfer of a long-term capital asset will be exempt from capital gain tax if the capital gains are invested within 6 months after the date of such transfer in long term specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

[3] In accordance with the provisions of Section 115O of the IT Act, any amount declared, distributed or paid by a domestic company way of dividend (whether interim or otherwise) on or after April 1, 2003 to its shareholder is exempt in the hands of its shareholders, if such dividends are subject to Dividend Distribution Tax under Section 115O of the IT Act.

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed Rs 5 million.

If only a part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets is transferred or converted into money within 3 years from the date of acquisition, the amount so exempted shall be chargeable to tax in the year of such transfer or conversion.

2.7 **Depreciation**

2.7.1 Under Section 32(1) of the IT Act, the Company can claim depreciation at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patent, trademark, copyright, know-how, licenses, etc., if such intangible assets are acquired after March 31, 1998.

2.8 **Deductions and amortisation of certain expenditure**

2.8.1 Under Section 35AD of the IT Act, the Company shall be allowed a deduction in respect of capital expenditure incurred wholly and exclusively for the purpose of specified business in the nature of developing and building a housing project under a scheme for affordable housing framed by the Central Government or a State Government, carried on by him during the FY in which such expenditure is incurred by it or in which the operations are commenced, whichever is later, provided the Company commences its operations on or after April 1, 2011.

Deduction shall be allowed of an amount equal to one and one-half times of the expenditure where operations of specified business in the nature of developing and building a housing project under a scheme for affordable housing framed by the Central Government or a State Government are commenced on or after April 1, 2012.

2.8.2 Under Section 35CCD of the IT Act, the Company shall be allowed deduction of a sum equal to one and one-half times of expenditure (not being expenditure in the nature of cost of any land or building) incurred on any notified skill development project and in accordance with the prescribed guidelines.

2.8.3 Under Section 35D of the IT Act, a company is eligible for deduction in respect of specified preliminary expenditure incurred by it in connection with extension of its undertaking or in connection with setting up new unit for an amount equal to $1/5^{th}$ of such expenditure over 5 successive AY subject to conditions and limits specified in that Section.

Specified expenditure includes, inter-alia, expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus.

2.8.4 Under Section 35DD of the IT Act, for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the Company is eligible for deduction of an amount equal to $1/5^{th}$ of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.

2.8.5 Under Section 35DDA of the IT Act, the Company is eligible for deduction in respect of payments made to its employees in connection with his voluntary retirement for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions specified in that Section.

2.9 **Carry forward of unabsorbed depreciation and business losses**

2.9.1 Under Section 32(2) of the IT Act, where full effect cannot be given to any depreciation allowance under Section 32(1) of the IT Act in any FY, owing to there being no profits or gains chargeable for that FY, or owing to the profits or gains chargeable being less than the depreciation, then, subject to the provisions of Section 72(2) and Section 73(3) of the IT Act, depreciation allowance or the part of depreciation allowance to which effect has not been given, as the case may be, shall be added to the amount of the depreciation allowance for the following FY and deemed to be part of that depreciation allowance, or if there is no such depreciation allowance for that previous year, be deemed to be the depreciation allowance for that FY, and so on for the succeeding FYs.

2.9.2 Under Section 72(1) of the IT Act, where for any FY, the net result of the computation under the head "Profits & Gains of Business or Profession" is a loss to the Company (not being a loss sustained in a speculation business), then to the extent to which such loss cannot be set off against income under any other head of income (other than salary) for the same year, it shall be eligible to be carried forward and available for set off only against income from business under head "Profits & Gains of Business or Profession" for subsequent FYs. As per Section 72(3) of the IT Act, the loss carried forward can be set off subject to a limit of 8 FYs immediately succeeding the FY for which the loss was first computed.

However, as per Section 80 of the IT Act, only a loss which has been determined in pursuance of a return filed in accordance with the provisions of Section 139(3) of the IT Act shall be carried forward and set off under Section 72(1) of the IT Act.

2.10 **MAT credit**

2.10.1. Under Section 115JAA(1A) of the IT Act, tax credit shall be allowed in respect of MAT paid under Section 115JB of the IT Act for any AY commencing on April 1, 2006 and any subsequent AY. As per Section 115JAA(2A) of the IT Act, credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the IT Act for that AY. The credit is available for set off only when tax becomes payable under the normal provisions of the IT Act. The tax credit can be utilized to extent of difference between the tax under the normal provisions of the IT Act and tax payable under MAT for the year in which credit is being utilised. Credit in respect of MAT paid shall be available for set-off up to 10 AYs immediately succeeding the AY for which the MAT credit initially arose.

2.11 **Dividend Distribution Tax**

2.11.1. Under Section 115O of the IT Act, for the purpose of payment of Dividend Distribution Tax on dividends, the dividends so declared, distributed or paid by domestic company shall be reduced by dividends received from its domestic subsidiary company in the same year provided the subsidiary has paid Dividend Distribution Tax on the same.
For the said purpose, a company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company.

As per the proposed amendment vide the FB, 2013, the dividends so declared, distributed or paid by domestic company shall be reduced by dividends received from its foreign subsidiary company in the same year provided the domestic company has paid tax at the rate of 15% on such dividend received from its foreign subsidiary company under Section 115BBD of the IT Act.[4]

[4] It is to be noted that the amendments proposed vide the FB 2013 are yet to be approved by the President of India.

II. Benefits available to the Members of the Company – Under the IT Act

General Tax Benefits

1. Benefits available to resident shareholders under the IT Act

1.1. Under Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115O of the IT Act (i.e. dividends declared, distributed or paid by domestic companies on or after April 1, 2003) received on the shares of any domestic company is exempt from tax.

1.2. **Computation of capital gains**

1.2.1 Under Section 10(38) of the IT Act, long-term capital gain arising on transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund will be exempt from tax, provided such transaction is chargeable to Securities Transaction Tax.

1.2.2 Under second proviso to Section 48 of the IT Act, long-term capital gain arising on the transfer of capital asset other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement.

1.2.3 Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gain (in cases not covered under Section 10(38) of the IT Act) arising on transfer of a long-term capital asset will be exempt from capital gain tax if the capital gains are invested within 6 months after the date of such transfer in long term specified assets, being bonds issued by:

c) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

d) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed Rs 5 million.

If only a part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets is transferred or converted into money within 3 years from the date of acquisition, the amount so exempted shall be chargeable to tax in the year of such transfer or conversion.

1.2.4 Under Section 54F of the IT Act, where in the case of an individual or Hindu Undivided Family ("HUF") capital gain arise from transfer of long term assets [other than a residential house and those exempt under Section 10(38) of the IT Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of 1 year before or 2 year after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

1.2.5 As per the provisions of Section 111A of the IT Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to Securities Transaction Tax shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains arising from transfer of shares in the Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

1.2.6 Under Section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains [not covered under Section 10(38) of the IT Act] arising on transfer of shares in the Company shall be taxed at a rate of 20% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) after indexation as provided in the second proviso to Section 48 or at

10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Shareholders.

1.3. Income from Business Profits

1.3.1 Where the equity shares form part of stock-in-trade, any income realised from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession" as per the provisions of the IT Act.

The nature of the equity shares (i.e. whether held as "stock-in-trade" or as "investment") is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding.

1.3.2 As per Section 36(1)(xv) of the IT Act, an amount equal to the Securities Transaction Tax paid by the tax payer in respect of the taxable securities transactions entered into in the course of his business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

2. Benefits available to Non-resident shareholders (Other than Mutual Funds and Foreign Institutional Investors ("FIIs")) under the IT Act

2.1 Under Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115O of the IT Act (i.e. dividends declared, distributed or paid by domestic companies on or after April 1, 2003) received on the shares of any domestic company is exempt from tax.

2.2 Computation of capital gains

2.2.1 Under Section 10(38) of the IT Act, long-term capital gain arising on transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund will be exempt from tax, provided such transaction is chargeable to Securities Transaction Tax.

2.2.2 In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gain arising from transfer of shares in or debentures of the Indian company acquired in convertible foreign exchange, protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gain / loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilised in the purchase of shares.

2.2.3 Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gain (in cases not covered under Section 10(38) of the IT Act) arising on transfer of a long-term capital asset will be exempt from capital gain tax if the capital gains are invested within 6 months after the date of such transfer in long term specified assets, being bonds issued by:

e) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

f) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed Rs 5 million.

If only a part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets is transferred or converted into money within 3 years from the date of acquisition, the amount so exempted shall be chargeable to tax in the year of such transfer or conversion.

2.2.4 Under Section 54F of the IT Act, where in the case of an individual or HUF, capital gain arise from transfer of long term assets [other than a residential house and those exempt under Section 10(38) of the IT Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of 1 year before or 2 year after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

2.2.5 As per the provisions of Section 111A of the IT Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to Securities Transaction Tax shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains arising from transfer of shares in the Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

2.2.6 Under Section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains [not covered under Section 10(38) of the IT Act] arising on transfer of shares in the Company shall be taxed at a rate of 20% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Shareholders.

2.3 **Income from Business Profits**

2.3.1 Where the equity shares form part of stock-in-trade, any income realised from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession" as per the provisions of the IT Act.

The nature of the equity shares (i.e. whether held as "stock-in-trade" or as "investment") is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding.

2.3.2 As per Section 36(1)(xv) of the IT Act, an amount equal to the Securities Transaction Tax paid by the tax payer in respect of the taxable securities transactions entered into in the course of his business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

2.4 **Special benefit available to Non-resident Indian ("NRI") shareholders under the IT Act**

In addition to some of the general benefits available to non-resident shareholders, where equity shares of the Company have been subscribed by NRIs i.e. individuals being a citizen of India or person of Indian origin who is not a resident, in convertible foreign exchange, they have the option of being governed by the provisions of Chapter XII-A of the IT Act – "Special provisions relating to certain incomes of non-residents", which *inter alia* entitles them to the following benefits:

2.4.1 In accordance with Section 115E of the IT Act, income from investment or income from long- term capital gains on transfer of assets other than specified asset (including shares of an Indian company) shall be taxable at the rate of 20% in the hands of a NRI. Income by way of long term capital gains in respect of a specified asset [as defined in Section 115C(f) of the IT Act], shall be chargeable to income- tax at 10%.

2.4.2 Under provisions of Section 115F of the IT Act, any long term capital gains arising from the transfer of a foreign exchange asset arising to a NRI shall be exempt from tax if the whole or any part of the net consideration is reinvested in any specified assets within 6 months of the date of the transfer. If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as "capital gains" subsequently, if the specified assets are transferred or converted into money within 3 years from the date of their acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

2.4.3 As per the provisions of Section 115G of the IT Act, NRIs are not required to file a return of income under Section 139(1) of the IT Act, if the income chargeable under the IT Act consists of only investment income or capital gains arising from the transfer of specified long term capital asset or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and provided tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

2.4.4 As per the provision of Section 115H of the IT Act, where a person who is NRI in any FY, becomes assessable as resident in India in respect of total income of any subsequent year, the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset being an assets specified under sub clause (ii), (iii), (iv) or (v) of Section 115C(f) for that AY and for every subsequent AY until there is transfer or conversion of such asset. For this provision to apply, NRI is required to file a declaration along with his return of income for the AY in which he becomes assessable as resident in India.

2.4.5 In accordance with Section 115-I of the IT Act, where a NRI opts not to be governed by the provisions of Chapter XII-A of the IT Act for any AY, his total income for that AY (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the IT Act.

2.5 As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-resident / NRI would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-resident / NRI subject to furnishing of Tax Residency Certificate containing the particulars prescribed in the IT Act, that is obtained from the Government of that country or any specified territory.

3. Benefits available to Mutual Funds under the IT Act

3.1 As per Section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income-tax subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the IT Act.

4. Benefits available to FIIs under the IT Act

4.1 Under Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115O of the IT Act (i.e. dividends declared, distributed or paid by domestic companies on or after April 1, 2003) received on the shares of any domestic company is exempt from tax.

4.2 **Computation of capital gains**

4.2.1 Under Section 10(38) of the IT Act, long-term capital gain arising on transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund will be exempt from tax, provided such transaction is chargeable to Securities Transaction Tax.

4.2.2 In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gain arising from transfer of shares in or debentures of the company acquired in convertible foreign exchange, protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gain / loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilised in the purchase of shares.

4.2.3 Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gain (in cases not covered under Section 10(38) of the IT Act) arising on transfer of a long-term capital asset will be exempt from capital gain tax if the capital gains are invested within 6 months after the date of such transfer in long term specified assets, being bonds issued by:

g) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

h) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed Rs 5 million.

If only a part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets is transferred or converted into money within 3 years from the date of acquisition, the amount so exempted shall be chargeable to tax in the year of such transfer or conversion.

4.2.4 Under Section 54F of the IT Act, where in the case of an individual or HUF, capital gain arise from transfer of long term assets [other than a residential house and those exempt under Section 10(38) of the IT Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of 1 year before or 2 year after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

4.2.5 As per the provisions of Section 111A of the IT Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to Securities Transaction Tax shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains arising from transfer of shares in the Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

4.2.6 As per the provisions of Section 115AD of the IT Act, income (other than income by way of dividends referred to in Section 115O of the IT Act) of FIIs arising from securities (other than the units referred to Section 115AB of the IT Act) would be taxed at concessional rates, as follows:

Nature of income	**Rate of tax (%)**
Income in respect of securities	20
Long-term capital gains (other than long term capital gain referred to in Section 10(38) of the IT Act	10
Short-term capital gains (other than short-term capital gain referred to in Section 111A of the IT Act)	30

The above tax rates would be increased by the applicable surcharge, education cess and secondary & higher education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

4.3 **Income from Business Profits**

4.3.1 Where the equity shares form part of stock-in-trade, any income realised from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession" as per the provisions of the IT Act.

The nature of the equity shares (i.e. whether held as “stock-in-trade” or as “investment”) is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding.

4.3.2 As per Section 36(1)(xv) of the IT Act, an amount equal to the Securities Transaction Tax paid by the tax payer in respect of the taxable securities transactions entered into in the course of his business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and gains of business or profession”.

4.4 As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII subject to furnishing of Tax Residency Certificate containing the particulars prescribed in the IT Act, that is obtained from the Government of that country or any specified territory.

5. **New Amendments in the IT Act**

5.1 The General Anti-Avoidance Rules (“GAAR”) had first been introduced in the DTC to curb "impermissible avoidance arrangement" entered into by a person to avoid taxes. The GAAR had been introduced to deal with aggressive tax planning involving use of sophisticated structures. Although originally forming part of DTC, now it is a part of the IT Act. Under the current provisions, Chapter X-A of the IT Act dealing with the provisions of GAAR would be effective from April 1, 2015 (i.e. during FY 2015-16).

III. Benefits available under the WT Act

Wealth Tax is applicable if the net wealth (as defined) of a company or an individual or HUF exceeds Rs 3 million as on the valuation date (i.e. March 31 of the relevant FY). Wealth Tax shall be charged in respect of the net wealth of every company or an individual or HUF at the rate of 1% of the amount by which net wealth exceeds Rs 3 million.

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of WT Act; hence, wealth tax is not leviable on shares held in a company.

Notes:

1) The above note of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

2) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country/specified territory (outside India) in which the non-resident has fiscal domicile and in view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax adviser with respect to specific tax consequences of his/ her participation in the scheme.

3) The tax rates (including rates for tax deduction at source) mentioned in this Statement is applicable for AY 2013-2014 and is exclusive of surcharge, education cess and secondary & higher education cess.

   Surcharge at the rate of 5% is applicable in case of resident companies where total income under the IT Act exceeds Rs 10 million. In case of foreign companies, surcharge at the rate of 2% is applicable in case the total income exceeds Rs 10 million.

   Currently, there is no surcharge on persons other than companies. Education cess and secondary & higher education cess is leviable on all persons at rate of 2% and 1% respectively.

   Vide the FB 2013, surcharge is proposed to be increased to 10% in case of resident companies where total income under the IT Act exceeds Rs 100 million. In case of foreign companies, surcharge is proposed to be increased to 5% in case the total income exceeds Rs 100 million. Further, for persons other than companies, surcharge is applicable at the rate of 10% where the total income exceeds Rs 10 million. [5]

[5] It is to be noted that the amendments proposed vide the FB 2013are yet to be approved by the President of India.

4) We have not considered the provisions of DTC 2010 for the purpose of this Statement.

5) We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

For **Walker, Chandiok& Co**
Chartered Accountants
Firm Registration No.001076N

per **David Jones**
Partner
Membership No. 98113

Gurgaon
April 4, 2013

LEGAL PROCEEDINGS

Due to the nature of our business, we are involved in a large number of legal proceedings of varied nature including, among others, title and land disputes, consumer disputes, criminal proceedings, proceedings under the Competition Act, proceedings under environmental laws, regulatory, tax and civil proceedings. We are also involved in arbitration proceedings.

The following is a summary of material legal proceedings that we are currently involved in. For the purpose of this section and based on legal understanding of the SEBI Regulations, pending legal proceedings against our Company and the Subsidiaries having a potential financial liability of ₹ 1,000 million, which is 0.37% and 0.69% of our consolidated net worth and standalone net worth, respectively, as of March 31, 2012 and 0.98% of our consolidated sales and other income for the twelve month period ended March 31, 2012, have been considered material. Pending regulatory proceedings against our Company and the Subsidiaries and criminal cases against our Company and material Subsidiaries have also been disclosed. We have also disclosed certain criminal cases pending against the Directors and miscellaneous matters.

A. Cases filed against our Company

Civil proceedings

1. Harkishan has filed a public interest litigation ("**PIL**") (4542 of 2009 (O&M)) dated November 25, 2008 before the Punjab and Haryana High Court against the Union of India, the State of Haryana, East India Hotels Limited ("**EIH**"), Chandrajyoti Estate Developers Private Limited ("**Chandrajyoti**") and our Company. The petitioner has sought that the acquisition of 169 acres of land at village Silokhera, Gurgaon, Haryana and 2.13 acres of land at village Sukhrali, Gurgaon, Haryana by the State of Haryana and the subsequent release by the State of Haryana of 29.79 acres of land, forming part of the abovementioned parcel of land, to EIH be declared as null and void. The petitioners have also sought that the subsequent sale of the said 29.79 acres of land along with 7.19 acres of land by EIH to our Company and Chadrajyoti be declared as fraudulent as the land was released by the State of Haryana to EIH on the condition that it would be earmarked for construction of hospitals and hotel management institute. The petitioners have further sought that the notification issued by the State of Haryana under sections 3 and 4 of the Special Economic Zones Act, 2005 for setting up a special economic zone on the said 29.79 acres and 7.19 acres of land declared as fraudulent. The Punjab and Haryana High Court vide order dated February 3, 2011 directed the State of Haryana to carry out the acquisition proceedings again from the notification stage under the Land Acquisition Act, 1894 and directed our Company and Chandrajyoti to remove all constructions made on the said land. Our Company and Chandrajyoti filed special leave petitions ("**SLPs**") (C.A. 8470/2011 and 12956/2011) both dated May 2, 2011 before the Supreme Court of India ("**Supreme Court**") against the order dated February 3, 2011. The Supreme Court vide order dated September 26, 2011 stayed the operation of the order of the Punjab and Haryana High Court dated February 3, 2011. The matter is currently pending.

2. Mir Singh and Birju filed a PIL (1620 of 2010) dated January 27, 2010 before the Punjab and Haryana High Court against the State of Haryana, our Company and others for quashing the acquisition proceedings initiated vide notifications dated January 3, 2003 and June 12, 2003 of around 19 acres of land situated at village Nathupur, Gurgaon. The petitioners further sought to quash the subsequent conveyance deed dated August 4, 2006 by which the said land was sold by State of Haryana to our Company. The Punjab and Haryana High Court passed an order dated October 1, 2010 quashing the acquisition proceedings. The order further quashed the conveyance deed by which said land was sold to our Company and directed the State of Haryana to refund ₹ 510.03 million to our Company. Our Company filed SLP (353 of 2012) dated November 8, 2010 before the Supreme Court against the order dated October 1, 2010. The Supreme Court vide order dated January 3, 2012 stayed the said order. The matter is currently pending.

3. Vishnu Pradhan filed writ petition (75152 of 2005) before the Allahabad High Court against the State of Uttar Pradesh, New Okhla Industrial Development Authority ("**NOIDA**"), our Company and others, challenging the acquisition of 3 bighas and 9 biswas of land at plot no. 422 and 2 bighas, 4 biswas and 10 biswansi of land at plot no. 427 situated at village Chhelara Bangar, Gautam Budh Nagar, Noida by the State of Uttar Pradesh and the subsequent allotment of the said land to our Company. In the writ petition, Vishnu Pradhan has sought a restraining order against our Company and NOIDA to stop them from dispossessing him of the said land.

Subsequently, Vishnu Pradhan filed a writ petition (70088 of 2006) before the Allahabad High Court against NOIDA and our Company to quash the order dated September 2, 2006 passed by the District Judge, Gautam Budh Nagar in review petition (Nil of 2006) and order dated August 1, 2006 passed by the Civil Judge, Gautam Budh Nagar. The Civil Judge, Gautam Budh Nagar, by an order dated August 1, 2006 upheld the acquisition of the said land under the Land Acquisition Act, 1894 and the District Judge, Gautam Budh Nagar through order dated September 2, 2006 dismissed the revision petition filed by the petitioner against the order of the Civil Judge, Gautam Budh Nagar.

As the counsel of the petitioner expressly stated that the petitioner only seeks compensation to be determined and does not seek to press for the other relief, the Allahabad High Court passed a combined order dated December 10, 2009 determining the basis of compensation to be paid to the petitioner. The petitioner filed a review petition (58062 of 2010) dated February 2, 2010 challenging the order dated December 10, 2009 which was dismissed by the Allahabad High Court vide order dated May 21, 2010. The petitioner filed a second review petition (310347 of 2010) dated October 11, 2010 against the order dated December 10, 2009 which was dismissed by the Allahabad High Court vide order December 16, 2010. The petitioner filed a SLP (2627 of 2011) before the Supreme Court challenging the orders of the Allahabad High Court dated December 10, 2009 and December 16, 2010. The Supreme Court dismissed the SLP vide order dated February 21, 2011. Subsequently, the State of Uttar Pradesh and NOIDA filed SLP (CC. No. 20196-97 of 2010) before the Supreme Court against the order of the Allahabad High Court dated December 10, 2009 challenging the basis of calculation of compensation. The Supreme Court vide order dated January 10, 2011 stayed the order of the Allahabad High Court dated December 10, 2009 which was confirmed vide order dated January 21, 2013. Further, the petitioner filed a third review petition (130263 of 2011 and 14133 of 2012) before the Allahabad High Court for review of the order dated December 10, 2009. The matter is currently pending.

Hari Singh filed writ petition (12087 of 2012) before the Allahabad High Court, challenging the acquisition of 0.089 acres of the said land situated at village Chhalera Bangar, Pargana, Gautam Budh Nagar, Noida by the State of Uttar Pradesh and its subsequent allotment to our Company by lease deed dated February 25, 2005 executed by the New Okhla Industrial Development Authority. The matters have been clubbed for hearing by the Supreme Court vide order dated April 19, 2012.

4. Hitesh Shukla filed a PIL (43 of 2010) before the Allahabad High Court against the State of Uttar Pradesh, Lucknow Development Authority, our Company and others, for quashing the acquisition of 4.93 acres of land at village Ujariaon, Vibhutikhand, Gomtinagar, Lucknow by the State of Uttar Pradesh under the Ujariaon Avasiya Yojna Bhag scheme. The petitioners also sought to quash the auction notice dated May 15, 2010 issued by the Lucknow Development Authority whereby the said land was auctioned to our Company. The petitioners further sought that our Company be directed to remove all construction undertaken on the said land. It is alleged that our Company has started construction on the said land, which is registered as a pond, without prior permission of the relevant authorities. The Allahabad High Court passed an order dated June 18, 2010 staying all construction work on the land. The matter is currently pending.

5. Om Parkash Mukdam filed a PIL (2367 of 2012) dated February 6, 2012 before the Punjab and Haryana High Court against the State of Haryana, our Company and others for quashing the acquisition of approximately 278 acres of land situated at village Wazirabad, Gurgaon, by State of Haryana. The petitioner further sought quashing of letter of allotment dated February 9, 2010 issued by the Haryana State Industrial & Infrastructure Development Corporation Limited by which approximately 350 acres of land at village Wazirabad, Gurgaon was allotted to our Company. The petitioner further sought that the ownership and possession of the said land be reverted to the Gram Panchayat of Wazirabad and our Company be restrained from carrying out any construction activity on the said land. The petitioner has alleged that the acquisition of the land was not for public purposes as is required under the Land Acquisition Act, 1894. The Punjab and Haryana High Court passed an order dated August 13, 2012 staying all construction activity on the said land. The matter is currently pending.

6. Raj Kumar filed a PIL (6553 of 2012) dated February 22, 2012 before the Punjab and Haryana High Court against the State of Haryana, our Company and others for quashing the acquisition of 274.875 acres of land situated at Wazirabad, Gurgaon, by State of Haryana and the subsequent allotment of 350.715 acres of land by letter dated February 9, 2010 to our Company. The petition also sought that an independent enquiry be constituted leading to change in use of the said land to non-forest purposes in violation of the provisions of the Punjab Land Preservation Act, 1900 and the Forest Conservation Act, 1980 and further

sought that our Company be restrained from carrying out any construction activity on the said land or create third party rights. The petitioners alleged that part of the said land was covered under the 'Aravali Plantation Scheme' and our Company has not obtained the prior permission of the concerned authorities for using the said land for non-forest purposes. The Punjab and Haryana High Court passed an order dated August 13, 2012 staying all construction activity on the said land. The matter is currently pending.

7. Rohtash Singh filed a PIL (20548 of 2012) dated October 9, 2012 before the Punjab and Haryana High Court against the State of Haryana, our Company and others for quashing the acquisition of petitioner's land admeasuring 1 bigha 9 biswa, 4 biswansi situated at village Wazirabad, Gurgaon, by State of Haryana. The petitioner also sought quashing of the order dated November 14, 2007 by which the said land was allotted by Haryana Urban Development Authority to Haryana State Industrial and Infrastructure Development Corporation ("**HSIIDC**") and quashing of letter dated February 9, 2010 by which the said land was allotted by HSIIDC to our Company. The petitioner further sought the ownership and possession of the said land to be reverted back to the petitioner and that our Company be restrained from carrying out any construction activity or change the nature of the land or create third party rights on the said land. The petitioner has alleged that the acquisition of the land was for 'public purposes' and was instead utilized by our Company's for commercial purposes. The Punjab and Haryana High Court pursuant to an order dated October 12, 2012, adjourned the matter and directed it to be heard with the case of Om Parkash Mukadam (2367 of 2012).The matter is currently pending.

8. The Karnataka State Pollution Control Board ("**KSPCB**") vide order dated August 19, 2011 refused consent to our Company under section 25 of the Water (Prevention and Control of Pollution) Act, 1974 for development of 414 acres of land in Bangalore. Our Company filed an appeal (26 of 2011) before the Karnataka State Appellate Authority, Bangalore against the order passed by the KSPCB. The matter is currently pending.

9. Sunil Singh ("**Petitioner**") filed a public interest litigation (CWP no. 20032 of 2008) dated October 23, 2008 before the Punjab and Haryana High Court against the Ministry of Environment and Forests, the Central Ground Water Board and our Company alleging, among other things, that environmental clearance was granted to our Company in relation to the project 'DLF Cyber City', Gurgaon without proper verifications of the information submitted and without proper assessments of the ground situation with regard to water, power, traffic, pollution etc. and in violation of environment impact assessment notification S.O.I (E) dated July 7, 2004. The Petitioner has, among other things, sought direction that the environmental clearance granted for the project 'DLF Cyber City', Gurgaon be set aside. The Punjab and Haryana High Court, by way of an order dated December 17, 2008, took on record that the Petitioner has restricted his prayer to the regulation of sub soil/ground water in DLF Cyber City, Gurgaon. Accordingly, the petition was limited in its scope by the Punjab and Haryana High Court only to regulation of drawal of sub soil/ground water in DLF Cyber City, Gurgaon. The matter is currently pending.

Arbitration proceedings

1. I P Support Services (India) Limited ("**IP Support**") filed an appeal (5910 of 2011) before the Punjab and Haryana High Court against an order dated March 22, 2011, of the Additional District Judge, Gurgaon, dismissing IP Support's petition (1 of 27.01.2011) under section 9 of the Arbitration and Conciliation Act, 1996, for an injunction against our Company from creating third party rights in relation to certain property at Phase V, Gurgaon. The said property was the subject matter of an agreement for sale entered into between IP Support and our Company, which was terminated on account of our Company not being able to obtain an approval from the related authorities. The consideration for the agreement for sale was ₹ 1,001.27 million. Pursuant to an order of the Punjab and Haryana High Court dated October 5, 2012, an arbitral tribunal was constituted in arbitration petition number 59 of 2012.

   During the pendency of the appeal, IP Support filed an interim application before the arbitral tribunal under section 17 of the Arbitration and Conciliation Act, 1996 and a claim petition on November 24, 2012, praying for specific performance of the agreement for sale by our Company. Consequently, IP Support filed an application for withdrawal of the appeal, which was accepted by the Punjab and Haryana High Court on December 21, 2012, with liberty to pursue the remedy of interim measures in terms pursuant to the interim application before the arbitral tribunal. An amended petition was filed by IP Support before the arbitral tribunal on January 11, 2013 seeking an order of injunction against our Company from creating third party rights or altering the nature of the said property. The matter is currently pending.

2. Amway India Enterprises Private Limited ("**Amway**") filed a petition (12 of 2011) against our Company and DLF Utilities Limited before the Additional District Judge, Gurgaon under section 9 of the Arbitration and Conciliation Act, 1996, for an injunction against our Company from disposing or creating any third party rights in relation to the plot proposed to be developed as Tower V, Golf Centre at Phase V, Gurgaon. The said property was the subject matter of a letter of intent entered into between Amway and our Company, which was terminated on account of our Company not being able to obtain necessary approvals from the related authorities. The consideration for the proposed agreement ₹ 1,166 million. Pursuant to an order dated January 25, 2012, the Additional District Judge, Gurgaon held that since the letter of intent entered into by the parties did not contain an arbitration clause, the petition for injunction against our Company was liable to be dismissed. Amway has filed an appeal (3711 of 2012) before the Punjab and Haryana High Court against the above order. The matter is currently pending.

   Amway had also filed a petition (82 of 2011) before the Punjab and Haryana High Court under section 11 of the Arbitration and Conciliation Act, 1996 for the appointment of an arbitrator, which is currently pending.

3. Our Company instituted an arbitration proceeding before a sole arbitrator by filing a claim statement on June 14, 2003 against Birla XVL Limited (now Digjam Limited) and Saurashtra Chemicals Limited ("**Respondents**"). The claim of our Company was in relation to three purchase orders placed with our Company by one of the Respondents for system engineering, supply of equipments and for erection and commissioning of one high pressure and one low pressure turbine generator set. Our Company alleged, among other things, that on account of failures of one of the Respondents in complying with its contractual obligations, our Company had suffered losses. Accordingly, our Company claimed, under several heads, approximately ₹ 168.30 million, interest at 24% per annum and costs and expenses.

   Subsequently, Saurashtra Chemicals Limited ("**Saurashtra**") filed a suit against our Company in the Court of Civil Judge, Porbandar, Gujarat (CMA. 15/2005) for recovery of approximately Rs 1,308.82 million alongwith interest at 24% per annum. The claim was in relation to the same purchase orders in relation to which our Company had instituted an arbitration proceeding. The claim amount included the advances made against bank guarantee and payments made for the supplies and services to our Company and alleged claim amounts on account of abandonment of the supply by our Company. Our Company raised certain preliminary objections which were disposed of by the civil judge by an order dated February 2, 2010. Aggrieved by the order of the civil judge disposing the preliminary objections, our Company filed a civil revision application before the Gujarat High Court (Civil Revision Application no. 121 of 2010). The Gujarat High Court, by an order dated May 11, 2011 observed that the arbitration proceeding filed by our Company is in relation to the same contract upon which Saurashtra has filed the suit before the civil judge. Accordingly, the Gujarat High Court, with the consent of the parties, directed Saurashtra to file its counterclaim in respect of its claim made in the civil suit before the arbitrator and to withdraw the suit filed before the civil judge.

   Pursuant to the order of the Gujarat High Court, Saurashtra has filed a counter claim dated August 10, 2011 before the arbitrator in the arbitration proceeding between our Company and the Respondents claiming, at the highest, approximately ₹ 1,244.85 million, interest at 24% per annum and costs. The arbitration proceeding is currently pending.

Criminal proceedings

1. The Haryana State Pollution Control Board ("**HSPCB**") filed three complaints (40 of 2008, 59 of 2009 and 238 of 2009) before the Special Environment Court ("**SEC**") Faridabad for alleged violation of the Environment Protection Act, 1986 by starting construction of the Star Mall, Mall of India and Gymkhana Club located at Gurgaon, Haryana, without obtaining prior environment clearance from the Central Government as required under notifications dated January 27, 1994, July 7, 2004 and September 14, 2006 issued by the Ministry of Environment and Forests, Government of India. Our Company received environmental clearances dated February 4, 2008, July 30, 2007 and June 19, 2008 for the respective projects. The proceedings are currently pending.

2. Harish Kumar Puri filed a first information report ("**FIR**") (433 of 2006) dated June 30, 2006 against our Company and the Directors alleging illegality in cancellation of plot admeasuring 167.22 square yards at Dilshad Gardens, New Delhi, allotted to the complainant's father on failure to comply with the provisions of the (now repealed) Urban Land (Ceiling and Regulation) Act, 1976 and directions of the competent

authorities. The complainant alleged that although requisite consideration was paid for the plot, neither was the possession granted nor was the sale deed executed and the allotment was fraudulently cancelled and the plot was subsequently allotted to a third party. The police filed a final report dated January 7, 2012 before the Additional Chief Metropolitan Magistrate, ("**ACMM**") Karkadooma stating that no criminal case is made out and the matter was of civil nature. Subsequently, the complainant filed a protest petition dated May 30, 2012 before the ACMM, Karkadooma. The ACMM, Karkadooma passed an order dated October 8, 2012 directing the investigating officer to carry out further investigation. The matter is currently under investigation.

3. Sudha Gupta filed FIR (205 of 1997) dated February 4, 1997 against our Company, Trilok Chand Goyal, our Managing Director, and Valsala and Sarup Chand Ansal, employees of our Company, for cancellation of plot at DLF Qutub Enclave, Gurgaon, initially allotted to the complainant due to non-payment of preferential location charges with the first instalment as required under the plot buyers agreement by the complainant. The complainant further alleged that the said plot was fraudulently allotted to a third party. The investigating officer filed final report in 2008 before the Metropolitan Magistrate, New Delhi stating that no criminal case is made out and the matter was of civil nature, against which the complainant filed a protest petition dated January 6, 2009. The Metropolitan Magistrate passed an order dated July 25, 2011 taking cognizance of the matter and summoning our Company, Trilok Chand Goyal, Valsala and Sarup Chand Ansal under section 420 of the Indian Penal Code. Our Company, Trilok Chand Goyal, Valsala and Sarup Chand Ansal filed two revision petitions dated November 23, 2011 and November 30, 2011 before the Additional Sessions Judge, New Delhi to quash the order dated July 25, 2011 passed by the Magistrate. The Additional Sessions Judge passed orders dated November 30, 2011 and November 24, 2011 staying the proceedings of the trial court. The matter is currently pending.

Proceedings initiated by SEBI

1. Kimsuk Krishna Sinha filed a writ petition (7976 of 2007) against SEBI, Sudipti Estates Private Limited ("**Sudipti**") and our Company, before the Delhi High Court. Mr. Sinha alleged that he had incurred a loss of ₹ 310 million as a result of entering into certain business transactions with Sudipti in 2006, while Sudipti was being controlled by two wholly owned subsidiaries of our Company, namely, DLF Home Developers Limited ("**DHDL**") and DLF Real Estate Developers Limited. He filed an FIR (249 of 2007) against Sudipti on April 26, 2007. Mr. Sinha stated that our Company had not disclosed Sudipti as an associate company or related party, nor had any information regarding the above-mentioned FIR against Sudipti been disclosed in the revised prospectus filed on May 25, 2007 during the IPO of our Company, and thus prayed for a direction to SEBI to investigate the affairs of our Company. The writ petition was allowed by the Delhi High Court on April 9, 2010, against which three separate appeals were filed by SEBI, Sudipti and our Company, respectively. The above appeals were disposed of by a common order of the Division Bench of the Delhi High Court, dated July 21, 2011, with directions to SEBI to investigate the matter based on the two complaints filed before SEBI by Mr. Sinha on June 4, 2007 and July 19, 2007, in relation to the above-mentioned non-disclosure.

   Pursuant to the order of the Delhi High Court, the whole time member of SEBI passed an order dated October 20, 2011, stating that SEBI shall investigate into the allegations levelled by Mr. Sinha and that the said investigation shall focus on the violations, if any, of the provisions of the erstwhile Securities and Exchange Board of India (Disclosure and Investor Protections) Guidelines, 2000 read with the relevant provisions of the Companies Act, 1956. Stating such order had been passed based on considerations other than the two complaints filed by Mr. Sinha, our Company filed a writ petition (8128 of 2011) before the Delhi High Court (Single Judge) against this order, which was disposed off pursuant to an order dated January 3, 2012. Subsequently, our Company filed a letters patent appeal (100 of 2012) before the Delhi High Court (Division Bench) against the order dated January 3, 2012, and for quashing of the order dated October 20, 2011, which was dismissed pursuant to an order dated November 20, 2012. Currently, the investigation by SEBI is ongoing.

   Apart from the proceeding before SEBI, Kimsuk Krishna Sinha had also filed a suit (197 of 2010) dated January 25, 2010 against Sudipti Estates Private Limited ("**Sudipti Estates**"), our Company, DLF Home Developers Limited and DLF Estate Developers Limited and others, before the Delhi High Court for the recovery of ₹ 310 million along with pendent lite and future interest and for lifting the corporate veil of Sudipti Estates. Mr. Sinha alleged that he had incurred a loss of ₹ 310 million as a result of entering into certain business transactions with Sudipti Estates in 2006. The matter is currently pending. The reference has also been provided in the proceedings before SEBI regarding the above case.

2. Our company has received, on April 5, 2013, a copy of the complaint dated February 18, 2013 from Vijay Sharma filed before SEBI regarding enquiry on the allegations made by Kimsuk Krishna Sinha on the current investigation by SEBI concerning the initial public offering by our Company in 2007 with the request that he would like to assist SEBI in the aforesaid investigation. Our Company has not received any notice from SEBI in this regard.

Proceedings under the Competition Act, 2002

1. The Competition Commission of India ("**CCI**") passed order dated August 12, 2011 in case no. 19 of 2010 arising out of information filed under Section 19 of the Competition Act by Belaire Owners' Association against our Company as well as Haryana Urban Development Authority ("**HUDA**") and Department of Town and Country Planning, Haryana ("**DTCP**") alleging, among other things, abuse of dominant position, imposition of arbitrary, unfair and unreasonable conditions in the apartment buyers agreement entered into with the apartment allottees of the housing complex 'the Belaire', at Gurgaon, Haryana developed by our Company. CCI, in its order, held that our Company had contravened Section 4 of the Competition Act by abusing dominant position and imposing unfair conditions in the said agreement. By the said order, CCI directed our Company and its group companies to cease and desist from formulating and imposing such unfair conditions in its agreements with buyers in Gurgaon, and to suitably modify the unfair conditions within three months of the date of receipt of the order. CCI also imposed a penalty of ₹ 6,300 millions on our Company.

   Against the aforesaid order passed by CCI, our Company has filed an Appeal (No. 20/2011) dated October 7, 2011 before the Competition Appellate Tribunal ("**COMPAT**") in the matter of DLF Limited versus Competition Commission of India and others. An application for stay was also filed along with the said appeal. The COMPAT passed an order dated November 9, 2011 granting stay of payment of penalty of ₹ 6,300 million imposed by CCI on the condition that if penalty is upheld, it would be paid along with 9% interest. The COMPAT also directed that the direction relating to the modification of unfair conditions be kept in abeyance. The said appeal is currently pending.

   During the pendency of the said appeal, in order to consider the question of unfairness of the terms and conditions of the apartment buyers agreement, COMPAT, by an order dated March 29, 2012, directed that CCI may consider the suggestion filed by the parties as directed in the order dated November 9, 2011. COMPAT, thus, remitted the matter to CCI to consider the said suggestion and pass an order under Section 27(d) of the Competition Act. Thereupon, our Company filed a review petition before COMPAT and by order dated May 21, 2012, it was clarified that the said direction given to CCI by order dated March 29, 2012 was merely for the purpose of iterating the manner and the extent of the modification to be made in terms of the impugned order dated August 12, 2011 and it was also made clear that the question of modifying the said terms and conditions of the appellant, could arise only after a final determination on the question of the correctness of the findings of CCI made by COMPAT in the said pending appeal. Thereafter, CCI considered the suggestion of the rival party regarding modification of the terms of the agreement and passed a supplementary order dated January 3, 2013. Based on this supplementary order, CCI also gave certain directions under Section 42 of the Competition Act in respect of three applications filed by Belaire Owners' Association which were filed earlier and were then pending before CCI.

   The said supplementary order dated January 3, 2013 was also challenged in appeal before COMPAT by our Company in Appeal No. 8/2013. The appeal is currently pending and is directed to be heard along with the main Appeal No. 20/2011. On a stay application filed along with the said appeal, an order dated February 12, 2013 was passed by COMPAT wherein COMPAT noted that CCI had itself made it clear in respect of the subsequent orders passed in pursuance of the order dated January 3, 2013 that the final execution thereof shall be subject to the final outcome of the main Appeal No. 20/2011 pending before COMPAT. It was also noted in the said orders that nothing can proceed in terms of the purported order under Section 42 of the Competition Act, unless the appeal before COMPAT itself is finally decided. It was also clarified that if the proposed owners choose to make the payments as demanded by DLF and get possession, then those payments would be without prejudice to their rights in the main appeal.

2. The CCI passed order dated January 31, 2012 in case no. 67 of 2010 arising out of information filed under Section 19 of the Competition Act by Magnolias Flat Owners Association against our Company as well as HUDA and DTCP alleging, among other things, abuse of dominant position, imposition of arbitrary, unfair and unreasonable conditions in the apartment buyers agreement entered into with the apartment allottees of

the housing complex ‘The Magnolias’, at Gurgaon, Haryana developed by our Company. CCI, in its order, held that our Company had contravened Section 4 of the Competition Act by abusing dominant position and imposing unfair conditions in the said agreement. By the said order, CCI directed our Company and its group companies to cease and desist from formulating and imposing such unfair conditions in its agreements with buyers in Gurgaon, and to suitably modify unfair conditions within three months of the date of receipt of the order. CCI also noted in the said order that the penalty has already been imposed on our Company in Case No. 19 of 2010, relating to the Belaire project, therefore it would not be appropriate to impose penalty separately again in the instant case as the nature of contravention is identical and is in the same relevant market.

Against the aforesaid order passed by CCI, our Company has filed an appeal (no. 19/2012) dated April 9, 2012 before the COMPAT in the matter of DLF Limited versus Competition Commission of India and others. An application for stay was also filed along with the said appeal. The COMPAT passed an order dated April 12, 2012 noting that the order dated November 9, 2011 passed in Appeal No. 20 of 2011 and 22 of 2011 shall cover this case also in so far as it is applicable to this appeal and granted stay on the same terms as in the case of Belaire in Appeal No. 20/2011. The appeal is currently pending.

During the pendency of the said appeal, in order to consider the question of unfairness of the terms and conditions of the apartment buyers agreement, COMPAT, by an order dated July 18, 2012 directed the rival party to approach the CCI with draft modifications since in Appeal No.20 of 2011, 22 of 2011, 23 of 2011 and 20 of 2012, draft modifications have been filed and transmitted to CCI. Thereafter, CCI considered the suggestion of the rival party regarding modification of the terms of the agreement and passed a supplementary order dated January 10, 2013 based on the supplementary order dated January 3, 2013 passed in the case no. 19 of 2010.

The said supplementary order dated January 10, 2013 has been challenged by our Company in appeal before COMPAT. Along with the said appeal, a stay application has been filed on February 11, 2013 before COMPAT by our Company in Appeal No. 11/2013. The said Appeal is pending along with the stay application. The COMPAT, through an order dated April 2, 2013, directed that those persons who want to make payment may do so without prejudice to their rights and that our Company shall not take any action such as cancellation of agreement(s) in case the persons, who are not interested in making payments at present, do not make any such payments during the pendency of the appeal.

An application has also been filed under Section 42 read with Section 48 of the Competition Act filed by the Magnolias Flat Owners Association before CCI on January 17, 2013 for alleged contravention of the order dated January 31, 2012 passed by CCI under section 27, in case no. 67/10. Another application has also been filed on behalf of an allottee in Magnolias, Brij Raj Singh on January 23, 2013 under sections 33 and 42 of the Competition Act for interim directions/orders including stay of demand letter dated November 28, 2012 issued by our Company allegedly in contravention of the CCI order dated January 3, 2012.

The aforesaid applications under Section 42 of the Competition Act, 2002 are pending.

3. The CCI passed order dated August 29, 2011 in case no. 24, 30, 31, 32, 33, 34 and 35 of 2010 arising out of information filed under Section 19 of the Competition Act by Pushkar Dutt Sharma and in some cases along with Kiran Sharma against our Company and DHDL as well as HUDA and DTCP alleging, among other things, abuse of dominant position, imposition of arbitrary, unfair and unreasonable conditions in the apartment buyers agreement entered into with the apartment allottees of the housing complexes ‘ The Belaire and DLF Park Place’, at Gurgaon, Haryana developed by our Company and DHDL respectively. CCI passed a common order alongwith Case No. 18/2010 dated August 29, 2011.

   Against the aforesaid order passed by CCI, our Company and DHDL have filed an appeal (no. 23/2011) dated October 28, 2011 before the COMPAT in the matter of DLF Ltd and DLF Home Developers Limited versus Competition Commission of India and others. An application for stay was also filed along with the said appeal. The COMPAT passed an order also dated November 9, 2011 granting stay on the same terms as in the case of Belaire in Appeal No. 20/2011. The said appeal is currently pending.

   CCI passed a common Supplementary order dated January 10, 2013 in Case Nos. 24, 30, 31, 32, 33, 34 and 35 of 2010 along with Case No. 18 of 2010 based on the Supplementary Order dated January 3, 2013 passed in Case No. 19/2010.

4. The CCI passed an order dated November 14, 2011 in a case (case no. 55 of 2010) arising out of information filed under Section 19 of the Competition Act by Mili Marketing Private Limited against our Company, HUDA and DTCP alleging, among other things, abuse of dominant position and imposition of unfair and unreasonable conditions in the apartment buyers agreement entered into with the apartment allottees in relation to a residential project 'the Belaire', at Gurgaon, developed by our Company. As per the order, CCI held that our Company had contravened Section 4 of the Competition Act and observed that since, among other things, the facts of the case are identical with case no. 19 of 2010 which had already been decided by the CCI vide its order dated August 12, 2011, there is no need to pass any separate order in the present case. The case was, therefore, disposed off in terms of the order dated August 12, 2011 passed in case no. 19 of 2010.

   Our Company has filed an appeal (appeal no. 12 of 2012) dated January 16, 2012 before the COMPAT in the matter of DLF Limited versus Competition Commission of India and others, against the foregoing order passed by the CCI. The appeal is currently pending.

5. The CCI passed an order dated January 31, 2012 in two cases (case no. 43 of 2011 and case no. 44 of 2011) arising out information filed under Section 19 of the Competition Act by Harvatar Singh Arora and Gurjit Kaur Arora against our Company alleging, among other things, abuse of dominant position and imposition of arbitrary, unfair and unreasonable conditions in the apartment buyers agreement entered into with the apartment allottees of the housing complex 'the Belaire', at Gurgaon, developed by our Company. CCI in its order, held that our company had contravened Section 4 of the Competition Act by abusing dominant position and by imposing unfair conditions in the said agreement and observed that the order dated August 12, 2011 passed in case no. 19 of 2010 squarely covers the facts and issues of these cases as well. Since penalty has already been imposed upon our Company in case no. 19 of 2010, the CCI does not find it fit to impose penalty in these two cases and also observed that the order of 'cease and desist' passed in case no. 19 of 2010 will be applicable in these two cases also.

   Our Company has filed an appeal (appeal no. 20 of 2012) dated April 16, 2012 before the COMPAT in the matter of DLF Limited versus Competition Commission of India and others, against the foregoing order passed by the CCI. The COMPAT passed an order dated April 26, 2012 tagging the said matter with Appeal No.20 of 2011 and also stated that the injunction order passed in Appeal No. 20 of 2011 shall be operative so far as this case is concerned. The said appeal is currently pending.

6. Information was filed by Dinesh Trehan ("**Informant**") on July 30, 2012 under Section 19 (1) of the Competition Act against our Company before the CCI. The Informant alleged, among other things, abuse of dominant position by our Company in relation to development of the housing complex 'the Belaire', at Gurgaon. The CCI considered the matter and referred it to the Director General for investigation by its order dated September 19, 2012. The Director General submitted the investigation report to the CCI. The CCI considered the investigation report of the Director General and decided to proceed further in the matter in accordance with the provisions of the Competition Act. The investigation report has been shared by the CCI with our Company and the CCI has directed our Company to file its reply on the matter. The CCI has also directed the Informant as well as our Company to appear before it for oral hearing on March 21, 2013. Our Company has filed its reply and appeared before the CCI through its authorized representatives on the date of oral hearing. The matter is currently pending.

7. Information was filed by DGCOM Buyers & Owners Association ("**Informant**") on May 24, 2012 under Section 19 (1) (a) of the Competition Act before the CCI (case no. 29/2012) against our Company and DLF Southern Homes Private Limited ("**DLF Southern Homes**"), our Subsidiary. The Informant alleged, among other things, abuse of dominant position by DLF Southern Homes in relation to a housing project situated at Old Mahabalipuram Road, IT Express Corridor, Chennai. The CCI, by way of an order dated November 27, 2012, held that no prima facie case was made out by the Informant to hold DLF Southern Homes or the group of our Company and DLF Southern Homes as dominant in the relevant market, and accordingly closed the proceedings.

   The Informant has filed an appeal (appeal no. 10 of 2013) dated January 31, 2013 before the COMPAT in the matter of DGCOM Buyers & Owners Association v. DLF Limited, DLF Southern Homes Private Limited and the CCI, against the foregoing order passed by the CCI. The appeal is currently pending.

8. Information was filed by Jyoti Swaroop Arora ("**Informant**") on September 20, 2011 before the CCI (case no. 59 of 2011) under Section 19 (1) of the Competition Act. The Informant alleged, among other things, that the members of Confederation of Real Estate Developers' Association of India ("**CREDAI**") have an agreement for practices which are anti-competitive. As per the Informant, such practices relate to matters including onerous and one-sided clauses in the flat buyers agreements and issuance of advertisements and allotment letter without taking the necessary approval from the concerned authorities. The CCI passed an order dated December 15, 2011 under Section 26 (1) of the Competition Act stating that it was *prima facie* clear that certain practices which were being commonly carried on by many real estate developers in India were indirectly determining the sale prices in the market of services relating to real estate provided by them and also potentially limiting the provision of such services. The CCI further stated that such conduct of residential apartment complex builders was indicative of the existence of a *prima facie* contravention of Section 3 (3) of the Competition Act. Hence, CCI directed the Director General to conduct an investigation into the matter.

   The Director General issued a notice on April 27, 2012 requisitioning information from our Company; a response to which was submitted by our Company to the Director General on May 24, 2012. The matter is currently pending with the Director General.

Proceedings in relation to allotment or transfer or transmission of Equity Shares

Our Company is involved in a few proceedings before the Company Law Board and other courts in relation to allotment or transfer of Equity Shares. The petitioners/ complainants have principally sought relief for transfer or transmission of Equity Shares from other shareholders in their name or for allotment of Equity Shares. In some of these cases, the claim for allotment of Equity Shares is based on the ground that the petitioners/ complainants are the legal heirs of a deceased shareholder, or on the ground that bids had been submitted with certain brokers at the time of the initial public offering, which were not registered with our Company by such brokers.

B. Cases filed against the Subsidiaries

Civil proceedings

1. Tara Chand and 10 others filed a writ petition (6230 of 2010) dated April 5, 2010 before the Punjab and Haryana High Court against the State of Haryana, DLF Homes Panchkula Private Limited ("**DLF Homes**"), our Subsidiary and 71 others. The State of Haryana issued notification under section 4 of the Land Acquisition Act, 1894 for acquiring 809.79 acres of land situated at Panchkula, Haryana. However, the petitioners have alleged that the State of Haryana has falsely exempted land admeasuring 118 acres held by DLF Homes from its acquisition and has subsequently acquired only 673.79 acres of land at Panchkula, Haryana. The petitioners have challenged the said acquisition of land at Panchkula and seeks to quash the license issued by the Director, Town and Country Planning, Haryana and the environmental clearance granted by the Additional Director (Impact Assessment), Ministry of Environment and Forest, Government of India to DLF Homes to construct residential colonies on the said land. The Punjab and Haryana High Court passed an order dated April 6, 2010 staying the dispossession of the land and further restraining DLF Homes from constructing on the said land. DLF Homes filed a SLP (21323-21325 of 2010) dated July 10, 2010 in the Supreme Court against the order of the Punjab and Haryana High Court dated April 6, 2010. The Supreme Court through an order dated July 23, 2010 has stayed the operation of the order dated April 6, 2010. The matter is currently pending.

   In addition to the above, Harvinder Mohan, Sant Ram, the Haryana Wakf Board Ambala Cantt., Shama Rani, Able Impex and Gurmeet Singh have filed separate writ petitions before the Punjab and Haryana High Court against the State of Haryana, DLF Homes and others challenging the abovementioned acquisition of land at Panchkula, Haryana and in some cases, seeks to quash the license issued by the Director, Town and Country Planning, Haryana and the environmental clearance granted by the Additional Director (Impact Assessment), Ministry of Environment and Forest, Government of India to DLF Homes to construct residential colonies on the said land. All the matters are to be heard with the writ petition of 6230 of 2010 after the decision of Supreme Court in SLP (21323-21325 of 2010).

2. Gurmail Singh and 2 others filed a writ petition (15481 of 2010) dated August 24, 2010 before the Punjab and Haryana High Court against the State of Haryana, DLF Commercial Developers Limited ("**DLF Commercial**"), our Subsidiary and 3 others. The State of Haryana issued notification under section 4 of

the Land Acquisition Act, 1894 for acquiring 809.79 acres of land situated at Panchkula, Haryana. However, the petitioners have alleged that the State of Haryana has falsely exempted land admeasuring 95.49 acres and 24.32 acres held by DLF Homes from its acquisition. The petitioners have challenged the said acquisition of land at Panchkula and release of land held by DLF Commercial. The Punjab and Haryana High Court passed an order dated November 25, 2010 dismissing the writ petition. The petitioners filed a review application (235 of 2011) before a division bench of the Punjab and Haryana High Court. The Punjab and Haryana High Court vide its order dated July 15, 2011 dismissed the review application The petitioners filed a SLP (31341-42 of 2011) before the Supreme Court challenging the orders of the Punjab and Haryana High Court dated November 25, 2010 and July 15, 2011. DLF Homes has filed an application dated August 8, 2012 on behalf of DLF Commercial to insert the name of DLF Homes in place of DLF Commercial. The matter is currently pending.

3. Central Coalfields Limited ("**Central Coalfields**") filed a petition dated January 14, 2004 before the Jharkhand State Electricity Regulatory Commission ("**JSERC**") for fixation of tariff for a power plant built by DLF Power for Central Coalfields Limited ("**Central Coalfields**"). On July 12, 2004 by Minutes of Meeting both DLF Power Limited ("**DLF Power**") and Central Coalfields requested JSERC for fixation of tariff. JSERC passed an order dated December 4, 2004 fixing the tariff against which Central Coalfields filed review petition dated January 31, 2005 before JSERC to modify or recall the said order. JSERC by order dated February 28, 2005 dismissed the petition. Aggrieved by this order, Central Coalfields filed an appeal (166 of 2005) before the Appellate Tribunal for Electricity at New Delhi. The Appellate Tribunal for Electricity, New Delhi passed an order dated May 11, 2006 rejecting the appeal. Both Central Coalfields and DLF Power filed appeals (C.A.No. 3561 of 2006 and C.A. No. 3109 of 2006) before the Supreme Court challenging the order dated May 11, 2006. The Supreme Court passed an order dated July 11, 2007, directing M/s Ernst & Young to determine the 'capital costs' and to submit the findings to JSERC in order to determine the tariff. JSERC passed an order dated March 4, 2008 and determined the tariff on the basis of M/s Ernst & Young's determination of 'capital costs'. Central Coalfields filed an application (I.A. No. 2 in C.A. 3561) before the Supreme Court against the order of the JSERC dated March 4, 2008 on the ground that the 'capital cost' was determined by M/s Ernst & Young only on the basis of documents provided by DLF Power without according them any opportunity of being heard. The Supreme Court by an order dated April 1, 2009 disposed off both the appeals simultaneously and directed the Appellate Tribunal for Electricity at New Delhi to consider the matter on merits. The Appellate Tribunal for Electricity at New Delhi passed an order dated July 31, 2009 determining the tariff. Central Coalfields has filed an appeal (7403 of 2009) before the Supreme Court against the order of the Appellate Tribunal for Electricity at New Delhi dated July 31, 2009. The Supreme Court has passed an interim order dated September 14, 2012 directing Central Coalfields to pay DLF Power the tariff as fixed by the order dated July 31, 2009.

   DLF Power (now Eastern India Powertech Limited) has filed a contempt petition on January 28, 2013 against Central Coalfields Limited before the Supreme Court for non-payment of tariff in violation of order dated September 14, 2012. The matters are currently pending.

4. Khazan Singh and others have filed a special leave petition (5137 of 2011) against the State of Haryana, Gram Panchayat, village Wazirabad and others, including Viklap Agro Industries Private Limited, Dream Land Agro Industries Private Limited, Vishram Agro Private Limited, Vidhur Cultivation Private Limited and Prashant Krishi Udyog Private Limited, which were later merged into DLF Utilities Limited before the Supreme Court. Suraj Bhan and others from village Wazirabad had filed a writ petition (8186 of 1998) against the respondents before the Punjab and Haryana High Court (Single Bench), challenging the exchange of approximately 47.31 acres of land between the Gram Panchayat and the other respondent companies. The Punjab and Haryana High Court (Single Bench) held the exchange of land to be valid and accordingly, dismissed the writ petition pursuant to an order dated January 13, 2005. The petitioners filed an appeal (69 of 2005) against the above-mentioned order before the Punjab and Haryana High Court (Division Bench), which was dismissed by final judgment and order dated February 5, 2010. Consequently, the current SLP has been filed against the final judgment and order of the Punjab and Haryana High Court (Division Bench) and the matter is currently pending.

   Further, the Punjab and Haryana High Court, pursuant to an order dated February 5, 2010 dismissed another appeal (82 of 2006) by Sher Singh and another, against the above-mentioned respondents regarding the exchange of land forming the subject matter of the above appeal (69 of 2005), in terms of the above mentioned order passed on the same date in the above appeal. Sher Singh Yadav filed an SLP

(26502 of 2010) before the Supreme Court, challenging the order of the Punjab and Haryana High Court. The matter is currently pending.

5. The Goa Foundation and Edwin Mascarenhas filed a PIL (13 0f 2010) before the Bombay High Court at Panji against Saravati Builders and Construction Private Limited (now DLF Homes Goa Private Limited), ("**Saravati Builders**"), our Subsidiary and others. The petitioners have alleged that the land on which Saravati Builders are constructing a housing project of 77,294 square meters is designated as forest land in village Dabolim, Mormugoa, Goa. The said land was purchased by Saravati Builders from Anand Builders for construction of apartment complexes and club houses at Dabolim, Goa. The PIL challenges the approvals granted by various state authorities to Saravati Builders for construction of housing projects on the said forest land which has been earmarked as a 'no-development' zone. Saravati Builders has filed its reply dated February 1, 2010 before the Bombay High Court at Panaji. The Bombay High Court passed an interim order dated January 12, 2010 restraining Saravati Builders from cutting any trees on the said land.

   Susequently, the Ministry of Environment and Forests ("**MoEF**") issued a letter dated April 15, 2010 keeping the environmental clearance dated January 11, 2010 granted to Saravati Builders in abeyance. The Bombay High Court further passed an interim order dated May 2, 2012 directing the Forests Department, Goa to inspect the said property and to submit its report. The Deputy Conservator of Forests, Forest Department, South Goa Division filed its report before the Bombay High Court. Subsequently, DLF Homes Goa Private Limited filed a writ petition (395 of 2011) dated July 1, 2011 before the Bombay High Court at Goa to quash the portion of the letter dated April 15, 2010 by the MoEF keeping the environmental clearance in abeyance. The matter is currently pending.

6. Major Vishwani and 102 other complainants filed a complaint (34 of 2010) dated February 19, 2010, before the National Consumer Disputes Redressal Commission, New Delhi, against DLF Commercial Complexes Limited and Ajay Khanna, for the refund of purchase amounts paid by each of the complainants pursuant to certain agreements entered into for the purchase of properties in the DLF Towers project at Okhla, and for grant of ₹ 0.2 million as compensation to each of the complainants and costs. The complaint was originally filed by DLF Towers Okhla Owners Association, alleging deficiency in service and unfair trade practices by the erstwhile DLF Commercial Complexes Limited on the ground that requisite statutory approvals had not been obtained nor had construction started in three years post entering into the said agreements, and that DLF Commercial Complexes Limited had initiated industrial construction on the said project for the IT industry. Subsequently, in view of an objection that the complaint was not maintainable on behalf of the association on account of it not being a registered association, names of all the members of the association were substituted as complainants pursuant to an order dated January 17, 2012. Pursuant to an order dated November 19, 2012, the respondents were substituted by DLF Universal Limited.The matter is currently pending.

7. The Delhi Pollution Control Committee ("**DPCC**") issued show cause notices to DLF Retailer Developers Limited, DLF Commercial Developers Limited, Galleria Property Management Services Private Limited, Regency Park Property Management Services Private Limited and Paliwal Developers Limited (the "**Entities**"), our Subsidiaries and our Company for alleged violation of Section 25 of the Water Act and sections 21 and 22 of the Air Act whereby consent to establish had not been obtained by the Entities and our Company for certain projects undertaken by them at various locations. The show cause notice further levied penalty of one per cent of the project costs on the Entities and our Company. The Entities and our Company filed separate writ petitions before the Delhi High Court challenging the show cause notices. The Delhi High Court passed an order dated September 30, 2010 quashing the penalty imposed on the Entities and our Company. DPCC filed separate appeals against the Entities before the division bench of the Delhi High Court challenging the order dated September 30, 2010. The division bench of the Delhi High Court passed an order dated January 23, 2012 upholding the order dated September 30, 2010. DPCC filed a SLP (21538/72 of 2012) before the Supreme Court challenging the order dated January 23, 2012. The matter is currently pending.

8. The Assistant Estate Officer, Chandigarh, issued a show cause notice dated June 3, 2009 to DLF Infocity Developers (Chandigarh) Limited ("**DLF Infocity**") under Rule 10 and 14 of the Chandigarh Estate Rules, 2007 asking DLF Infocity to show cause as to why misuse charges should not be levied on it and to show cause as to why the allotment of the land should not be cancelled for alleged violation of the terms of allotment of 12.5 acres of land located at the Chandigarh Information Technology Park. It is alleged that DLF Infocity leased out certain premises on the said land to non-IT companies in violation of the terms of the allotment letter and join development agreement entered into between Chandigarh Administration and

DLF Infocity. DLF Infocity filed its replies before the Estate Officer. Subsequently, the Estate Officer, Chandigarh passed an order dated August 20, 2010 among other things, cancelling the allotment of the said land to DLF Infocity and forfeiture of 10% of the total consideration amount paid by DLF Infocity. DLF Infocity has filed an appeal (239 of 2010) dated October 18, 2010 before the Chief Administrator, Chandigarh seeking to set aside the order dated August 20, 2010 and withdrawal of the show cause notice dated June 3, 2009. The matter is currently pending.

9. Nirmal N. Saigal ("**Saigal**") filed a suit (149 of 2002) before the Court of Senior Civil Judge, Delhi against the Union of India through the Ministry of Urban Development, the Land Development Officer, New Delhi ("**LDO**") and one of our Subsidiaries. The suit was filed seeking, among other things, that the plaintiff be declared the owner of a parcel of land at New Delhi and that the mutation in the name of our Subsidiary in the records of the Ministry of Urban Development and LDO be declared illegal. Our Subsidiary filed an application (128 of 2010) on December 2, 2010 for rejecting the suit, among other things, on account of it being time barred. The Court of Senior Civil Judge, Delhi passed an order dated July 13, 2011 and dismissed the suit on the ground of it being barred by limitation. Saigal filed an appeal dated August 16, 2011 before the Additional District Judge, Delhi to set aside the order dated July 13, 2011 passed by the Court of Senior Civil Judge, Delhi. The Additional District Judge, Delhi passed an order dated March 27, 2012 dismissing the appeal. Saigal (through legal heirs) filed an appeal (119 of 2012) dated July 2, 2012 before the Delhi High Court to set aside the judgement and decree dated March 27, 2012 passed by the Additional District Judge, Delhi. The matter is currently pending.

Arbitration proceedings

1. The Owners and Occupants Welfare Association filed a civil suit (258 of 2011) before the Delhi High Court against DLF Commercial Developers Limited, stating that the members of the plaintiff association were allottees of certain flats at DLF Towers A and B, Jasola, New Delhi, possession of which had been allegedly offered without obtaining the completion certificate, and without obtaining electricity and water connections. Additionally, it was alleged that holding charges and stamp duty and registration charges were being demanded for grant of possession of the flats by DLF Commercial Developers Limited. Pursuant to an order of the Delhi High Court dated February 4, 2011, DLF Commercial Developers Limited was restrained from cancelling the allotment of the flats made to the members of the plaintiff association solely on the ground of non-payment of holding charges.

   Subsequently, the civil suit was disposed of pursuant to an order of the Delhi High Court dated August 16, 2011 and the matter was referred for arbitration before a sole arbitrator and the interim order dated February 4, 2011 with respect to holding charges was confirmed. Various charges, including holding charges, electricity and water maintenance charges and ground rent, were not part of the purchase consideration and these charges were disputed in the arbitration proceedings.

   During the pendency of the proceedings, an application was filed by some of the claimants ("**Applicants**") before the arbitrator on October 19, 2012, stating that they have not been given possession of their respective flats/ units in DLF Towers A and B, Jasola, New Delhi, in spite of payment of the purchase price of the flats. Pursuant to an interim order of the arbitrator dated February 26, 2013, the Applicants were directed to pay all maintenance charges to DLF Commercial Developers Limited within a week of the order, consequent upon which DLF Commercial Developers Limited would be required to hand over possession of their respective units, prior to which the registration charges of such conveyance would be deposited with the arbitral tribunal till settlement of the matter in relation to other charges. Payment of holding charges was not adjudicated upon in view of the stay granted by the Delhi High Court pursuant to the order dated February 4, 2011. The matter is currently pending.

2. Vibes Developers Private Limited ("**Vibes Developers**") filed statement of claim before the arbitral tribunal on May 15, 2010 against DLF Home Developers Limited ("**DHDL**") claiming, among other things, declaration that the agreement dated November 9, 2006 was terminated illegally by DHDL, ₹ 1081.60 million as compensation, ₹ 178.89 million as consolidation fees, ₹ 75.75 million as reimbursement for expenses incurred under the agreement and other damages. Vibes Developers alleged that it was to procure around 1000 bighas of land located near Jaipur for DHDL for which an agreement dated November 9, 2006 was entered into between the parties. DHDL issued an amount of ₹ 200 million to Vibes Developers as advance and security for performance of the said agreement. Vibes Developers further issued two post-dated cheques worth ₹ 100 million each as security to DHDL. DHDL alleged that

due to efflux of time, the agreement dated November 9, 2006 was terminated and subsequently a letter dated July 11, 2007 was issued by DHDL to Vibes Developers.

DHDL has filed a counter claim dated July 24, 2010 of ₹ 200 million along with damages of ₹ 12,720 million on account of failure to perform the agreement dated November 9, 2006. The arbitration proceeding is currently pending.

Proceedings under the Competition Act, 2002

1. CCI passed order dated August 29, 2011 in case no. 18 of 2010 arising out of information filed under Section 19 of the Competition Act by DLF Park Place Residents Welfare Association against DLF Home Developers Limited ("**DHDL**") as well as HUDA and DTCP alleging, among other things, abuse of dominant position, imposition of arbitrary, unfair and unreasonable conditions in the apartment buyers agreement entered into with the apartment allottees of the housing complex 'DLF Park Place', at Gurgaon, Haryana developed by DHDL. CCI, in its order, held that DHDL had contravened Section 4 of the Competition Act by abusing dominant position and imposing unfair conditions in the said agreement. By the said order, CCI directed DHDL and its group companies to cease and desist from formulating and imposing such unfair conditions in its agreements with buyers in Gurgaon, and to suitably modify unfair conditions within three months of the date of receipt of the order. CCI also noted in the said order that the penalty has already been imposed on our Company in Case No. 19 of 2010, relating to the Belaire project, therefore it would not be appropriate to impose penalty separately again in the instant case as the nature of contravention is identical and is in the same relevant market.

   Against the aforesaid order passed by CCI, DHDL has filed an appeal (no. 22/2011) dated October 28, 2011 before the COMPAT in the matter of DLF Home Developers Limited versus Competition Commission of India and others. An application for stay was also filed along with the said appeal. The COMPAT passed an order also dated November 9, 2011 granting stay on the same terms as in the case of Belaire in Appeal No. 20/2011. The said appeal is currently pending.

   During the pendency of the said appeal, in order to consider the question of unfairness of the terms and conditions of the apartment buyers agreement, COMPAT, by an order dated March 29, 2012, directed that CCI may consider the suggestion filed by the parties as directed in the order dated November 9, 2011. COMPAT, thus, remitted the matter to CCI to consider the said suggestion and pass an order under Section 27(d) of the Competition Act. Thereupon, our Company alongwith DHDL filed a review petition before COMPAT and by order dated May 21, 2012, it was clarified that the said direction given to CCI by order dated March 29, 2012 was merely for the purpose of iterating the manner and the extent of the modification to be made in terms of the impugned order dated August 29, 2011 and it was also made clear that the question of modifying the said terms and conditions of the appellant, could arise only after a final determination on the question of the correctness of the findings of CCI made by COMPAT in the said pending appeal. Thereafter, CCI considered the suggestion of the rival party regarding modification of the terms of the agreement and passed a supplementary order dated January 10, 2013 based on the supplementary order dated January 3, 2013 passed in the case no. 19 of 2010. Based on this supplementary order, CCI also gave certain directions under Section 42 of the Competition Act in respect of three applications filed by DLF Park Place Residents Welfare Association which were filed earlier and were then pending before CCI.

   The said supplementary order dated January 10, 2013 was also challenged in appeal before COMPAT by DHDL in Appeal No. 9/2013 which is currently pending and is directed to be heard along with the main Appeal No. 22/2011. On a stay application filed along with the said appeal, an order dated February 12, 2013 was passed by COMPAT wherein COMPAT noted that CCI had itself made it clear in respect of the subsequent orders passed in pursuance of the order dated January 3, 2013 that the final execution thereof shall be subject to the final outcome of the main Appeal No. 22/2011 pending before COMPAT. It was also noted in the said orders that nothing can proceed in terms of the purported order under Section 42 of the Competition Act, unless the appeal before COMPAT itself is finally decided. It was also clarified that if the proposed owners choose to make the payments as demanded by DLF and get possession, then those payments would be without prejudice to their rights in the main appeal.

2. Information was filed by Owners and Occupants Welfare Association, DLF Towers, Jasola ("**Informant**") against DLF Commercial Developers Limited and DLF Services Limited, our Subsidiaries and Delhi Development Authority under Section 19 of the Competition Act alleging abuse of dominant position by

DLF Commercial Developers Limited. The CCI, pursuant to an order dated July 4, 2012 passed under Section 26 (2) of the Competition Act in Case No. 15 of 2012, held that no *prima facie* case is made out for directing the Director General to conduct investigation in the matter. The CCI, accordingly, closed the proceedings.

Owners and Occupants Welfare Association, DLF Towers, Jasola filed an appeal (Appeal No. 117 of 2012) before the COMPAT in September 2012, against the abovementioned order passed by the CCI. The appeal is currently pending.

3. Information was filed by Anil Kumar ("**Informant**") under Section 19 (1) of the Competition Act against DLF Home Developers Limited ("**DHDL**") before the CCI (Case No. 55 of 2012). The Informant alleged, among other things, abuse of dominant position by DHDL including but not limited to unfair financial pressure on the Informant, unfair charges for parking space and unfair clause in case of delay. The CCI considered the matter and pursuant to its order dated November 27, 2012 passed under Section 26 (1) of the Act, directed the Director General to investigate into the matter. Pursuant to the order of the CCI, the Director General served notices on DHDL under sections 36 (2) read with Section 41 (2) of the Competition Act dated December 28, 2012, January 22, 2013, February 22, 2013 and March 6, 2013, March 18, 2013 and March 19, 2013 asking for details such as copy of standard apartment buyers agreement, name and address of the projects and name and address of other builders/developers in the vicinity. The matter is at present being investigated by the Director General.

4. An application dated November 23, 2011 was filed by Vipan Mahajan against our Company, Kushal Pal Singh, Rajiv Singh, Trilok Chand Goyal, Pia Singh, Directors of our Company and Kameshwar Swarup, a former Director of our Company. The application was filed under Section 42 read with Section 48 of the Competition Act alleging violation of an order dated September 22, 2011 passed by the CCI. The alleged violation related to cancellation of allotment of an apartment in DLF Park Place, (which has since been restored). However, since the said project was not under our Company but was a project of DLF Home Developers Limited ("**DHDL**"), our Subsidiary, the notice of hearing dated February 22, 2012 on the said application was sent by CCI to DHDL and not to our Company. Subsequently, a show cause notice dated May 1, 2012 was also issued under Section 42 of the Competition Act to DHDL. The reply to the said notice has also been filed by DHDL. The matter is currently pending.

5. Information was filed by Pankaj Aggarwal and Sachin Aggarwal ("**Informants**") under Section 19 (1) of the Competition Act against DLF New Gurgaon Home Developers Private Limited ("**DNGHDL**") before the CCI (Case Nos. 13 and 21 of 2010). The Informants alleged, among other things, abuse of dominant position by DNGHDL in respect of the DLF New Town Heights Project. The CCI considered the matter and passed an order under Section 26 (1) directing the Director General to investigate into the matter. The Director General after investigation filed a report on October 18, 2010. Thereafter, CCI passed an order dated December 7, 2011 under Section 26 (8) of the Competition Act directing the Director General to file a supplementary report as the definition of the relevant product market required further scrutiny. The Director General filed the supplementary investigation report on October 25, 2012 which was then circulated to the parties for their comments/objections. DNGHDL filed its comments/objections to the report on January 25, 2013 and further filed an application dated January 31, 2013 to adjourn the matter until determination of principal issues by the COMPAT. The matter is currently pending.

6. DLF Park Place Residents Welfare Association ("**Association**") filed an application dated December 12, 2012 before the CCI under Section 42 read with Section 48 of the Competition Act alleging that DLF Home Developers Limited ("**DHDL**"), our Subsidiary, had violated orders dated August 12, 2011 and August 29, 2011 passed by the CCI by imposing similar terms and conditions on buyers in the agreement with regard to a new project namely 'Skycourt' launched by DHDL in Gurgaon. The CCI by its order dated January 1, 2013 rejected the application.

Aggrieved by the order passed by the CCI, the Association filed a writ petition (W.P. (C) 410/2013) dated January 21, 2013 before the Delhi High Court against DHDL and the Union of India. The Delhi High Court, by its order dated February 8, 2013 set aside the order passed by the CCI and directed that the CCI would have the application of the Association listed before it for a fresh hearing. The CCI issued notice dated March 28, 2013 to our Company and DHDL for a hearing. The matter is currently pending.

C. Income tax proceedings against our Company and the Subsidiaries

1. Pursuant to a special audit under Section 142 (2A) of the Income Tax Act, the assessment for assessment year 2009-10 was framed by the Additional Commissioner of Income Tax, New Delhi, which resulted into an addition of ₹ 9,948.41 million to the income. A demand notice dated April 30, 2012 was received by our Company demanding a sum of ₹ 4,573.92 million. The additional income was assessed due to addition/disallowance including denial of deduction claimed for setting up of a special economic zone under Section 80-IAB of the IT Act, disallowance of expenses claimed under brokerage and commission, revenue recognition on sale of various constructed properties based on 'percentage of completion method' ("**POC Method**").

   Aggrieved by the foregoing assessment order, our Company preferred an appeal before the Commissioner of Income-Tax (Appeals) ("**CIT-A**"), New Delhi, on May 22, 2012. The matter is currently pending.

2. Pursuant to a special audit under Section 142 (2A) of the Income Tax Act, the assessment for assessment year 2008-09 was framed by the Additional Commissioner of Income Tax, New Delhi, which resulted into an addition of ₹ 12,559.99 million to the income. A demand notice dated April 27, 2011 was received by our Company demanding a sum of ₹ 5,468.49 million. The additional income was assessed due to addition/disallowance including denial of deduction claimed for setting up of a special economic zone under Section 80-IAB of the IT Act; disallowance of expenses claimed under brokerage and commission; revenue recognition on sale of various constructed properties based on POC Method.

   Aggrieved by the foregoing assessment order, our Company preferred an appeal before the CIT-A, New Delhi (Appeal No. 60/12-13) on May 25, 2011. CIT-A passed an order dated February 12, 2013 partly allowing the appeal. Our Company has appealed before the Income Tax Appellate Tribunal, New Delhi ("**ITAT**") through a memorandum of appeal in the prescribed form on April 11, 2013.

3. Pursuant to a special audit under Section 142 (2A) of the Income Tax Act, the assessment for assessment year 2006-07 was framed by the Additional Commissioner of Income Tax, New Delhi, which resulted into an addition to the income by ₹ 10,159.97 million. A demand notice dated May 6, 2009 was received by our Company demanding a sum of ₹ 4,827.43 million. The additional income was assessed due to addition/disallowance including disallowance of expenses claimed under brokerage and commission, revenue recognition on sale of land, plots and various constructed properties based on POC Method, capitalization of interest expense and deemed dividend.

   Aggrieved by the foregoing assessment order, our Company appealed to the CIT-A, New Delhi (Appeal No. 035/10-11) on June 4, 2009. CIT-A passed an order dated March 25, 2011 partly allowing the appeal.

   Our Company and the Additional Commissioner of Income Tax, New Delhi have appealed before the ITAT against the order of the CIT-A through a memorandum of appeal in the prescribed form (Appeal No. 2677/DEL-2011 and Appeal No. 3061/DEL-2011, respectively) dated May 24, 2011 and June 9, 2011, respectively. The appeals before the ITAT are currently pending.

4. The Additional Commissioner of Income Tax, Gurgaon served a notice of demand for ₹ 3,913.46 million dated December 31, 2010, pursuant to an assessment order passed for assessment year 2008-09 on DLF Cyber City Developers Limited ("**DLF Cyber City**"), our Subsidiary. In the said assessment order, an additional income of ₹ 11,880.46 million was arrived at for the assessment year 2008-09. The additional income was arrived at by disallowing deduction claimed under Section 80-IAB of the IT Act which provides for deductions in respect of profits and gains by an undertaking or enterprise engaged in development of special economic zones.

   Aggrieved by the foregoing assessment order, DLF Cyber City appealed to the CIT-A, Faridabad (Appeal No. 155/GGN/2010-11) on January 31, 2011. CIT-A passed an order dated August 8, 2012 partly allowing the appeal. DLF Cyber City and the Joint Commissioner of Income Tax, Gurgaon have appealed before the ITAT against the order of the CIT-A through a memorandum of appeal in the prescribed form (Appeal No. 5470/DEL-2012 and Appeal No.5367/DEL-2012, respectively) dated October 29, 2012 and October 19, 2012 respectively. The appeals before the ITAT are currently pending.

5. The Additional Commissioner of Income Tax, Gurgaon served a notice of demand for ₹ 4,026.91 million dated December 30, 2011, pursuant to an assessment order passed for the assessment year 2009-10 on DLF Cyber City. In the said assessment order, an additional income of ₹ 8,587.50 million was arrived at for the assessment year 2009-10. The additional income was arrived at by disallowing deduction claimed

under Section 80-IAB of the IT Act which provides for deductions in respect of profits and gains by an undertaking or enterprise engaged in development of special economic zones.

Aggrieved by the foregoing assessment order, DLF Cybercity appealed to the CIT-A, Faridabad (Appeal No. 503/2011-12) on February 1, 2012. CIT-A passed an order dated December 27, 2012 partly allowing the appeal. DLF Cyber City has appealed before the ITAT against the order of the CIT-A through a memorandum of appeal in the prescribed form dated March 12, 2013. The appeal before the ITAT is currently pending.

6. The Deputy Commissioner of Income Tax, New Delhi served a notice of demand for ₹ 3,565.23 million dated December 29, 2011, pursuant to an assessment order passed for the assessment year 2009-10, on DLF Commercial Developers Limited ("**DLF Commercial**"), our Subsidiary Company. In the said assessment order, an additional income of ₹ 4,003.37 million was arrived at for the assessment year 2009-10. The additional income was arrived at by disallowing deduction claimed under Section 80-IAB of the IT Act which provides for deductions in respect of profits and gains by an undertaking or enterprise engaged in development of special economic zones. Due to an error the demand notice was revised vide Order dated January 17, 2012 to ₹ 1,804.91 Million.

   Aggrieved by the foregoing assessment order, DLF Commercial appealed to the CIT-A, New Delhi (appeal no. 292/2011-12) on January 27, 2012. CIT-A passed an order dated February 15, 2013 allowing the appeal in favour of DLF Commercial. No intimation has been received by DLF Commercial with regard to filing of an appeal by the assessing officer before the ITAT, New Delhi against the order of the CIT-A, New Delhi.

7. The Additional Commissioner of Income Tax, Gurgaon, served a notice of demand for ₹ 5,973.41 million dated December 31, 2010, pursuant to an assessment order passed for assessment year 2008-09, on DLF Info City Developers (Chennai) Limited ("**DICDL**"), our Subsidiary. In the said assessment order, an additional income of approximately ₹ 13,523.30 million was arrived at for the assessment year 2008-09. The additional income was arrived at by disallowing deduction claimed under Section 80-IAB of the IT Act which provides for deductions in respect of profits and gains by undertakings or enterprise engaged in development of special economic zones.

   Aggrieved by the foregoing assessment order, DICDL preferred an appeal before CIT-A, Faridabad (Appeal No. 154/GGN/2010-11) on January 31, 2011. CIT-A, Faridabad passed an order dated August 14, 2012 partly allowing the appeal. DICDL filed an appeal before the ITAT (Appeal No. 5469/DEL-2012) on October 29, 2012 against the order of the CIT-A. The matter is currently pending.

8. The Assistant Commissioner of Income Tax, Gurgaon, served a demand notice for ₹ 4,451.20 million dated December 30, 2011, pursuant to an assessment order passed for the assessment year 2009-10 on DICDL. In the said assessment order, an additional income of approximately ₹ 9,816.42 million was arrived at for the assessment year 2009-10. The additional income was arrived at by disallowing deduction under Section 80-IAB of the IT Act which provides for deductions in respect of profits and gains by undertakings or enterprise engaged in development of special economic zones.

   Aggrieved by the foregoing assessment order, DICDL preferred an appeal before CIT-A, Faridabad (Appeal No. 504/11-12) on February 1, 2012. CIT-A, Faridabad passed an order dated December 27, 2012 partly allowing the appeal. DICDL filed an appeal before the ITAT, New Delhi on March 12, 2013 against the order of the CIT-A. The matter is currently pending.

9. The Deputy Commissioner of Income Tax, New Delhi, served a demand notice dated March 23, 2013 for ₹ 1,066.30 million, pursuant to an assessment order passed for the assessment year 2010-11 on DLF Commercial. In the said assessment order, an additional income of approximately ₹ 2,306.29 million was arrived at for the assessment year 2010-11. The additional income was arrived at by disallowing deduction under Section 80-IAB of the IT Act which provides for deductions in respect of profits and gains by undertakings or enterprise engaged in development of special economic zones.

   Aggrieved by the foregoing assessment order, DLF Commercial preferred an appeal before CIT – A, XIII, New Delhi on March 28, 2013. The matter is currently pending.

10. The Deputy Commissioner of Income Tax, New Delhi, served a demand notice dated March 23, 2013 for ₹ 1,056.85 million, pursuant to an assessment order passed for the assessment year 2010-11 on DLF Assets Private Limited ("**DAPL**"). In the said assessment order, an additional income of approximately ₹ 4,737.01 million was arrived at for the assessment year 2010-11 for working out book profit for the purpose minimum alternative tax. The additional income was arrived at by disallowing ₹ 4,737.01 million from being reduced from DAPL's book profits under Section 115-JB of the IT Act. The assessment order disallowed the deduction from the book profits as DAPL had not, in the same assessment year, claimed a deduction for the same amount under Section 80-IAB of the IT Act which provides for deductions in respect of profits and gains by undertakings or enterprise engaged in development of special economic zones.

Aggrieved by the foregoing assessment order, DAPL preferred an appeal before the CIT – A, XIII, New Delhi on March 30, 2013. The matter is currently pending.

D. Criminal cases filed against the Directors and material Subsidiaries

In addition to the criminal cases filed against our Company in which the Director(s) have also been involved as a party, the following are the criminal cases filed against the Directors and material Subsidiaries:

1. Vibes Developers Private Limited filed a complaint (No. 1393/ 1 of 2008) dated June 3, 2008 before the ACMM, New Delhi against DHDL, a Subsidiary and Rajiv Singh, Director of our Company. The complainant alleged that it was to procure certain land located near Jaipur for DHDL for which an agreement was entered into between the parties and cheques worth ₹ 200 million were issued by the complainant as security. The complainant alleged that the accused have fraudulently deposited the said cheques after wrongful termination of the agreement, which were allegedly dishonoured on account of insufficiency of funds. The Metropolitan Magistrate passed an order dated September 15, 2009 taking cognizance of the matter. DHDL and Rajiv Singh filed separate petitions (4036 of 2009 and 4108 of 2009) before the Delhi High Court seeking a stay on the order dated September 15, 2009 and quashing of the compliant dated June 3, 2008 and summoning order dated September 15, 2009. The Delhi High Court passed an order dated November 25, 2009 staying the proceedings before the Metropolitan Magistrate. The matter is currently pending.

2. FIR (64 of 2010) filed by Rishabh Singhvi and others against DLF Commercial Complexes Limited (now DLF Universal Limited) our Subsidiary and Kushal Pal Singh, Rajiv Singh and Trilok Chand Goyal and Pia Singh, Directors of our Company and others. The complainants, who are some of the allotees in a commercial project namely, 'DLF Towers, Okhla' (now called 'Prime Towers') at Okhla, New Delhi, being developed by DLF Commercial ("**Okhla Project**"), alleged that DLF Commercial has not obtained the requisite approval for development of the said property and further did not obtain the requisite approval for conversion of the use of the land at the Okhla Project from 'industrial' to 'commercial' and have failed to refund the deposits provided by the complainants and accordingly, accused them of cheating and embezzlement of an amount of ₹ 3,000 million. The matter is currently under investigation.

3. Mahender Parkash Garg, an allottee of the Okhla Project, filed complaint dated March 30, 2009 before the ACMM, New Delhi against DLF Commercial, Kushal Pal Singh and Pia Singh, Directors of our Company and others seeking the ACMM, New Delhi to direct the relevant police officials to lodge a FIR against the accused. The complainant alleged that DLF Commercial has not obtained consents required for the development of the Okhla Project and has charged the complainant a higher rate than other third parties who purchased similar space during the same time. DLF Commercial filed an application before the ACMM to prevent the complainant from filing a FIR, as a FIR (64 of 2010) was previously lodged on similar facts. The matter is currently pending.

4. Prabhakar Reddy filed FIR (326 of 2011) against DLF Universal Limited ("**DLF Universal**"), our Subsidiary and Pia Singh, Kushal Pal Singh and Rajiv Singh, Directors of our Company. The complainant alleged that the accused have abandoned a project for the building of apartment complexes under the name 'DLF Towers' undertaken by them at Banjara Hills, Hyderabad ("**Banjara Hills Project**")in collaboration with a third party and have subsequently failed to refund the amount paid by the complainant for booking office space at the project. DLF Universal subsequently paid an amount of ₹ 23.78 million to the complainant by depositing a demand draft for the said amount with the Inspector of Police, Hyderabad vide letter dated January 18, 2012.

5. Vansh Builders Private Limited and SBPL Infrastructure Private Limited filed FIR (308 of 2011) against DLF Universal, Rajiv Singh, Pia Singh and Kushal Pal Singh, Directors of our Company and others. The complainant entered into an MOU with DLF Universal for development of the Banjara Hills Project. The complainants alleged that DLF Universal fraudulently sold the complainant's share of the commercial project to various third parties by claiming to be the owners of the project. The investigating officer filed final report dated January 25, 2012 before the ACMM, Hyderabad stating that the matter was civil in nature. The matter is currently pending.

6. Jitender Pal Bhasin filed FIR (169 of 2012) dated September 18, 2012 against Trilok Chand Goyal, Director of our Company and others for alleged irregularities in the building of a housing complex "The Magnolias" in Gurgaon, Haryana developed by DLF Universal. The complainant further alleged that he was allotted two apartments in the housing complex by DLF Universal which was allegedly cancelled fraudulently by DLF Universal and earnest money paid by him was forfeited. Our Company filed reply dated September 28, 2012 to the FIR before the Station House Officer, Phase-I, Gurgaon. The matter is currently pending.

7. Tarantej Singh Rekhi filed a complaint (555 of 2011) under section 200 of the Cr.P.C before the Judicial Magistrate, First Class, Gurgaon against DLF Limited, Kushal Pal Singh, Director of our Company and others. The complainant alleged that he is a shareholder and director of Simran Poultries Private Limited ("**Simran Poultries**"). The complainant further alleged that our Company violated the terms of the memorandum of association of Simran Poultries by fraudulently transferring shares and certain other property of Simran Poultries to our Company, without his prior consent. The matter is currently pending.

8. Poonam Mehra filed complaint (No. 535/1) dated November 15, 2008 before the Illaqa Magistrate, Ludhiana against Kushal Pal Singh and Rajiv Singh, Directors of our Company and employees of the DHDL. The complainant entered into an MOU with representative of DHDL for procurement of land, admeasuring 684.5 acres, located at Ludhiana. The complainant alleged that the accused coerced the complainant to enter into a renewed MOU changing its terms to make it less favourable to the complainant. The Judicial Magistrate, First Class passed an order dated February 6, 2009 summoning the accused. The accused filed petition dated March 24, 2009 before the Punjab and Haryana High Court for quashing the complaint and the subsequent order passed thereof. The Punjab and Haryana High Court passed an order dated September 14, 2011 setting aside the order passed by the Magistrate, quashing the summons issued by the Magistrate and directing the Magistrate to complete enquiry under the Cr.P.C. The matter is currently pending.

9. N. Nagaraju and others have filed a complaint (59 of 2012) dated April 26, 2012 before the Additional City Civil and Sessions Special Judge for Prevention of Corruption Act and Lokayukta Court, ("**ACCSJ**") Bangalore, against Kushal Pal Singh and Trilok Chand Goyal, Directors of our Company and others for various irregularities in construction of certain residential property in Bangalore such as not obtaining the requisite approval for the project and unauthorized widening of roads. The complainant has filed the complaint for cognizance under the Prevention of Corruption Act, 1988. The ACCSJ, Bangalore passed an order dated November 15, 2012 directing the matter for investigation. The Directors filed two criminal petitions (7800 of 2012 and 7799 of 2012) before the Karnataka High Court for quashing the order passed by the ACCSJ, Bangalore. The Karnataka High Court passed orders, both dated January 9, 2013 and stayed the order of the ACCSJ, Bangalore. The matter is currently pending.

E. Miscellaneous matters

1. The State of Haryana filed an interim application (2858 of 2010) before the Supreme Court of India in writ petition no. 202 of 1995 filed by T.N.Godavarman Thirumulpad against the Union of India and others. The interim application has been filed seeking permission to develop land admeasuring 350.72 acres at village Wazirabad, Gurgaon as a recreation and leisure project. The said land was allotted to our Company. The Central Empowered Committee ("**CEC**") vide its report dated September 21, 2010 has recommended that the said land be used for development of a recreation and leisure project. Bandhua Mukti Morcha, a petitioner in the present matter has filed an interim application dated march 28, 2011 before the Supreme Court seeking to dismiss the interim application no. 2858 of 2010 filed by the State of Haryana, to reject the recommendations of the CEC and seek an explanation from them regarding the failure to disclose material facts in the report dated September 21, 2010 and to direct an investigation by an independent agency into the acts/omissions of officials in the State of Haryana.

2. Hyderabad Metropolitan Development Authority ("**HMDA**") conducted public auctions for sale of 100 acres of land on June 27, 2006, 4 plots of 25 acres of land each on December 7, 2007 and 75 acres of land on January 31, 2008 located at village Kokapet, Hyderabad ("**Kokapet Project**"). DLF Home Developers Limited ("**DLF Home Developers**"), our Subsidiary bid for the said 75 acres of land in the auction and upon being the highest bidders, were allotted the same. DLF Home Developers paid ₹ 1978.75 million (a portion of the bid amount out of a total consideration of ₹ 7,515 million) to HMDA for the Kokapet Project. In the meanwhile, allotees of the other plots filed batch writ petitions before the single bench of the Andhra Pradesh High Court challenging the auction of the said land on the basis that the HMDA did not disclose various pending disputes over the said land by various entities claiming to be the legal owners of the land. The single judge passed an order dated April 22, 2010 in the writ petitions directing HMDA to refund the amounts deposited by the petitioners. HMDA filed appeals (477 of 2010) against the order dated April 22, 2010 before the division bench of the Andhra Pradesh High Court.

   DLF Home Developers vide letter dated May 10, 2009 claimed refund of ₹ 1,978.75 million from HMDA. Subsequently, DLF Home Developers and DLF Homes Kokapet Private Limited ("**DLF Homes Kokapet**"), our Subsidiary filed a writ petition (12786 of 2010) before the single bench of the Andhra Pradesh High Court and sought refund of the amount with interest paid to HMDA and quashing of the public auction conducted by HMDA and consequently setting aside of allotment of 75 acres of land allotted to DLF Home Developers. This writ petition was clubbed with the appeals pending before the division bench of the Andhra Pradesh High Court.

   The division bench of the Andhra Pradesh High Court passed a combined order dated December 27, 2012, allowing the appeals filed by HMDA and dismissed the writ petition filed by DLF Home Developers and DLF Homes Kokapet. In the meantime, HMDA issued a notice dated February 12, 2013 to DLF Home Developers for payment of balance amount of ₹ 5,536.30 million for the Kokapet Project. DLF Home Developers and DLF Homes Kokapet filed SLP (12134 of 2013) dated March 14, 2013 before the Supreme Court seeking, among other things, to stay the operation of the order of the Andhra Pradesh High Court dated December 27, 2012 and to stay the demand notice dated February 12, 2013 issued by HMDA and to restrain HMDA from enforcing the said demand notice. The Supreme Court passed an order dated March 21, 2013 taking on record and accepting the statement of HMDA that until further orders, neither the amount deposited by DLF Home Developers and DLF Homes Kokapet shall be forfeited nor any further demand shall be enforced. . The matter is currently pending.

3. Our Company filed a writ petition (1008 of 2010) against the Delhi Development Authority ("**DDA**") before the Delhi High Court against DDA for refusal to refund our bid money, amounting to ₹ 9,010 million, in relation to a tender notice for the grant of lease hold rights of 14 hectares of land at Sector 24, Dwarka, New Delhi for the development of an international convention centre ("**Dwarka Project**"). Our Company had requested for the refund from DDA on the ground that DDA disallowed our Company to perform obligations under the proposed contract through a special purpose vehicle, by putting a condition that the special purpose vehicle shall always be wholly owned subsidiary of our Company.

   Further, DDA filed a counter civil suit (420 of 2011) before the Delhi High Court, praying for the execution of the lease deed as specific performance of our Company's obligations pursuant to payment of the bid application money and its consequent acceptance, along with ₹ 45 million as liquidated damages. The court passed an ex-parte order on February 23, 2011, restraining our Company from selling, transferring, assigning or parting with possession of the suit land and from creating any third party interest therein.

   Owing to the non-refund of our bid money, and on account of additional expenditure of ₹ 1,000 million incurred, and on failure of DDA to appoint an arbitrator, our Company filed an arbitration application (60 of 2012) before the Delhi High Court, for appointment of an arbitrator, which is currently pending.

   Pursuant to an application made by our Company, the Delhi High Court has passed an order dated March 19, 2012, directing the parties to appear before the Delhi High Court Mediation and Conciliation Centre for mediation. During the pendency of mediation, the above mentioned matters are currently pending.

4. Our Company and DLF Info Park Developers, a joint venture company between our Company and the Tamil Nadu Industrial Development Corporation Limited ("**TIDCO**") filed a writ petition (5533 of 2011) in February 2011, before the Madras High Court against TIDCO and others. TIDCO, invited bids for the selection of a joint venture partner to develop a special economic zone for IT and ITES on 26.39 acres of land situated at Taramani, Chennai. Our Company was selected as the joint venture partner through the

bidding process and paid a consideration of ₹ 7,253.30 million as upfront rent for a period of 99 years for the said land. Our Company filed the present petition for refund of ₹ 7,253.30 million together with interest as it is alleged that the approval for development of a SEZ on the said land would not be granted as there is a lack of contiguity on the said land caused due to a railway line passing through it. Our Company has further alleged that the existence of such a railway line on the land was wilfully concealed by TIDCO at the time of inviting bids. The matter is currently pending.

GENERAL INFORMATION

1. The Company was originally incorporated as American Universal Electric (India) Limited on July 4, 1963 under the Companies Act. On June 18, 1980, the name was changed to DLF Universal Electric Limited. Subsequently, the name was changed to DLF Universal Limited on May 28, 1981 and to DLF Limited on May 27, 2006. The registered office of the Company is situated at Shopping Mall, 3rd Floor, Arjun Marg Phase-I, DLF City, Gurgaon 122 002, Haryana.

2. The Issue is being made to Eligible QIBs in reliance upon Chapter VIII-A of the SEBI Regulations.

3. The Issue has been authorised and approved by the Board of Directors through a resolution dated March 6, 2013 and by the Company's shareholders through a special resolution dated April 4, 2013.

4. The Company has received in-principle approvals under Clause 24(a) of the Equity Listing Agreement to list the Equity Shares being offered in the Issue on the BSE and the NSE on April 25, 2013 and April 26, 2013, respectively.

5. The Company has obtained and will obtain necessary consents, approvals and authorisations required in connection with the Issue.

6. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

7. **Consents**

   Consents in writing of: (a) the Directors and the legal counsels, and (b) the Managers, the Public Issue Account Bank and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of this Red Herring Prospectus with the RoC and such consents will not be withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

   M/s. Walker, Chandiok & Co, the Company's statutory auditor, have given their written consent to the inclusion of their audit reports dated May 30, 2012 and May 24, 2011 and their review report dated April 4, 2013 in the form and context in which they appear in this Red Herring Prospectus. M/s. Walker, Chandiok & Co, the Company's statutory auditor, have also given their written consent to inclusion of their report dated April 4, 2013 relating to the statement of tax benefits in the form and context in which it appears in this Red Herring Prospectus.

8. **Experts**

   Our statutory auditors, M/s. Walker, Chandiok & Co, Chartered Accountants, have audited the Company's consolidated financial statements as of and for the financial years ended March 31, 2012, 2011 and 2010 and have reviewed the Company's unaudited condensed interim consolidated financial statements as of and for the nine month period ended December 31, 2012 in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by ICAI, and have consented to the inclusion of their name as an "expert" in this Red Herring Prospectus. Our statutory auditors, M/s. Walker, Chandiok & Co, Chartered Accountants, have also furnished a report dated April 4, 2013 relating to the statement of tax benefits in the form and context in which it appears in this Red Herring Prospectus, and have consented to the inclusion of their name as an "expert" in this Red Herring Prospectus.

   Further, Agrawal& Co. have provided land holding reports and a land holding certificate, each dated April 10, 2013 based on their examination of documents in relation to 5,461.11 acres of the Land Reserves and have consented to the inclusion of their name as an "expert" in this Red Herring Prospectus. In addition, the Company Architects have verified square footage area in relation to Projects under Construction and Planned Projects and have consented to the inclusion of their name as an "expert" in this Red Herring Prospectus.

9. **Company Secretary and Compliance Officer**

The Company Secretary and Compliance Officer of the Company is Mr. Subhash Setia. His contact details are as follows:

Mr. Subhash Setia
DLF Limited
1-E, Jhadndewalan Extension
Naaz Cinema Complex
New Delhi 110055, India.
Tel: (91 11) 4353 9578
Fax: (91 11) 4353 9579
E-mail: setia-subhash@dlf.in

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems related to Allotment, credit of Allotted Equity Shares in the respective beneficiary account or unblocking of funds in the ASBA Accounts.

10. **Price Information of past initial public offerings handled by Managers for three financial years (current financial year and two financial years preceding the current financial year)**

1. Standard Chartered Securities

Price information of past issues handled by Standard Chartered Securities:

Sr. No.	Issue name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day [b]	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day [c]	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day [d]	Benchmark index as on 30th calendar day from listing day (closing)
1.	Bharti Infratel Limited	4,172.76	220[1]	December 28,2012	200	191.65	(12.89 %)	5908.35[a]	207.40	5988.40[a]	204.95	6039.20[a]	210.30	6074.80[a]

1. Issue price for non- institutional investors, QIB category : ₹ 220.0 per equity share;issue price for retail individual investors : ₹ 210.0; issue price for anchor investors : ₹ 230.0

Notes:
a. Benchmark index is CNX Nifty
b. In case 10th day, 20th day or 30th day is not a trading day, closing price on BSE of next trading day is considered
c. 10th listing day has been taken as listing date plus 9 calendar days
d. 20th listing day has been taken as listing date plus 19 calendar days
e. 30th listing day has been taken as listing date plus 29 calendar days

Summary Statement:

Fiscal year	Total No. of IPOs	Total funds raised (₹ Cr.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2011 - 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012 - 2013	1	4172.76	-	-	1	-	-	-	-	-	1	-	-	-
2013 - 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2. Deutsche Equities

Price information of past issues handled by Deutsche Equities:

Sr. No.	Issue Name	Issue size (INR Cr.)	Issue price[a] (INR)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date[b] (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day[b] (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day[b] (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day[b] (Closing)
1	Bharti Infratel Limited	4,172.3	220.00	28-Dec-12	200.00	191.65	(12.89)%	5,908.35	207.40	5,988.40	204.40	6,001.85	210.30	6,074.80

a) Excluding any employee/retail discount

(b) Benchmark index being the index of the designated stock exchange for the respective transaction (i.e. Nifty in case of Bharti Infratel Limited)

Source: www.nseindia.com, www.bseindia.com

Summary statement:

Fiscal Year	Total No. of IPOs	Total Funds Raised (INR Cr.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2011-2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	1	4,172.3	-	-	1	-	-	-	-	-	1	-	-	-
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com, www.bseindia.com

Note: In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.

3. DSP Merrill Lynch

Price information of past issues handled by DSP Merril Lynch:

Sr. No.	Issue Name	Issue Size (₹ mm)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	Closing Price on Listing Date (₹)	% Change in Price on Listing Date (Closing) vs. Issue Price	Benchmark Index [(1)] on Listing Date (Closing)	Closing Price as on 10th Calendar Day from Listing Day (₹) [(2)(3)]	Benchmark Index as on 10th Calendar Day from Listing Date (Closing) [(2)(3)]	Closing Price as on 20th Calendar Day from Listing Day (₹) [(2)(4)]	Benchmark Index as on 20th Calendar Day from Listing Date (Closing) [(2)(4)]	Closing Price as on 30th Calendar Day from Listing Day (₹) [(2)(5)]	Benchmark Index as on 30th Calendar Day from Listing Date (Closing) [(2)(5)]
1	Credit Analysis and Research Limited	5,399.8	750.00	26-Dec-12	949.00	922.55	23.0 %	5,905.60	934.75	6,016.15	923.45	6,024.05	920.85	6,019.35
2	Bharti Infratel Limited	41,727.6	220.00[(6)]	28-Dec-12	200.00	191.65	(12.9 %)	5,908.35	207.40	5,988.40	204.40	6,001.85	210.30	6,074.80

Source of the information provided in the table above is website of National Stock Exchange of India Limited.

Notes

(1) Benchmark index is CNX Nifty

(2) In case 10th day, 20th day or 30th day is not a trading day, closing price on NSE of next trading day is considered

(3) 10th listing day has been taken as listing date plus 9 calendar days

(4) 20th listing day has been taken as listing date plus 19 calendar days

(5) 30th listing day has been taken as listing date plus 29 calendar days

(6) Issue price for Non-Institutional Investors and Qualified Institutional Bidders: ₹ 220.00 per Equity Share; Issue price for Retail Individual Investors: ₹ 210.00 per Equity Share; Issue price for anchor investors: ₹ 230

Summary Statement:

Financial Year	Total no. of IPOs[(1)]	Total Funds Raised (₹ mm)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
FY12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY13	2	47,127.40	-	-	1	-	-	1	-	-	1	-	-	1
YTD FY14	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(1) Based on the date of Listing

4. J.P. Morgan

Price information of past issues handled by J.P. Morgan:

Sr. No.	Issue name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day [(b)]	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day [(c)]	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day [(d)]	Benchmark index as on 30th calendar day from listing day (closing)
1.	Bharti Infratel Limited	4,172.76	220[(1)]	December 28,2012	200	191.65	(12.89 %)	5908.35[(a)]	207.40	5988.40[(a)]	204.95	6039.20[(a)]	210.30	6074.80[(a)]

1. Issue price for non- institutional investors, QIB category : ₹ 220.0 per equity share;issue price for retail individual investors : ₹ 210.0; issue price for anchor investors : ₹ 230.0

Notes:
a. Benchmark index is CNX Nifty
b. In case 10th day, 20th day or 30th day is not a trading day, closing price on BSE of next trading day is considered
c. 10th listing day has been taken as listing date plus 9 calendar days
d. 20th listing day has been taken as listing date plus 19 calendar days
e. 30th listing day has been taken as listing date plus 29 calendar days

Summary Statement:

Fiscal year	Total No. of IPOs	Total funds raised (₹ Cr.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2011 - 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012 - 2013	1	4172.76	-	-	1	-	-	-	-	-	1	-	-	-
2013 - 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

5. CLSA India

CLSA India has not handled any initial public offerings of equity shares in the current financial year and two financial years preceding the current financial year.

6. HSBC Securities

Price information of past issues handled by HSBC Securities:

Sr. No	Issue Name	Issue Size ₹ (Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (Closing)
1	L&T Finance	1,245.00	52.00	12-Aug-11	51.00	49.95	-3.94%	16,839.63	44.85	16,141.67	49.65	16,676.75	50.80	16,866.97
2	Bharti Infratel	4,172.31	220.00	28-Dec-12	200.00	191.20	-13.09%	19,444.84	207.40	19,691.42	204.65	19,964.03	207.00	20,103.53

Note:

1. Source: All stock prices and benchmarks taken from BSE
2. 10th calendar day has been taken as listing date plus 10 calendar days from listing date
3. 20th calendar day has been taken as listing date plus 20 calendar days from listing date
4. 30th calendar day has been taken as listing date plus 30 calendar days from listing date
5. In case the reference date (10th/20th/30th day) is a trading holiday, we have taken the closing price / benchmark of the previous trading day

Summary statement:

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2011-2012	1	1,245.00			1						1			
2012-2013	1	4,172.31			1						1			
2013-2014YTD	0	-												

Note:

6. Source: All stock prices and benchmarks taken from BSE
7. 10th calendar day has been taken as listing date plus 10 calendar days from listing date
8. 20th calendar day has been taken as listing date plus 20 calendar days from listing date
9. 30th calendar day has been taken as listing date plus 30 calendar days from listing date
10. In case the reference date (10th/20th/30th day) is a trading holiday, we have taken the closing price / benchmark of the previous trading day

7. Kotak

Price information of past issues handled by Kotak:

Sr. No.	Issue Name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1.	Bharti Infratel Limited[1]	41,727.60	220.00	December 28, 2012	200.00	191.65	-12.89%	5,908.35	207.40	5,988.40	204.40	6,001.85	210.30	6,074.80
2.	PC Jeweller Limited[2]	6,013.08	135.00	December 27, 2012	137.00	149.20	10.52%	5,870.10	181.65	5,988.40	168.90	6,056.60	157.55	6,074.65
3.	Credit Analysis & Research Limited	5,399.78	750.00	December 26, 2012	940.00	922.55	23.01%	5,905.60	934.75	6,016.15	923.45	6,024.05	920.85	6,019.35
4.	Speciality Restaurants Limited	1,760.91	150.00	May 30, 2012	152.00	159.60	6.40%	4,950.75	182.45	5,068.35	206.65	5,064.25	213.05	5,149.15
5.	Future Ventures India Limited	7,500.00	10.00	May 10, 2011	9.00	8.20	(18.00)%	5,541.25	8.15	5,428.10	8.10	5,473.10	8.75	5,526.85
6.	Muthoot Finance Limited	9,012.50	175.00	May 6, 2011	196.60	175.90	0.51%	5,551.45	160.50	5,499.00	155.45	5,348.95	175.25	5,532.05

Source: www.nseindia.com

[1] *In Bharti Infratel Limited, the anchor investor issue price was ₹ 230 per equity share and the issue price after discount to Retail individual bidders was ₹ 210 per equity share*

[2] *In PC Jeweller Limited, the issue price after discount to retail individual bidders and eligible employees was ₹ 130 per equity share*

Note:

a. In the event any day falls on a holiday, the price/ index of the immediately succeeding working day has been considered;

b. S&P CNX Nifty has been considered as the benchmark index.

Summary statement:

8	Total No. of IPOs	Total Funds Raised (₹ million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013	4	54,901.36	-	-	1	-	-	3	-	-	1	-	1	2
2012	2	16,512.50	-	-	1	-	-	1	-	-	1	-	-	1

Source: www.nseindia.com

Notes:

In the event any day falls on a holiday, the price/ index of the immediately succeeding working day has been considered.

8. UBS Securities

Price information of past issues handled by UBS Securities:

Sr No	Issue Name	Issue Size ₹ (Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (Closing)
1	Bharti Infratel	4,172.76	220	28-Dec-12	200	191.65	-12.89%	5,908.35	207.4	5988.4	204.40	6,001.85	210.3	6,074.80

Summary statement:

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2011-2012	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	1	4,172.76	-	-	1	-	-	-	-	-	1	-	-	-
2013-2014	0	-	-	-	-	-	-	-	-	-	-	-	-	-

9. India Infoline

IIFL has not handled any initial public offerings of equity shares in the current financial year and two financial years preceding the current financial year.

11. **Track record of past issues handled by Managers**

For details regarding the track record of the Managers to the Issue as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the website of
Standard Chartered Securities at
http://www.standardcharteredsecurities.co.in/OfferDocuments/tabid/87/Default.aspx,
Deutsche Equities at https://www.db.com/india/en/content/deutsche-equities-india.html,
DSP Merrill Lynch at http://www.dspml.com/gmcgib.aspx,
J.P. Morgan at http://www.jpmipl.com/indiaipo/dtr.html,
CLSA India at http://india.clsa.com/index.cfm?step=track_record,
HSBC Securities at http://www.hsbc.co.in/1/2/corporate/equities-global-investment-banking,
Kotak at http://investmentbank.kotak.com/track-record/Disclaimer.html,
UBS Securities at http://www.ubs.com/global/en/investment-bank/ubs-securities-india-private limited/priceperformance.html and
India Infoline at www.iiflcap.com.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IFRS

The Company's financial statements are prepared in conformity with Indian GAAP on an annual consolidated basis. No attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards.

The areas in which differences between Indian GAAP vis-à-vis IFRS could be significant to the Company's consolidated balance sheet and consolidated statement of profit and loss are summarized below. Potential investors should not construe the summary to be exhaustive or complete and should consult their own professional advisers for their fuller understanding and impact on the financial statements set out in this Red Herring Prospectus.

Further, the Company has not prepared financial statements in accordance with IFRS. Accordingly, there can be no assurance that the summary is complete, or that the differences described would give rise to the most material differences between Indian GAAP and IFRS. In addition, the Company cannot presently estimate the net effect of applying IFRS on the results of the Company's operations or financial position, which may result in material adjustments when compared to Indian GAAP.

The summary includes various IFRS and Indian GAAP pronouncements issued for which the mandatory application dates are later than the date of this Red Herring Prospectus. Indian GAAP comprises accounting standards issued by the Institute of Chartered Accountants of India and certain provisions of Listing Agreements with the stock exchanges of India. In certain cases, the Indian GAAP description also refers to Guidance Notes issued by the Institute of Chartered Accountants of India that are recommendatory but not mandatory in nature and also certain accounting treatments specified by a court order in a scheme of amalgamation/arrangement.

Subject	IFRS	Indian GAAP
Historical cost	Uses historical cost, but intangible assets, property plant and equipment (PPE) and investment property may be revalued. Derivatives, biological assets and certain securities must be revalued.	Uses historical cost, but property, plant and equipment may be revalued. No comprehensive guidance on derivatives and biological assets.
First-time adoption of accounting frameworks	Full retrospective application of all IFRSs effective at the reporting date for an entity's first IFRS financial statements, with some optional exemptions and limited mandatory exceptions.	There is no equivalent standard under Indian GAAP. A first time preparer will have to comply with the measurement and disclosure requirements of all the Indian standards that are applicable to the enterprise.
Basis of presentation	Financial statements must comply with IFRS.	Financial statements must comply with Indian GAAP.
Contents of financial statements General	Comparative two years balance sheets, income statements, cash flow statements, changes in shareholders ' equity and accounting policies and notes.	Balance sheet, statement of profit and loss, cash flow statement, explanatory notes including summary of accounting policies for the current year, with comparatives for the previous year. Public company: Consolidated financial statements along with the standalone financial statements. For a public offering, selected financial data for the five most recent years are required, adjusted to the current accounting norms and pronouncements.
Balance sheet	Does not prescribe a particular format; entities should present a classified balance sheet. Assets and liabilities should be disclosed in an order which reflects their relative liquidity with current and non-current classification. Certain items must be presented on the face of the balance sheet.	The Companies Act prescribes the balance sheet format; Current and non-current classification in line with the concepts used under IFRS. No separate disclosure on the face of the balance sheet is required for restricted accounts.
Income statement	Does not prescribe a standard format, although expenditure must be presented in	Revised schedule VI prescribes the format for statement of profit and loss.

Subject	IFRS	Indian GAAP
	one of two formats (function or nature). Certain items must be presented on the face of the income statement.	Schedule VI requires an analysis of expenses by nature. Any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs 100,000, whichever is higher needs to be disclosed.
Cash flow statements - format and method	Standard headings, but limited flexibility of contents. Use direct or indirect method.	Standard headings, but limited flexibility of contents. Use direct or indirect method. Except that use of indirect method is required for listed companies.
Cash flow statements - definition of cash and cash equivalents	Cash includes overdrafts and cash equivalents with original short-term maturities (less than three months). Cash and cash equivalents are disclosed on the face of the balance sheet.	“Cash and cash equivalents” would comprise of cash and cash equivalent defined in the AS - 3 “Other bank balances” would comprise of items such as balances with banks to the extent of held as margin money or security against borrowings etc., and bank deposits with more than three months maturity. Banks deposits with more than more than twelve months maturity will also need to be separately disclosed under the sub-head 'Other Bank Balances’. Cash and cash equivalents are disclosed on the face of the balance sheet.
Cash flows -— classification of specific items	(i). Interest and dividend paid - Operating or financing activities. (ii). Interest and dividend received -— Operating or investing activities. (iii). Taxes paid - Operating unless specific identification with financing or investing.	(i) Interest and dividend paid - Financing activities. (ii) Interest and dividend received -— Investing activities. (iii) Taxes paid - Operating unless specific identification with financing or investing.
Statement of changes in Shareholders Equity	The statement must be presented as a primary statement. The statement shows capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity.	No separate statement required. However, any adjustments to equity and reserve account are shown in the notes accompanying the financial statements.
Comprehensive income	The total of gains and losses recognized in the period comprises net income and the following gains and losses recognized directly in equity: 1. Fair value gains (losses) on land and buildings, available for sale investments and certain financial instruments; 2. foreign exchange translation differences;	No concept of comprehensive income. However, certain adjustments are allowed through reserves where prescribed by accounting standards, statute or is done in accordance with industry practices and court orders. Statement of profit or loss is the Indian GAAP equivalent of separate income statement under IFRS. Some items such as revaluation surplus which are treated as ‘other comprehensive income’ under IFRS are recognized directly in equity under Indian GAAP.
Correction of fundamental errors	Restatement of comparatives is mandatory.	Include effect in current year income statement. The nature and amount of prior period items should be separately disclosed in the statement of profit and loss in a manner that their impact on profit or loss can be perceived.
Changes in accounting	Restate comparatives and prior year opening retained earnings	Include effect in the income statement for the period in which the change is made

Subject	IFRS	Indian GAAP
policy		except as specified in certain standards (transitional provision) where the change during the transition period resulting from adoption of the standard has to be adjusted against opening retained earnings and the impact needs to be disclosed
Contents of financial statements - Disclosures	In general IFRS has extensive disclosure requirements. Specific items include, among others: the fair values of each class of financial assets and liabilities, customers or other concentrations of risk, income taxes and pensions. Other disclosures include amount set aside for general risks, contingencies and commitments and the aggregate amount of secured liabilities and the nature and carrying amount of pledged assets	Generally disclosures are not extensive as compared to IFRS. Disclosures are driven by the requirements of the Companies Act and the Accounting Standards.
Consolidation	The consolidated financial statements include all enterprises that are controlled by the parent Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control can also exist in certain situations where the parent owns one half or less of the voting power of an enterprise	Consolidation is required when there is controlling interest directly or indirectly through subsidiaries, by virtue of holding majority voting shares or control over board of directors
Accounting for Joint Ventures in the form of joint controlled entity(including more than 50 per cent owned entities	Both the proportional consolidation and equity methods are permitted. An exception to the use of the proportional consolidation method is where an interest in a jointly controlled entity is acquired and held exclusively with a view to its subsequent disposal within 12 months of acquisition.	In the consolidated financial statements, the venturer should consolidate the joint venture in case it is also a subsidiary or else to report its interest in the jointly controlled entity using the proportionate consolidation method. The consolidation of such an entity does not preclude other venturers treating such an entity as a joint venture
Business Combinations	All business combinations are treated as acquisitions. Assets and liabilities acquired are measured at their fair values. Pooling of interest method is prohibited. Goodwill is capitalized but not amortized. It is tested for impairment at least annually at the cash generating unit level. After re-assessment of respective fair values of net assets acquired ,any excess of acquirer's interest in the net fair values of acquirer's identifiable assets is recognized immediately in the income statement	On Consolidation, for an entity acquired and held as an investment, treated as an acquisition On amalgamation of an entity, either uniting of interests or acquisition. On a business acquisition (i.e. assets and liabilities only) treated as acquisition. On Consolidation, the assets and liabilities are incorporated at their existing carrying amounts. On amalgamation they may be incorporated at their existing carrying amounts or alternatively, the consideration is allocated to individual identifiable assets and liabilities on the basis of their fair values. On a business acquisition they may be incorporated at their fair values or value of surrendered assets. Goodwill arising under purchase method of accounting is capitalized or amortized

Subject	IFRS	Indian GAAP
		over useful life not exceeding five years, unless a longer period can be justified. In case of goodwill arising on consolidation, no specific guidance for amortization. No specific guidance for impairment of goodwill arising on acquisition or consolidation. Any excess of acquirer's interest in the net fair values of acquirer's identifiable assets is recognized as capital reserve, which is neither amortized nor available for distribution to shareholders. However in the case of amalgamation accounted under the purchase method, the fair value of intangible assets with no active market is reduced to the extent of capital reserve, if any arising on the amalgamation.
Revenue recognition- General Criteria	Based on several criteria, which require the recognition of revenue when risks and rewards have been transferred and the revenue can be measured reliably	Similar to IFRS. However, under IFRS, the revenue from auction sale would be segregated between recovery of outstanding ground rent and costs; and former classified as ground rent and excess recovery after adjusting recoverable costs as other income
Barter transactions involving advertising services	Fair value of services provided is measured with reference to non-barter similar transactions that occur frequently, represent a substantial number of the transactions consideration involves cash or other securities that has a reliable measure of fair value and do not involve transaction with the same counterparty to the barter .	No specific guidance in AS 9. However, the Guidance Note on Accounting for Dot-com Companies provides guidance for advertising barter transactions which is similar to IFRS.
Real Estate Sales	Guided by recognition principles of IAS 18. Normally recognized when legal title passes to the buyer. However, if the equitable interest in a property vests in the buyer before legal title passes and therefore the risks and rewards of ownership have been transferred at that stage it may be appropriate to recognize revenue. However, if the seller is obliged to perform any significant acts after the transfer of the equitable and/or legal title, revenue is recognized as the acts are performed. An example is a building or other facility on which construction has not been completed. The nature and extent of the sellers continuing involvement determines how the transaction is accounted for. It may be accounted for as a sale, or as a financing, leasing or some other profit sharing arrangement. If it is accounted for as a sale, the continuing involvement of the seller may delay the recognition of revenue. Revenue is the fair value of the consideration received or receivable. This may require estimating the present value of	The ICAI has issued a Guidance Note on recognition of revenue for Real Estate Developers. This Guidance note recommends principles for recognition revenue arising from real estate sales and provides guidance on the application of principles for revenue recognition as enumerated in AS 9, i.e. transfer of significant risks and rewards of ownership, consideration is fixed or determinable and it is not unreasonable to expect ultimate collection. Per this note, once the seller has transferred all the significant risks and rewards of ownership to the buyer and the other conditions for recognition of revenue specified in AS 9 are satisfied, any further acts on the real estate performed by the seller are, in substance, performed on behalf of the buyer in the manner similar to a contractor. Accordingly, in such cases revenue is recognized by applying the percentage of completion method in the manner explained in AS 7. ICAI has revised the guidance note on recognition of revenue for real estate developers and revenue recognition is

Subject	IFRS	Indian GAAP
	the sale consideration.	applied only when ALL the conditions are satisfied: • All the critical approval like environment and other clearance, approval of plan, design etc. and title to land or other rights to development/ construction is necessary to have with the company • Expenditure incurred on project costs is equal or more than 25 % of the construction and development costs and such cost exclude land cost/cost of development right but include borrowing cost. • At least 25% of the estimated project revenues are secured by contracts or agreements with buyers. • At least 10% of total revenue is realized for each contract and there is no unreasonable certainty for collection as per contract term. The recognition of project revenue by reference to the stage of completion of the project activity should not at any point exceed the estimated total revenues from 'eligible contracts'/other legally enforceable agreements for sale. 'Eligible contracts' means contracts/agreements where at least 10% of the contracted amounts have been realized and there are no outstanding defaults of the payment terms in such contracts. Where the recognition of revenue due to this condition is lower than the revenue determined by reference to the stage of completion, the project costs to be matched with such revenue are also proportionately adjusted.
Recognition of income under Service Concession Agreement related to infrastructure development	IASB has issued IFRIC 12 on the subject and according to the IFRIC 12, the operator shall recognize and measure revenue in accordance with IASs 11 and 18 for the services it performs. If the operator performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.	There is no guidance in Indian GAAP for these type of transactions. ICAI has issued an exposure draft of Guidance note on accounting for service concession arrangement which is similar to IFRIC 12.
Interest expense	Recognized on an accrual basis. Effective yield method used to amortize non-cash finance charges.	Similar to IFRS, however, practice varies with respect to recognition of discounts, premiums and costs of borrowings.
Employee benefits — Defined benefit	Recognition of minimum pension liability is not required.	Liability for a gratuity plan and compensated absences, which are defined benefit obligations, are accrued based on

Subject	IFRS	Indian GAAP
plans		an actuarial valuation. Actuarial gains or losses are recognized immediately in the statement of income. Recognition of minimum pension liability is not required
Employee benefits Compensated absences	Discounting is prohibited when computing liability for compensated absences	Determine liability for compensated absences based on an actuarial valuation.
Employee share compensation	Recognize expense for services acquired. The corresponding amount will be recorded either as a liability or as an increase in equity, depending on whether the transaction is determined to be cash or equity-settled. The amount to be recorded is measured at the fair value of the shares or share options granted	It is mandatory only for listed entities. Employee stock options granted to the employees under stock option schemes are evaluated as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India. Accordingly, the excess of the fair value of the stock option as on the date of grant of options is charged to the Profit and Loss Account on straight-line method over the vesting period of the options. The fair value of the options is measured on the basis of an independent valuation performed or the market price in respect of stock options granted.
Deferred Revenue Expenditure	Expensed under IAS 38. Even advertising costs need to be expensed as incurred even though the expenditure incurred may provide future economic benefits	Under Indian GAAP, after the issuance of AS 26- Intangible Assets, no such deferred revenue expenses should be recognized. The balances for these items on the date of adoption of AS 26 should continue to be expensed over the number of years originally contemplated
Preliminary expenses	Expense as incurred under IAS 38.	AS - 26 requires to be expensed.
Capital issue expenses	The transaction costs of an equity transaction should be accounted for as a deduction from equity, net of any related income tax benefit. The costs of a transaction which fails to be completed should be expensed.	Set off against the securities premium account.
Property, Plant & Equipment	Use historical cost or revalued amounts. Regular valuations of entire classes of assets are required, when revaluation option is chosen. Property, Plant and equipment are componentized and are depreciated separately. There is no concept of minimum statutory depreciation under IFRS.	Use historical cost or revalued amounts. On revaluation, an entire class of assets is revalued, or selection of assets is made on systematic basis. No current requirement on frequency of valuation. Fixed Assets are not required to be componentized and depreciated separately, although AS 10 states that such an approach may improve the accounting for an item of fixed asset. Schedule XIV to the Companies Act specifies the minimum depreciation rates to be used for different categories of assets.
Capitalization of preoperative, incidental expenses and	Not permitted, except certain trial run expenses may be capitalized if they are a necessary part of bringing the asset to its working condition.	Required

Subject	IFRS	Indian GAAP
trial run expenses, net of revenue earned during trial run period		
Depreciation and Amortisation	Allocated on a systematic basis to each accounting period over the estimated useful life of the asset. Estimated useful life should be reviewed every year. Intangible assets with indefinite life are not amortized but are tested for impairment annually.	Depreciation is provided at the rates specified in Schedule XIV of the Companies Act. Depreciation can also be provided on estimated useful life of the assets, based on some technical evaluation of assets. However, such rates cannot be less than the rates as prescribed in schedule XIV above. There is no concept of indefinite life intangible assets.
Impairment of long-lived assets	If impairment is indicated, write down assets to recoverable amount which is the higher of net selling price and value in use based on discounted cash flows. If no loss arises, reconsider useful lives of those assets. Impairment loss is recorded in the income statement. Reversal of loss is permitted in certain cases.	Similar to IFRS. Accounting Standard 28 - Impairment of Assets, is mandatory with effect from April 1, 2004.
Investment property	Measure at depreciated cost or fair value, and recognize changes in fair value in the income statement.	Consider as long-term investment and carry at cost less impairment. As per Schedule VI, they are classified as non-current investments.
Inventories	Carry at lower of cost and net realizable value. Use FIFO or weighted average method to determine cost. LIFO prohibited. Reversal is required for subsequent increase in value of previous write-downs.	Similar to IFRS. Reversal of write-down prohibited.
Inventories	As per the requirements of Schedule VI, inventories need to be classified as: • Raw materials; • Work-in-progress; • Finished goods; • Stock-in-trade (in respect of goods acquired for trading); • Stores and spares; • Loose tools; • Others	No specific classification requirements - classification should be appropriate to the entity.
Investments	Investments are classified as held-to maturity, available-for sale or held trading at acquisition. Investments classified as held to-maturity are recorded at amortized cost less impairment, if any. Realized gains and losses are reported in earnings. Investments classified as available-for-sale are reported at fair value. Unrealized gains and losses on the change in fair value are reported in equity, less impairment, if any. Investments classified as trading are reported at fair value with unrealized gains and losses included in earnings. There is an option in IFRS to classify any financial asset at fair value through profit or loss. Changes in fair values in respect of	Investments are classified as current and long term. Long-term investments are carried at cost (with provision for other than temporary diminution in value). Current investments carried at lower of cost or fair value. In non-consolidated financial statements, investment in subsidiary is carried at cost less impairment, if any.

Subject	IFRS	Indian GAAP
	such securities are recognized in the income statement. This is an irrevocable option to classify a financial asset at fair value through profit or loss. Generally, in a non consolidated financial statement, investment in subsidiary is accounted under the equity method.	
Foreign currency transactions	Exchange differences arising on translation or settlement of foreign currency monetary items are recognized in profit or loss in the period in which they arise. Exchange differences on monetary items, that in substance, form part of net investment in a foreign operation, are recognized in profit or loss in the period in which they arise in the separate financial statements and in other comprehensive income in the consolidated financial statements.	Similar to IFRS, except that exchange differences on translation of monetary foreign currency liabilities incurred up to the end of the accounting period commencing before 1 April 2004 towards acquisition of fixed assets are capitalized in the carrying amount of these assets. There is a limited period irrevocable option for corporate entities to capitalize exchange differences on long-term monetary items incurred for acquisition of depreciable capital assets and to amortize exchange differences on other long-term monetary items over the life of such items but not beyond the stipulated date. This option is available in respect of accounting periods commencing on or after 7 December 2006, and ending on or before 31 March 2012. Exchange differences on monetary items that in substance, form part of net investment in a foreign operation, are recognized in 'Foreign Currency Translation Reserve' both in the separate and consolidated financial statements.
Functional currency definition	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no concept of functional currency.
Financial currency - determination	If indicators are mixed and functional currency is not obvious, use judgment to determine the functional currency that most faithfully represents the economic results of the entity's operations by focusing on the currency of the economy that determines the pricing of transactions (not the currency in which transactions are denominated).	Does not require determination of functional currency. Assumes an entity normally uses the currency of the country in which it is domiciled in presenting its financial statements. If a different currency is used, requires disclosure of the reason for using a different currency.
Provisions	Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated. Discounting required if effect is material.	Similar to IFRS Discounting is not permitted.
Contingent Assets	A possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the entity's control. The item is recognized as an asset when the realization of the associated benefit such as an	Similar to IFRS, except that certain disclosures as specified in IFRS are not required.

Subject	IFRS	Indian GAAP
	insurance recovery, is virtually certain.	
Contingent liability	A possible obligation whose outcome will be confirmed only on the occurrence or nonoccurrence of uncertain future events outside the entity's control. It can also be a present obligation that is not recognized because it is not probable that there will be an outflow of economic benefits, or the amount of the outflow cannot be reliably measured. Contingent liabilities are disclosed unless the probability of outflows is remote.	Similar to IFRS. Disclosure may be limited compared to IFRS.
Debt issue costs	Permits, but does not require, direct incremental costs of issuing debt to be deferred as an asset and amortized as an adjustment to yield.	Debt issue costs are expensed as incurred.
Dividends	Dividends are recorded as liabilities when declared	Dividends are recorded as provisions when proposed.
Deferred income taxes	Use full provision method (some exceptions), driven by balance sheet temporary differences. Recognize deferred tax assets if recovery is probable. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date.	Deferred tax assets and liabilities should be recognized for all timing differences subject to consideration of prudence in respect of deferred tax assets. Where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it is certain that such previously un recognized deferred tax assets will be realized. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date.
Measurement of derivative instruments and hedging activities	Measure derivatives and hedge instruments at fair value. Recognize the changes in fair value in the income statement, except for effective cash flow hedges, where the changes are deferred in equity until effect of the underlying transaction is recognized in the income statement. Ineffective portions of hedges are recognized in the income statement. IFRS requires extensive documentation and effectiveness testing to obtain hedge accounting. Similar to IFRS, except no basis adjustment' on cash flow hedges of forecast transactions. Derivatives are initially measured at cost. However, there is no comprehensive guidance for derivative accounting.	Derivatives are initially measured at cost. However, there is no comprehensive guidance for derivative accounting.
Derecognition of financial	Derecognize financial assets based on risks and rewards first; control is secondary test.	No specific guidance. In general, derecognize financial assets based on risks

Subject	IFRS	Indian GAAP
assets		and rewards of ownership. A guidance note issued by ICAI on securitisation (withdrawn from the date AS 30 became recommendatory i.e. April 1, 2009) requires derecognition based on control.
Financial liabilities - classification	Classify capital instruments depending on substance of the issuer's obligations. Mandatorily redeemable preference shares classified as liabilities.	No specific guidance. In practice, classification is based on legal form rather than substance. All preference shares are shown separately as share capital under shareholders' funds.
Derecognition of financial liabilities	Derecognize liabilities when extinguished. The difference between the carrying amount and the amount paid is recognized in the income statement. IFRS uses 10% threshold for differentiating modification in the terms from extinguishment of liabilities	No specific guidance but practice is similar to IFRS. No 10% criteria are specified.
Capital instruments - purchase of own shares	Show as deduction from equity.	Purchase of own shares are permitted under limited circumstances subject to the legal requirements stipulated in the Companies Act. On purchase, such shares are required to be cancelled i.e. cannot be kept as treasury stock.
Earnings per share - diluted	Use weighted average potential dilutive shares as denominator for diluted EPS. Use treasury share method for share options/warrants.	Similar to IFRS.
Post balance sheet events	Adjust the financial statements for subsequent events, providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements (adjusting events). Disclosing non-adjusting events.	Similar to IFRS. However, non-adjusting events are not required to be disclosed in financial statements but are disclosed in report of approving authority e.g. Directors Report.
Related Party Disclosures	A related party is a person or entity that is related to the entity that is preparing its financial statements (reporting entity) and includes: • A person or close member of that person's family if that person has control, joint control, significant influence over the reporting entity or is a member of key management personnel of the reporting entity or of a parent of the reporting entity; or • Entities that are member of the same group (parent, subsidiaries, joint ventures, associates, and post-employment benefit plans).	Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.
Segment reporting	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance.	AS 17 requires an enterprise to identify two sets of segments (business and geographical), using a risks and rewards approach, with the enterprise's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

FINANCIAL STATEMENTS

Report on review of Condensed Consolidated Interim Financial Statements

The Board of Directors
DLF Limited

Introduction

1. We have reviewed the accompanying Condensed Balance Sheet, as at December 31, 2012, the Condensed Statement of Profit and Loss and also the Condensed Cash Flow Statement for the nine months period ended on December 31, 2012 (collectively referred as the 'Condensed Consolidated Interim Financial Statements') of DLF Limited ('the Company'), its subsidiaries, associates and joint ventures (collectively referred to as the "Group"). Management is responsible for the preparation and presentation of these Condensed Consolidated Interim Financial Statements in accordance with accounting principles generally accepted in India. Our responsibility is to express a conclusion on these Condensed Consolidated Interim Financial Statements based on our review.

Scope of review

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

3. *a) As stated in Note 11 of the Condensed Consolidated Interim Financial Statements, Auditors of Silverlink have qualified their report for the nine months period ended September 30, 2012 in respect of the balances in translation reserve and accumulated losses brought forward from the financial year ended December 31, 2004, as these are yet to be fully reconciled. These reconciliations pertain to period prior to acquisition of Silverlink by the Company. The management of Silverlink is of the opinion that these reconciliations will not have any material impact on the financial statements, and we have been unable to independently verify the same. This matter has also been qualified by the auditor in their report for the period ended December 31, 2011.*

   b) As stated in Note 11 of the Condensed Consolidated Interim Financial Statements, Auditors of Silverlink have also qualified their report for the nine months period ended September 30, 2012 in respect of valuation of hotel properties carried at ₹ 509.43 million on the premise that the assumptions and estimates used for those valuations are based on historical realization and trends unlikely to be achieved. The change in the value of hotel properties, if any, will impact the carrying value of the assets and revaluation reserve but will not impact the net profit for the period. This matter has also been qualified by the auditor in their report for the period ended December 31, 2011.

   c) As stated in Note 11 of the Condensed Consolidated Interim Financial Statements, Auditors of Silverlink have also qualified their report for the period ended September 30, 2012 in respect of debts amounting to ₹ 59.43 million (net of minority) which have been long outstanding with minimal subsequent receipts. We are unable to ascertain the recoverability of these debts.

Conclusion

4. Based on our review conducted as above and consideration of reports of other auditors, *except for the effects of the qualification as described in the paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Statements is not prepared, in all material aspects, in accordance with accounting principles generally accepted in India or that it contains any material misstatement.

Emphasis of Matter

5. We draw attention to Note 14 of the Condensed Consolidated Interim Financial Statements in respect of certain income tax and other matters pending in litigation relating to Company and certain subsidiaries. There exists uncertainty in respect of the final resolution of these material matters, and the resultant financial adjustments if any, will be recorded in the period in which these matters are resolved. Our review report is not qualified in respect of these matters.

Other Matter

6. The Condensed Consolidated Interim Financial Statements include total assets (after eliminating intra-group transactions) of ₹ 26,088.46 million, total revenues (after eliminating intra-group transactions) of ₹ 3,382.25 million and net cash flows aggregating to ₹ 182.83 million of Silverlink Resorts Limited ("Silverlink"), its subsidiaries, joint ventures and associates and Lodhi Property Company Limited ("Lodhi") which have been consolidated based on the interim financial statements of Silverlink and Lodhi for the nine months period from January 01, 2012 to September 30, 2012. Management has confirmed that no material adjustments to the Condensed Consolidated Interim Financial Statements for the period from October 01, 2012 to December 31, 2012 except the one as disclosed and adjusted referred to in note 6 (b) is necessary in the consolidated financial statements as in their view no material event, affecting the financial statements of Silverlink and Lodhi has occurred during the period from October 01, 2012 to December 31, 2012. Our review report is not qualified in respect of this matter.

7. We did not review the condensed interim financial statements of some consolidated entities, included in the Condensed Consolidated Interim Financial Statements, whose condensed interim financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 97,261.29 million, total revenues (after eliminating intra-group transactions) of ₹ 9,648.46 million and net cash flows aggregating to ₹ 78.53 million for the nine months ended on December 31, 2012. These condensed interim financial statements have been reviewed by other auditors whose reports have been furnished to us and our opinion in respect thereof is based solely on the report of such other auditors. Our review report is not qualified in respect of this matter.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **David Jones**
Partner
Membership No. 98113

New Delhi
April 04, 2013

DLF LIMITED
Condensed Consolidated Interim Balance Sheet as at December 31, 2012

DLF BUILDING INDIA

₹ in lacs

	As at December 31, 2012 (Unaudited)	As at March 31, 2012 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	213,893.29	213,887.65
Reserves and surplus	2,585,553.06	2,509,703.60
	2,799,446.35	2,723,591.25
Share application money pending allotment	0.02	0.02
Minority interests	37,794.25	42,066.03
Non-current liabilities		
Long-term borrowings	1,621,560.04	1,682,416.34
Other long term liabilities	228,718.32	232,178.42
Long-term provisions	6,381.82	4,851.95
	1,856,660.18	1,919,446.71
Current liabilities		
Short-term borrowings	328,550.02	339,874.45
Trade payables	253,180.58	258,070.34
Other current liabilities	1,215,093.13	980,430.42
Short-term provisions	26,916.01	75,465.02
	1,823,739.74	1,653,840.23
	6,517,640.54	**6,338,944.24**
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	1,816,649.67	1,861,913.49
Intangible assets	21,632.66	9,491.22
Capital work-in-progress	770,407.64	887,362.69
Intangible assets under development	-	11,918.18
Goodwill on consolidation	156,743.27	162,478.57
Non-current investments	115,926.21	97,327.53
Deferred tax assets (net)	53,655.16	33,492.70
Long-term loans and advances	335,289.47	314,625.29
Other non-current assets	9,804.63	14,410.52
	3,280,108.71	3,393,020.19
Current assets		
Current investments	154,125.34	15,348.94
Inventories	1,714,068.31	1,617,557.14
Trade receivables	155,168.90	176,590.50
Cash and bank balances	175,477.69	150,623.48
Short-term loans and advances	193,272.02	202,787.17
Other current assets	845,419.57	783,016.82
	3,237,531.83	2,945,924.05
	6,517,640.54	**6,338,944.24**

As per our report of even date

For **Walker, Chandiok & Co**
Chartered Accountants

For **DLF Limited**

per **David Jones**
Partner

Subhash Setia
Company Secretary

Ashok Kumar Tyagi
Group Chief Financial Office

T.C. Goyal
Managing Director

New Delhi
April 04, 2013

DLF LIMITED

BUILDING INDIA

Condensed Consolidated Interim Statement of Profit and Loss for nine months ended December 31, 2012

₹ in lacs

	Nine months ended	
	December 31, 2012 (Unaudited)	December 31, 2011 (Unaudited)
Income		
Sales and other income	677,695.10	747,640.67
	677,695.10	**747,640.67**
Expenses		
Cost of revenues	230,506.88	269,912.11
Employee benefits expense	45,080.93	43,738.19
Finance costs	172,586.95	164,259.35
Depreciation, amortisation and impairment	61,017.92	52,522.09
Other expenses	89,099.00	76,940.55
	598,291.68	**607,372.29**
Profit before tax and minority interest/share of profit in associates	**79,403.42**	**140,268.38**
Tax expense	14,470.51	41,063.22
Profit before minority interests/share of profit in associates	**64,932.91**	**99,205.16**
Share of profit in associates (net)	89.06	203.77
Minority interests	6,203.38	(565.29)
Profit after tax, minority interests, share of profit in associates and before prior period items	**71,225.35**	**98,843.64**
Prior period items		
Income tax (net)	(80.71)	344.44
Deferred tax	844.76	0.07
Other income/(expense), net	(378.02)	(277.19)
Net Profit for the period	**71,611.38**	**98,910.96**
Earnings per share		
Basic earning per share (₹)	4.22	5.83
Diluted earning per share (₹)	4.21	5.81

As per our report of even date

For **Walker, Chandiok & Co**
Chartered Accountants

For **DLF Limited**

per **David Jones**
Partner

Subhash Setia
Company Secretary

Ashok Kumar Tyagi
Group Chief Financial Officer

T.C. Goyal
Managing Directc

New Delhi
April 04, 2013

DLF LIMITED

Condensed Consolidated Interim Cash Flow Statement for nine months ended December 31, 2012

₹ in lacs

	Nine months ended	
	December 31, 2012 (Unaudited)	December 31, 2011 (Unaudited)
Cash flows from operating activities	155,613.69	151,098.89
Cash flows from investing activities	53,591.13	541.10
Cash flows used in financing activities	(225,639.01)	(163,908.65)
Net decrease in cash and cash equivalents	**(16,434.19)**	**(12,268.66)**
Cash and cash equivalents at the beginning of period	93,175.18	124,594.01
Cash and cash equivalents at end of the period	76,740.99	112,325.35

As per our report of even date

For **Walker, Chandiok & Co**
Chartered Accountants

For **DLF Limited**

per **David Jones**
Partner

Subhash Setia
Company Secretary

Ashok Kumar Tyagi
Group Chief Financial Officer

T.C. Goyal
Managing Director

New Delhi
April 04, 2013

DLF Limited

Explanatory Notes to the Condensed Consolidated Interim Financial Statements for nine months ended December 31, 2012

1. a) These condensed consolidated interim financial statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India. The condensed consolidated interim financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in the Accounting Standards (AS-21, AS-23 and AS-27) notified pursuant to the Companies (Accounting Standard) Rules, 2006 issued by the Central Government in exercise of the powers conferred under sub section (I) (a) of Section 642 of the Companies Act, 1956 and prepared as per the Accounting Standard 25 ("AS-25") on Interim financial reporting. The same accounting policies are followed in these condensed consolidated interim financial statements as those followed in the annual consolidated financial statements as of March 31, 2012, except as mention in point (b) and (c) below.

   b) The Institute of Chartered Accountants of India ("ICAI") recently revised the Guidance Note on Accounting for Real Estate Transactions.

   The Revised Guidance note is applicable on all the projects commenced on or after April 1, 2012 or where the revenue on the existing projects is not recognized till March 31, 2012. The revised guidance note prescribes certain conditions to be met before the company can recognize revenue on the projects.

   During the period the Company launched a project "Sky Court" which came under the purview of the revised guidance note. As at December 31, 2012, the conditions for recognizing revenue were not met and accordingly, no revenue has been recognized on this project.

   c) During the period, the Company re-assessed its accounting policy in respect of accruals for Timely Payment Rebate ('TPR') to customers, and with effect from April 1, 2012 has decided to recognize the entire liability for the same upon fulfillment by the respective customers of their complete obligations to receive the TPR as set out in the agreement to sell, as against the previous policy of recognizing these liabilities upon the Company's formal acknowledgment of the TPR to the customer. Management is of the opinion that this change has resulted in a more representative presentation of the financial obligations of the Company with respect to TPRs.

   Had the Company continued to follow the previous accounting policy with respect to accrual for TPRs as enumerated above, revenues and the net profit after tax for the nine months ended December 31, 2012 would have been higher by ₹ 6,849.42 lacs and ₹ 4,470.18 lacs respectively.

2. 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. During the period, wherever projects are nearing completion, their cost budgets were adjusted to reflect the final cost to completion.

Explanatory Notes to the Condensed Consolidated Interim Financial Statements for nine months ended December 31, 2012 … Contd.

3. During the period, as per the Employee Stock Option Scheme 2006:

   a) ₹ 2,319.64 lacs has been provided as employee benefit expenses, as the proportionate cost of 4,807,346 numbers of options outstanding as on December 31, 2012.

   b) The Company has allotted 281,787 equity shares of face value of ₹ 2 each to the eligible employees of the Company on account of exercise of vested stock options.

4. **Details of borrowings:**

   Reconciliation of borrowed funds outstanding as at April 1, 2012 and as at December 31, 2012.

Particulars	Amount in ₹ lacs
Opening balance as at April 1, 2012	2,506,579.33
Add:- received during the period of nine months ended December 31, 2012	618,227.28
Less:- Repaid during the period of nine months ended December 31, 2012	575,954.98
Balance as at December 31, 2012	2,548,851.63

5. The Group 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 issued by the Central Government in exercise of the powers conferred under sub section (I) (a) of Section 642 of the Companies Act, 1956 is considered to be the only reportable business segment. The Group is primarily operating in India which is considered as a single geographical segment.

6. a) Condensed consolidated interim financial statements includes total assets of ₹ 260,884.59 lacs as at December 31, 2012, total revenues of ₹ 33,822.48 lacs and net loss after tax of ₹ 5,881.10 lacs of overseas subsidiary Silverlink Resorts Limited, ("Silverlink"), its subsidiaries, joint ventures and associates and Lodhi Property Company Limited (Lodhi), both are consolidated based on the Interim financial statements for the period ended September 30, 2012. In the opinion of the management except as given in (b) below, no material event, affecting the condensed consolidated interim financial statements of the Silverlink and Lodhi has occurred during the period October 1, 2012 to December 31, 2012.

   b) DLF Global Hospitality Limited "DGHL", 100 percent step-down subsidiary of DLF Limited, and M/s. Mahaman Assets Limited ("Mahaman") has entered into Share Purchase Agreement on December 12, 2012 to sell DGHL's 100% shareholding in Silverlink at an enterprise value of approximately USD 300 Mn. This is considered as an initial disclosure event for the discontinued operations. As per the terms of the agreement, the transaction was slated for final closure by end of February 2013, subsequently DLF and Mahaman are in discussions to extend the date for closure of transaction. Pending the closure of the transaction, no effect of the same has been taken in these condensed consolidated interim financial statements. Pursuant to the terms of the Share Purchase Agreement, management foresees an estimated loss of ₹ 6,500 lacs, which has been recorded as an impairment of goodwill created on Silverlink consolidation.

7. Subsequent to the nine months ended on December 31, 2012:-

(a) A definite agreement has been entered between the Company's wholly-owned subsidiary DLF Home Developers Ltd. (DHDL) and Tulip Renewable Powertech Private Limited (Tulip). Accordingly, DHDL's undertaking comprising of 34.5 MW capacity wind turbines situated at Tamil Nadu including related assets and liabilities along with relevant long term loans of the said undertaking, has been transferred by DHDL to Tulip on 'as is where is basis' by way of slump sale for lump sum consideration of ₹ 18,870 lacs on April 4, 2013. As this transaction is consummated subsequent to the period ended December 31, 2012 no effect of the same is taken in these condensed consolidated interim financial statements.

(b) A definitive agreement has been entered between company's wholly-owned subsidiary DLF Home Developers Ltd. (DHDL) and Violet Green Power Private Limited (Violet) for transferring of DHDL's undertaking comprising of 33 MW capacity wind turbines situated at Rajasthan on 'as is where is basis' by way of slump sale for lump sum consideration of ₹ 5,220 lacs. Subject to the fulfillment of the terms and conditions by both the parties in accordance with the said agreement, the said undertaking including assets and liabilities along with relevant long term loans would be transferred to Voilet.

(c) The company has entered into definitive Business Transfer Agreement with BLP Vayu (Project 1) Pvt. Ltd., a subsidiary of Bharat Light & Power Pvt. Ltd. for transferring of its undertaking comprising of 150 MW capacity wind turbines situated at Kutch, Gujarat on 'as it where is basis' by way of slump-sale for a lump sum consideration of ₹ 28,230 lacs. Subject to the fulfillment of the terms and conditions by both the parties in accordance with the said agreement, the said undertaking including assets and liabilities along with relevant long term loans would be transferred to BLP Vayu (Project 1) Pvt. Ltd.

As transactions (b) and (c) noted above are expected to be consummated on receipt of requisite regulatory approvals and the closing conditions, no effect of the same is taken in these condensed consolidated interim financial statements.

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DLF Limited

Explanatory Notes to the Condensed Consolidated Interim Financial Statements for nine months ended December 31, 2012 … Contd.

8. **Amalgamation / Merger of subsidiaries**

Petitions for certain amalgamations were filed before the Hon'ble High Court of Delhi at New Delhi and Hon'ble High Court of Punjab and Haryana at Chandigarh by various subsidiary companies as per details given below. As mentioned against each, the respective Hon'ble High Courts have approved/sanctioned the scheme of amalgamation, which were filed with Registrar of Company ("ROC"), NCT of Delhi & Haryana thereby making the scheme of amalgamation effective from the appointed date. Accordingly, interim financial statements of these companies are merged to give effect of the amalgamation.

S. No.	Name of transferee company	Name of transferor companies	Date of filing of Order with ROC i.e. effective date
1.	DLF Universal Limited (Wholly owned subsidiary of DLF Limited)	1. Adelie Builders & Developers Private. Limited 2. Catriona Builders & Constructions Private Limited 3. Delanco Real Estate Private Limited 4. DLF Comfort Hotels Private Limited. 5. DLF Financial Services Limited 6. DLF Haryana SEZ (Ambala) Limited 7. DLF Haryana SEZ (Gurgaon) Limited 8. DLF Homes Ambala Private Limited 9. DLF India Limited 10. DLF New Delhi Convention Centre Limited 11. Nilayam Builders & Developers Limited (All wholly-owned subsidiaries companies of DLF Limited)	September 28, 2012
2.	DLF Home Developers Limited (Wholly owned subsidiary of DLF Limited)	1. Bedelia Builders & Construction Private Limited 2. Dankuni World City Limited 3. DHDL Wind Power Private Limited. 4. DLF Developers Limited 5. DLF Gurgaon Developers Limited 6. DLF Wind Power Private Limited 7. Geocities Airport Infrastructures Private Limited 8. Hiemo Builders & Developers Private Limited 9. Jai Luxmi Real Estate Private Limited 10. Khem Buildcon Private Limited 11. Lawanda Builders & Developers Private Limited 12. Rati Infratech Private Limited 13. Shivajimarg Properties Limited 14. Springhills Infratech Private Limited 15. Zoria Infratech Private Limited (All wholly-owned subsidiaries companies of DLF Limited)	December 28, 2012
3.	Saket Courtyard Hospitality Private Limited	1. Prowess Buildcon Private Limited 2. Cleva Builders & Developers Private Limited (All JV companies of DLF Limited)	December 28, 2012

9. a) The Company along with its two wholly-owned subsidiaries, divested its entire stake in Jawala Real Estate Private Limited (Jawala) (a wholly-owned subsidiary company). Consequent to divestment, Jawala has ceased to be a subsidiary of the Company with effect from November 01, 2012. Profit before tax on disposal of its investment amounting to ₹ 83,854.29 lacs is classified as 'other income' in these condensed consolidated interim financial Statements.

b) Further, the company along with its subsidiaries divested its entire stake in following subsidiaries companies:-

1. Adone Hotels & Hospitality Limited (formerly DLF Hotels & Hospitality Limited)
2. Marala Real Estate Private Limited (formerely known as DLF Hilton Hotels (Mysore Limited)
3. Dhoomketu Builders & Developers Private Limited
4. DLF Homes Pune Private Limited

The resulting profit before tax on disposal of these investments amounting to ₹ 4813.24 lacs are classified as 'other income' in these condensed consolidated interim financial statements.

10. **Contingent liabilities:**

(₹ in lacs)

Particulars	**December 31, 2012**	**March 31, 2012**
(I) Contingent liabilities		
a) Guarantees on behalf of third parties	81,802.79	65,391.85
b) Claims against the Group (including unasserted claims) not acknowledged as debts *	86,246.88	94,143.43
c) Demand in excess of provisions (pending in appeals):		
Income-tax	351,960.67	355,630.31
Other taxes	86,419.60	58,252.05
d) Letter of credit issued on behalf the Group	-	243.33
e) Liabilities under export obligations in EPCG scheme	8,385.35	8,950.83
f) Compensation for delayed possession	4,745.36	3,009.59
g) Miscellaneous	583.45	623.86

* Interest on certain claims may be payable as and when the outcome of the related claim is finally determined and has not been included above.

DLF Limited

Explanatory Notes to the Condensed Consolidated Interim Financial Statements for nine months ended December 31, 2012 … Contd.

11. The statutory auditors of one of the subsidiary company namely, Silverlink Resorts Limited ('Silverlink') in their report for the nine months period ended September 30, 2012 have qualified the following matters:

- Certain balances in translation reserve and accumulated losses brought forward from the financial year ended December 31, 2004 as these are yet to be fully reconciled. These reconciliations pertain prior to acquisition of Silverlink by the Company. The management of Silverlink is of the opinion that reconciliation, if any, will not have any impact on the net worth of the Company. Further, the difference, if any, in reconciliation will interalia, change only the balance in translation reserve and accumulated brought forward losses pertaining to prior to acquisition of Silverlink.

- Carrying amount (book value) of a Hotel property valued at USD 9.3 mn (INR 5,094.26 lacs) (as at March 31, 2011 valued at USD 7.5 mn) stating that basis of assumption and estimates are unlikely to be achieved. Management of Silverlink, based on their future business plan and valuation report of an independent valuer of international repute (who have undertaken all hotel valuations for Silverlink over many years) believes that the assumptions are fair and achievable and does not require any adjustment in the condensed consolidated interim financial statements of Silverlink.

- Recoverability of debts amounting to USD 1.08 mn (INR 594.27 lacs) (net off Minority). Management of Silverlink believes that debts are in ordinary course of business and will be realized in due course.

12. a) Dividend of ₹ 2 per share (100% on the face value of ₹ 2 per equity share) amounting to ₹ 33,971.28 lacs declared for financial year ended March 31, 2012 and approved at 47th Annual General Meeting held on September 07, 2012 was disbursed from September 14, 2012 onwards.

    b) Two of the subsidiary companies of DLF Limited have declared dividend on preference shares for the period ended December 31, 2012 of ₹ 12,140.10 lacs (non-consolidated Companies).

13. The weighted average number of equity shares outstanding during the period has been considered for calculating the Basic and Diluted Earnings Per Share (not annualised) in accordance with AS – 20 "Earnings per share".

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

a) As already reported, in the earlier periods, disallowance of SEZ profits u/s 80IAB of the Income Tax Act were made by the Income Tax Authorities during the assessments of the Company and its certain subsidiaries raising demands amounting to ₹ 138,713.95 lacs for the assessment year 2009-10 and ₹ 164,341.78 lacs for the assessment year 2008-09.

The Company and the respective subsidiary companies had filed appeals before the appropriate appellate authorities against these demands for the said assessment years.

Based on the advice from independent tax experts and 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 condensed consolidated interim financial statements.

b) During the year ended March 31, 2011, the Company and two of its subsidiary companies received two judgments from the Hon'ble High Court of Punjab and Haryana cancelling the release/ sale deed of land relating to two IT SEZ/ IT Park Projects in Gurgaon. The Company and the subsidiary companies had filed Special Leave petitions (SLPs) challenging the orders in the Hon'ble Supreme Court of India.

The Hon'ble Supreme Court has admitted the matters and stayed the operation of the impugned judgment till further orders in both the cases.

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 condensed consolidated interim financial statements.

c) The Competition Commission of India (CCI) on a complaint filed by the Belaire/ Park Place owners associations had passed orders dated August 12, 2011 and August 29, 2011 wherein the CCI had imposed a penalty of ₹ 63,000 lacs on DLF, restrained 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 are challenged by DLF on several grounds by filing appeals before the Competition Appellate Tribunal (COMPAT).

COMPAT has granted stay against the orders of CCI imposing penalty. During subsequent hearings they have further ordered that the directions of CCI for modifications of terms of the Agreement shall remain in abeyance.

The appeals are part heard and are listed before COMPAT on April 22, 2013 for final hearing. Pending the final decisions, no adjustment has been done in these condensed consolidated interim financial statements.

15. The Company is presenting for the first time, a condensed set of interim financial statements for the period ended December 31, 2012, and in accordance with the provisions of Accounting Standard 25 on 'Interim Financial Reporting', has presented comparative Statement of Profit and Loss and Cash Flow Statement for the previous period and Balance Sheet for the period year-to-date of the immediately preceding financial year. Previous period comparatives have been reclassified, wherever considered necessary, to confirm to this period's classification.

For **DLF Limited**

Subhash Setia	**Ashok Kumar Tyagi**	**T.C. Goyal**
Company Secretary	Group Chief Financial Officer	Managing Director

Place: New Delhi
Date: April 04, 2013

Auditors' Report

To the Board of Directors of DLF Limited

1. We have audited the attached Consolidated Balance Sheet of DLF Limited, its subsidiaries, associates and joint ventures (hereinafter collectively referred to as 'the Group'), as at March 31, 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on the date annexed thereto (collectively referred as the 'Consolidated Financial Statements'). These Consolidated Financial Statements are the responsibility of the Group's management and have been prepared by the Group's management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We report that:

   (a) the Consolidated Financial Statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard 21 on 'Consolidated Financial Statements', Accounting Standard 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 on 'Financial Reporting of Interests in Joint Ventures' notified pursuant to the Companies (Accounting Standards) Rules, 2006.

   (b) We did not audit the financial statements of certain subsidiaries, associates and joint ventures, whose financial statements reflect total assets (after eliminating intra-group transactions), of ₹ 1,033,584.94 lacs as at March 31, 2012, total revenues (after eliminating intra-group transactions) ₹ 148,902.63 lacs and net cash flows aggregating to ₹ 12,186.93 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion is based solely on the reports of the other auditors.

   (c) The Consolidated Financial Statements also include the unaudited financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 347.56 lacs as at March 31, 2012, the total revenues of ₹ 528.69 lacs and net cash flows aggregate to ₹ 86.37 lacs for the year then ended. These financial statements have been certified by the management.

(d) The Consolidated Financial Statements include total assets (after eliminating intra-group transactions) of ₹ 248,251.47 lacs, total revenues (after eliminating intra-group transactions) of ₹ 39,398.37 lacs and net cash flows of ₹ 958.16 lacs of Silverlink Resorts Limited ("Silverlink"), its subsidiaries, joint ventures and associates and Lodhi Property Company Limited ("Lodhi"), which has been consolidated based on the audited Consolidated Financial Statements of Silverlink and Lodhi as at and for the year ended December 31, 2011. Management has confirmed that no adjustment for the period January 01, 2012 to March 31, 2012 is necessary in the Consolidated Financial Statements as in their view no material event, affecting the financial statements of Silverlink and Lodhi has occurred during the period from January 01, 2012 to March 31, 2012.

4. (i) *As stated in Note 38 of the Consolidated Financial Statements, Auditors of Silverlink have qualified their report for the year ended December 31, 2011 in respect of the balances in translation reserve and accumulated losses brought forward from the financial year ended December 31, 2004 as these are yet to be fully reconciled. These reconciliations pertain prior to acquisition of Silverlink by the Company. The management of Silverlink is of the opinion that these reconciliations will not have any material impact on the financial statements; however we are unable to independently verify the same. Auditors of Silverlink had also qualified their report on the financial statements for the year ended December 31, 2010 on the same matter.*

(ii) *As stated in Note 38 of the Consolidated Financial Statements, Auditors of Silverlink have also qualified their report for the year ended December 31, 2011 in respect of valuation of hotel properties carried at ₹ 4,759.74 lacs on the premise that the assumptions and estimates used for those valuations are based on historical realization and trends unlikely to be achieved. The change in the value of hotel properties, if any, will impact the carrying value of the assets and revaluation reserve but will not impact the net profit for the year.*

5. Without further qualifying our opinion, we draw attention to Note 39 of the Consolidated Financial Statements in respect of certain income tax and other matters relating to the Company and certain subsidiaries. There exists uncertainty in respect of the final resolution of these material matters, and the resultant financial adjustments if any, will be recorded in the periods in which these matters are resolved.

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6. Based on our audit and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, and to the best of our information and according to the explanations given to us, in our opinion, *subject to our comments in para 4 above*, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in case of:

   (a) the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

   (b) the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

   (c) the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Walker, Chandiok & Co**
Chartered Accountants

Firm Registration No: 001076N

per **David Jones**
Partner
Membership No.: 98113

Place: New Delhi
Date: May 30, 2012

DLF LIMITED
Consolidated Balance Sheet as at March 31, 2012

DLF BUILDING INDIA

₹ in lacs

	Note	2012	2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	213,887.65	214,977.58
Reserves and surplus	3	2,509,703.60	2,418,232.34
		2,723,591.25	**2,633,209.92**
Share application money pending allotment		0.02	0.02
Minority interests		42,066.03	57,520.48
Non-current liabilities			
Long-term borrowings	4	1,682,416.34	1,830,762.76
Other long-term liabilities	5	232,178.42	244,201.00
Long-term provisions	6	4,851.95	3,120.74
		1,919,446.71	**2,078,084.50**
Current liabilities			
Short-term borrowings	7	339,874.45	334,453.31
Trade payables	8	258,070.34	226,362.58
Other current liabilities	9	980,430.42	685,765.84
Short-term provisions	6	75,465.02	66,374.67
		1,653,840.23	**1,312,956.40**
		6,338,944.24	**6,081,771.32**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	1,861,913.49	1,784,917.21
Intangible assets	10	9,491.22	2,293.62
Capital work-in-progress	10	887,362.69	1,008,603.91
Intangible assets under development	10	11,918.18	14,839.66
Goodwill on consolidation		162,478.57	138,404.43
Non-current investments	11	97,327.53	71,524.29
Deferred tax assets (net)	12	33,492.70	16,327.95
Long-term loans and advances	13	314,625.29	201,728.55
Other non-current assets	14	14,410.52	18,766.34
		3,393,020.19	**3,257,405.96**
Current assets			
Current investments	15	15,348.94	28,052.52
Inventories	16	1,617,557.14	1,503,876.29
Trade receivables	17	176,590.50	156,597.29
Cash and bank balances	18	150,623.48	132,177.63
Short-term loans and advances	13	202,787.17	214,916.37
Other current assets	19	783,016.82	788,745.26
		2,945,924.05	**2,824,365.36**
		6,338,944.24	**6,081,771.32**

Significant accounting policies 1

The accompanying notes are an integral part of the consolidated financial statements

For and on behalf of the Board of Directors

Ashok Kumar Tyagi
Group Chief Financial Officer

Subhash Setia
Company Secretary

T.C. Goyal
Managing Director

Rajiv Singh
Vice Chairman

This is the Consolidated Balance Sheet referred to in our report of even date

for **Walker, Chandiok & Co**
Chartered Accountants

Place : New Delhi
Date : May 30, 2012

per **David Jones**
Partner

DLF LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2012

₹ in lacs

	Note	2012	2011
Income			
Sales and other income	20	1,022,385.33	1,014,444.43
		1,022,385.33	**1,014,444.43**
Expenses			
Cost of revenues	21	396,747.44	429,994.04
Employee benefits expense	22	58,617.61	57,213.15
Finance costs	23	224,648.29	170,561.88
Depreciation, amortisation and impairment	24	68,882.89	63,071.65
Other expenses	25	117,141.22	93,583.34
		866,037.45	**814,424.06**
Profit before exceptional items, tax and minority interest / share of profit (loss) in associates		**156,347.88**	**200,020.37**
Exceptional items		1,598.02	-
Profit before tax and minority interest / share of profit (loss) in associates		**154,749.86**	**200,020.37**
Tax expense	26	36,934.55	45,941.11
Profit before minority interests / share of profit (loss) in associates		**117,815.31**	**154,079.26**
Share of (loss) /profit in associates (net)		(150.19)	882.62
Minority interests		3,363.98	(723.82)
Profit after exceptinal items, tax, minority interests and before prior period items		**121,029.10**	**154,238.06**
Prior period items			
Income tax (net)		320.01	1,733.66
Deferred tax		(652.96)	0.09
Other income/ (expense), net		(614.18)	8,050.06
Depreciation, amortisation and impairment		-	(60.99)
Net profit for the year		**120,081.97**	**163,960.88**
Earnings per share	27		
Basic earning per share (₹)		7.07	9.66
Diluted earning per share (₹)		7.06	9.64

Significant accounting policies 1

The accompanying notes are an integral part of the consolidated financial statements

For and on behalf of the Board of Directors

Ashok Kumar Tyagi	**Subhash Setia**	**T.C. Goyal**	**Rajiv Singh**
Group Chief Financial Officer	Company Secretary	Managing Director	Vice Chairman

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

for **Walker, Chandiok & Co**
Chartered Accountants

Place : New Delhi
Date : May 30, 2012

per **David Jones**
Partner

BUILDING INDIA

Consolidated Cash Flow Statement for the year ended March 31, 2012

₹ in lacs

	2012	2011
A . CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax, prior period items and minority interest	**154,749.86**	**200,020.37**
Adjustments for:		
Depreciation, amortisation and impairment	68,882.89	63,071.65
loss /(profit) on sale of fixed assets, (net)	313.98	(6,600.48)
Interest / guarantee charges	224,648.29	170,561.88
Income from investment in trust	(375.83)	(149.52)
(Profit)/ loss from partnership firms, (net)	(295.04)	394.15
Provision for doubtful debts and advances	15,585.29	5,007.23
Advances / assets written off (including preliminary expenses)	1,953.68	883.75
Exchange fluctuations (net)	260.24	(939.28)
Prior period items, (net)	(614.18)	8,050.06
Profit on sale of shares /investments, (net)	(26,048.09)	(15,867.90)
Unclaimed balances and excess provisions written back	(2,354.08)	(2,517.05)
Amortisation of deferred employees compensation, (net)	3,889.80	5,039.89
Amount forfeited on properties	(2,923.09)	(3,094.32)
Provision for employee benefits	(667.67)	354.90
Interest/ dividend income	(23,191.67)	(26,098.53)
Operating profit before working capital changes	**413,814.38**	**398,116.80**
Movements in working capital :		
Increase in trade and other recievables	(56,084.83)	(301,859.44)
Increase in inventories	(61,081.02)	(203,493.13)
Increase in trade and other payables	70,339.10	459,502.09
Cash generated from operations	**366,987.63**	**352,266.32**
Direct taxes paid (net of refunds)	(115,012.61)	(74,696.93)
Net cash generated from operating activities (A)	**251,975.02**	**277,569.39**
B . CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress)	(57,583.26)	(110,127.58)
Proceeds from sale of fixed assets	53,389.27	41,485.43
Interest/dividend received	30,656.41	26,594.59
Movement in share/debenture application money paid (net)	(2,543.07)	(1,872.00)
Movement in fixed deposits with maturity more than 3 months (net)	(19,121.98)	(19,450.62)
Purchase of investments	(70,157.07)	(39,949.94)
Proceeds from sale of investment	62,994.55	486,723.60
Net cash generated from investing activities (B)	**(2,365.15)**	**383,403.48**
C . CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ proceeds from issue of debentures (net)	(30,000.00)	50,000.00
Proceeds from borrowings	642,907.44	928,390.04
Repayment of borrowings	(505,386.45)	(746,819.38)
Redemption of preference shares	(1,106.20)	(410,960.03)
Premium on redemption of preference shares	-	(123,787.18)
Proceeds from issue of capital (including securities premium)	10,542.67	13,215.84
Dividend paid	(51,072.82)	(82,967.38)
Dividend tax paid	(8,449.56)	(8,280.74)
Interest/ guarantee charges paid	(301,251.32)	(259,131.82)
Net cash used in financing activities (C)	**(243,816.24)**	**(640,340.65)**
Net increase in cash and cash equivalents (A + B + C)	**5,793.63**	**20,632.22**

Consolidated Cash Flow Statement for the year ended March 31, 2012 (cont'd)

₹ in lacs

	2012	2011
Cash and cash equivalents at the beginning of the year	87,381.55	66,749.33
Cash and cash equivalents at the end of the year	93,175.18	87,381.55
	5,793.63	**20,632.22**
Note:		
Cash and cash equivalents (as per Note 18 to the consolidated financial statements)	92,914.94	88,144.76
Less: Exchange (loss) /gain	(260.24)	763.21
	93,175.18	**87,381.55**

Figures in brackets indicates cash outflow

For and on behalf of the Board of Directors

Ashok Kumar Tyagi	**Subhash Setia**	**T.C.Goyal**	**Rajiv Singh**
Group Chief Financial Officer	Company Secretary	Managing Director	Vice-Chairman

This is the Consolidated Cash Flow Statement referred to in our report of even date

for **Walker, Chandiok & Co**
Chartered Accountants

Place : New Delhi
Date : May 30, 2012

per **David Jones**
Partner

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1. Significant Accounting Policies

a. Nature of operations

DLF Limited ('DLF' or the 'Company'), a public limited company, together with its subsidiaries, joint ventures and associates (collectively referred to as the 'Group') is engaged primarily in the business of colonisation and real estate development. The operations of the Group span all aspects of real estate development, from the identification and acquisition of land, to planning, execution, construction and marketing of projects. The Group is also engaged in the business of generation of power, provision of maintenance services, hospitality and recreational activities, life insurance and retail chain outlets.

b. Basis of accounting

The Consolidated Financial Statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 of the Companies Act, 1956 (the 'Act'), other pronouncements of The Institute of Chartered Accountants of India (ICAI) and guidelines issued by The Securities and Exchange Board of India, to the extent applicable.

c. Principles of consolidation

The Consolidated Financial Statements include the financial statements of DLF Limited, its subsidiaries, joint ventures, partnership firms and associates. The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard AS 21 'Consolidated Financial Statements', AS 23 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS 27 'Financial Reporting of Interests in Joint Ventures' (as applicable) notified pursuant to the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements are prepared on the following basis:

i. Consolidated Financial Statements include consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of cash flows and notes to the Consolidated Financial Statements and explanatory statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.

ii. The Consolidated Financial Statements include the financial statements of the Company and all its subsidiaries, which are more than 50 per cent owned or controlled and partnership firms where the Company's share in the profit sharing ratio is more than 50 per cent during the year. Investments in entities that were not more than 50 per cent owned or controlled and partnership firms where the profit sharing ratio was not more than 50 per cent during the year have been accounted for in accordance with the provisions of Accounting Standard 13 'Accounting for Investments', or Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements', or Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures (as applicable) notified pursuant to the Companies (Accounting Standards) Rules, 2006.

iii. The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting elimination of unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated. Financial interest in joint ventures has been accounted for under the proportionate consolidation method.

iv. Investments in associates are accounted for using the equity method. The excess of cost of investment over the proportionate share in equity of the associate as at the date of acquisition of stake is identified as goodwill and included in the carrying value of the investment in the associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. Where the associate prepares and presents consolidated financial statements, such consolidated financial statements of the associate are used for the purpose of equity accounting. In other cases, standalone financial statements of associates are used for the purpose of consolidation.

v. Minority interest represents the amount of equity attributable to minority shareholders/ partners at the date on which investment in a subsidiary/ partnership firm is made and its share of movements in equity since that date. Any excess consideration received from minority shareholders of subsidiaries/ minority partners of partnership firms over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.

vi. Notes to the Consolidated Financial Statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the Consolidated Financial Statements has not been disclosed in the Consolidated Financial Statements.

d. Use of estimates

The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the Consolidated Financial Statements and the results of operations for the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

e. Tangible assets, capital work in progress and depreciation/ amortisation

i) Fixed assets (gross block) are stated at historical cost less accumulated depreciation and impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Building / specific identifiable portions of Building, including related equipments are capitalized when the construction is substantially complete or upon receipt of the occupancy certificate, whichever is earlier.

ii) In respect of certain overseas hotel properties that have commenced commercial operations, are stated in the balance sheet at their revalued amounts, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation increase arising on the revaluation of such hotel properties is credited to the revaluation reserve.

iii) Capital work in progress (including intangible assets under development) represents expenditure incurred in respect of capital projects/intangible assets under development and is carried at cost. Cost includes land, related acquisition expenses, development / construction costs, borrowing costs capitalised and other direct expenditure.

iv) Depreciation on fixed assets (including buildings and related equipments rented out and included under current assets as inventories) is provided on a straight line method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, or based on the estimated useful lives of assets, whichever is higher, as applicable. The useful lives as estimated by the management is as follows:

Description	Estimated useful life (years)
Leasehold land	Over the effective term of the lease
Buildings	25-62
Plant and machinery	4-20
Computers and software	2-6
Furniture and fixtures	10-15
Office equipment	8
Vehicles	2-10

Depreciation in respect of assets relating to the power generating division of one of the subsidiary companies is provided on the straight line method in terms of the Electricity (Supply) Act, 1948 on the basis of Central Government Notification No. S.O 266 (E) dated March 29, 1994, from the year immediately following the year of commissioning of the assets in accordance with the clarification issued by the Central Electricity Authority as per the accounting policy specified under the Electricity (Supply) Annual Accounts Rules, 1985.

Depreciation on revalued properties of certain overseas hotel properties is charged to statement of profit and loss. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to reserves and surplus.

v) Leasehold land under perpetual lease are not being amortised. The leasehold lands, other than perpetual lease, are being amortised on a time proportion basis over their respective lease periods.

f. Intangibles

i. Computer Software:

Softwares which are not integral part of the hardware are classified as intangibles and are stated at cost less accumulated amortisation. Softwares are being amortised over the estimated useful life of three to five years, as applicable.

ii. **Usage rights:**

The Company has acquired exclusive usage rights for 30 years under the build, own, operate and transfer scheme of the public private partnership ('PPP') scheme in respect of properties developed as automated multi-level car parking and commercial space and classified them under the "Intangible Assets – Right on Building and Right on Plant & Machinery". The Company has arrived at the cost of such intangible assets in accordance with provisions of relevant Accounting Standards. The cost of these rights is being amortised over the concession period in the proportion in which the actual revenue received during the accounting year bears to the Projected Revenue from such Intangibles till the end of concession period in accordance with the notification no. G.S.R. 298 (E) dated April 17, 2012 as notified in Ministry of Corporate Affairs ("MCA") on the Intangible Assets of Schedule XIV of the Companies Act 1956.

iii. **Goodwill:**

The difference between the cost of investment to the Group in Subsidiaries and Joint Ventures and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

g. Investments

Investments are classified as non-current or current, based on management's intention at the time of purchase. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.

Trade investments are the investments made for or to enhance the Company's business interests.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost and provision for diminution in their value, other than temporary, is made in the financial statements.

Profit/loss on sale of investments is computed with reference to the average cost of the investment.

In respect of Life Insurance business, investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000. These Investments are recorded at cost on date of purchase including brokerage and statutory levies.

h. Inventories:

Inventories are valued as under:

i) Land and plots other than area transferred to constructed properties at the commencement of construction are valued at lower of cost/ approximate average cost/ as re-valued on conversion to stock and net realisable value. Cost includes land (including development rights) acquisition cost, borrowing cost, estimated internal development costs and external development charges.

ii) Constructed properties other than Special Economic Zone (SEZ) projects includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads, borrowing cost, development/ construction materials, and is valued at lower of cost/ estimated cost and net realisable value.

iii) In case of SEZ projects, constructed properties include internal development costs, external development charges, construction costs, overheads, borrowing cost, development/ construction materials, and is valued at lower of cost/ estimated cost, and net realisable value.

iv) Development rights represent amount paid under agreement to purchase land/ development rights and borrowing cost incurred by the company to acquire irrevocable and exclusive licenses/ development rights in identified land and constructed properties, the acquisition of which is at an advanced stage.

v) Cost of construction/ development material is valued at lower of cost or net realisable value.

vi) Rented buildings and related equipments are valued at cost less accumulated depreciation.

vii) In respect of the power generating division of one of the subsidiary company, materials & components and stores & spares are valued at lower of cost or net realisable value. The cost is determined on the basis of moving weighted average. Loose tools are valued at depreciated value. Depreciation has been provided on a straight line method at the rate of ten per cent per annum.

viii) Stocks for maintenance and recreational facilities (including stores and spares) are valued at cost or net realisable value, whichever is lower. Cost of inventories is ascertained on a weighted average basis.

ix) Inventories at retail chain outlets are valued at lower of cost, computed on a moving weighted average basis and estimated net realisable value after providing for cost of obsolescence and other anticipated losses wherever considered necessary.

x) Stock of food and beverages is valued at cost or net realisable value, whichever is lower. Cost comprises of cost of material including freight and other related incidental expenses and is arrived at on first in first out basis. Slow moving inventory is determined on management estimates.

i. Revenue recognition

(i) Revenue from constructed properties

a) Revenue from constructed properties, other than SEZ projects, is recognised on the percentage of completion method. Total sale consideration as per the duly executed agreement to sell / application (containing salient terms of agreement to sell), is recognised as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost, subject to such actual cost incurred being 30 per cent or more of the total estimated project cost. Project cost includes cost of land, cost of development rights, estimated construction and development cost, borrowing cost of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any change in such estimates is recognised in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.

b) For SEZ projects, revenue from development charges is recognised on the percentage of completion method in accordance with the terms of the Co-developer Agreements / Memorandum of understanding ('MOU'), read with addendum, if any. The total development charges is recognised as Revenue on the percentage of actual project cost incurred thereon to total estimated project cost, subject to such actual cost incurred being 30% or more of the total estimated project cost. The estimated project cost includes construction cost, development and construction material, internal development cost, external development charges, borrowing cost and overheads of such project. Revenue from lease of land pertaining to such projects is recognised in accordance with the terms of the Co-developer Agreements/ MOU on accrual basis.

(ii) Sale of land and plots

Sale of land and plots (including development rights) is recognised in the financial year in which the agreement to sell / application containing salient terms of agreement to sell is executed. Where the Company has any remaining substantial obligations as per agreements, revenue is recognised on 'percentage of completion method' as per (i) a) above.

(iii) Construction contracts

a) Revenue from cost plus contracts is recognised with respect to the recoverable costs incurred during the period plus the margin in accordance with the terms of the agreement.
b) Revenue from fixed price contract is recognised under percentage of completion method. Percentage of completion method is determined as a proportion of cost incurred up to the reporting date to the total estimated contract cost.

(iv) Rental income

Rental income is recognised in the statement of profit and loss on accrual basis in accordance with the terms of the respective lease agreements.

(v) Power supply

a. Revenue from power supply together with claims made on customers is recognised in terms of power purchase agreements entered into with the respective purchasers.

b. Revenue from energy system development contracts is recognised on percentage of completion method and accounted for inclusive of excise duty recovered, where applicable. Accordingly, revenue is recognised when cost incurred (including appropriate portion of allocable overheads) on the contract is estimated at 30 per cent or more, of the total cost to be incurred (including all foreseeable losses and an appropriate portion of allocable overheads) for the completion of contract, wherever applicable.

c. Revenue from wind power generation projects is recognised on the basis of actual power sold (net of reactive energy consumed), as per the terms of the relevant power purchase agreements with the purchasers.

d. Sale of Certified Emission Reductions (CERs) and Voluntary Emission Reductions (VERs) is recognised as income on the delivery of the CERs/VERs to the customer's account and receipt of payment.

(vi) Hospitality services and recreational facility income

a. Subscription and non refundable membership fee is recognised on proportionate basis over the period of the subscription/ membership.
b. Revenue from food and beverage is recorded net of sales tax/ value added tax and discounts.
c. Sales of merchandise are stated net of goods sold on consignment basis as agents.
d. Revenue from hotel operations and related services is recognised net of discounts and sales related taxes in the period in which the services are rendered.
e. Income from golf operations, course capitation, sponsorship etc is fixed and recognised as per the agreement with the parties, as and when services are rendered.
f. Sale of cinema tickets is stated net of discounts.

(vii) Life insurance

a) Premium is recognised as income when due. Unallocated premium on lapsed policies is not recognised as income unless reinstated.
b) For linked business, premium income is recognised when the associated units are allocated. Top up premium (i.e. premium paid in excess of annual target premium as per policy contract) are recognised as single premium. Fees on linked policies including fund charges etc. are recovered from the linked fund and recognised in accordance with terms and conditions of the policies.
c) Premium ceded is accounted at the time of recognition of premium income in accordance with treaty or in principle agreement with the reinsurers.

(viii) Retail chain outlets

Income from sales is recognised when significant risks and rewards in respect of ownership of the goods are transferred to the customers and is stated net of trade discounts, value added taxes and estimated sales return, wherever applicable.

(ix) Others

a. Revenue from design and consultancy services is recognised on percentage of completion method to the extent it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.
b. Revenue in respect of maintenance services is recognised on an accrual basis, in accordance with the terms of the respective contract.
c. Dividend income is recorded when the right to receive the dividend is established by the reporting date.
d. Service receipts and interest from customers under agreements to sell is accounted for on an accrual basis except in cases where ultimate collection is considered doubtful.
e. Interest income is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.
f. Share of profit/ loss from firms in which the Company is a partner is accounted for in the financial year ending on (or immediately before) the date of the balance sheet.

j. Unbilled receivables

Unbilled receivables disclosed under note 19 – 'Other Current Assets' represents revenue recognised based on percentage of completion method (as per Para no. (i)(i) and (i)(ii) above), over and above the amount due as per the payment plans agreed with the customers.

k. Cost of revenues

i) Cost of constructed properties other than SEZ projects, includes cost of land (including cost of development rights/ land under agreements to purchase), estimated internal development costs, external development charges, cost of development rights, construction and development cost, borrowing cost, construction materials, which is charged to the statement of profit and loss based on the percentage of revenue recognised as per accounting policy (i)(i) above, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

For SEZ projects, cost of constructed properties includes estimated internal development costs, external development charges, construction and development cost, borrowing cost, construction materials, which is charged to the statement of profit and loss based on the percentage of revenue recognised as per accounting policy (i)(i) above, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

ii) Cost of land and plots includes land (including development rights), acquisition cost, estimated internal development costs and external development charges, borrowing cost which is charged to the statement of profit and loss based on the percentage of land/ plotted area in respect of which revenue is recognised as per accounting policy (i)(ii) above to the saleable total land/ plotted area of the scheme, in consonance with the concept of matching cost and revenue. Final adjustment is made on completion of the specific project.

l. Borrowing costs

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with Accounting Standard 16 "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

m. Taxation

Tax expense comprises current income tax and deferred tax and is determined and computed at the standalone entity level. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act and in the overseas branches / companies as per the respective tax laws. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Group entity has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

n. Lease transactions

a) Where a Group entity is the lessee

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Group entity will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on straight line basis over the lease term.

b) Where a Group entity is the lessor

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease.

Assets subject to operating leases are included in fixed assets/current assets/investment properties. Lease income is recognised in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc are recognised immediately in the statement of profit and loss.

o. Foreign currency transactions

a) Relating to Overseas entities

Indian Rupee (₹) is the reporting currency for the Group. However, reporting currencies of certain non-integral overseas subsidiaries are different from the reporting currency of the Group. The translation of local currencies into Indian Rupee is performed for assets and liabilities (excluding share capital, opening reserves and surplus), using the exchange rate as at the balance sheet date.

Revenues, costs and expenses are translated using weighted average exchange rate during the reporting period. Share capital, opening reserves and surplus are carried at historical cost. The resultant currency translation exchange gain/ loss is carried as foreign currency translation reserve under reserves and surplus. Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment.

Income and expenditure items of integral foreign operations are translated at the monthly average exchange rate of their respective foreign currencies. Monetary items at the balance sheet date are translated using the rates prevailing on the balance sheet date. Non - monetary assets are recorded at the rates prevailing on the date of the transaction.

b) Relating to Indian entities

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate. Income and expenditure of the overseas liaison office is translated at the yearly average rate of exchange. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss.

In terms of the clarification provided by Ministry of Corporate Affairs ("MCA") vide a notification no. G.S.R.225(E) on Accounting Standard – 11 "Changes in Foreign Exchange Rates", the exchange differences on long term foreign currency monetary items are adjusted in the cost of depreciable capital assets.

p. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with the notified Accounting Standard 15 - Employee Benefits.

i) Provident fund

Certain entities of the group make contribution to statutory provident fund trust setup in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. In terms of the Guidance on implementing the revised AS – 15, issued by the Accounting Standard Board of the ICAI, the provident fund trust set up by the Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee.

Certain other entities of the Group make contribution to the statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the services are rendered.

ii) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation are calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the year in which such gains or losses are determined. For certain consolidated entities, contributions made to an approved gratuity fund (funded by contributions to LIC under its group gratuity scheme) are charged to revenue on accrual basis.

iii) Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the year in which such gains or losses are determined.

iv) Superannuation benefit

Superannuation is in the nature of a defined benefit plan. Certain entities make contributions towards superannuation fund (funded by payments to Life Insurance Corporation of India under its Group Superannuation Scheme) which is charged to revenue on accrual basis.

v) Cash settled options

Accounting value of cash settled options granted to employees under the employees shadow / phantom option scheme is determined on the basis of intrinsic value representing the excess of the average market price, during the month before the reporting date, over the exercise price of the shadow option. The same is charged as employee benefits over the vesting period, in accordance with Guidance Note No 18 "Share Based Payments", issued by the 'ICAI'.

vi) Other short term benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

vii) Overseas entities

Post employment benefits

- **Defined contribution**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

- **Defined benefit liability**

Management estimates the defined benefit liability annually. The actual outcome may vary due to estimation uncertainties. The estimate of its defined benefit liability is based on standard rates of inflation, medical cost trends and mortality. It also takes into account the Group's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Estimation uncertainties exist particularly with regard to medical cost trends, which may vary significantly in future appraisals of the Group's defined benefit obligations.

- **Employee leave entitlement**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

q. Employee Stock Option Plan (ESOP)

The accounting value of stock options is determined on the basis of 'intrinsic value' representing the excess of the market price on the date of the grant over the exercise price of the shares granted under the 'Employees Stock Option Scheme' of the parent Company, and is amortised as 'Deferred employee compensation' on a straight line basis over the vesting period in accordance with the SEBI (Employees stock option scheme and Employees stock purchase scheme) Guidelines, 1999 and guidance note 18 'Share Based payments' issued by the "ICAI".

r. Impairment of assets

Goodwill

Goodwill is tested for impairment on an annual basis. If on testing, any impairment exists, the carrying amount of Goodwill is reduced to the extent of any impairment loss and such loss is recognised in the statement of profit and loss.

Other assets

At each balance sheet date, the Group assesses whether there is any indication based on internal/ external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

s. Contingent liabilities and provisions

The Group makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the consolidated financial statements.

t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The period during which, number of dilutive potential equity shares change frequently, weighted average number of shares are computed based on a mean date in the quarter as impact is immaterial on earnings per share.

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DLF BUILDING INDIA

2 Share capital *

	2012	2011
		₹ in lacs
Authorised capital		
Equity shares		
2,497,500,000 (previous year 2,497,500,000) equity shares	49,950.00	49,950.00
	49,950.00	49,950.00
Preference shares		
50,000 (previous year 50,000) cumulative redeemable preference shares	50.00	50.00
Issued capital		
Equity shares		
1,706,263,533 (previous year 1,705,449,608) equity shares	34,125.27	34,108.99
	34,125.27	34,108.99
Preference shares issued by subsidiary companies		
Nil (previous year 1,106,200) 0.5% cumulative redeemable preference shares	-	1,106.20
179,908,742 (previous year 179,908,742) 9% cumpulsorily convertible preference shares	179,908.74	179,908.74
8,000 (previous year 8,000) 9% non cumulative redeemable preference shares	8.00	8.00
3,200 (previous year 3,200) 12% non cumulative redeemable preference shares	3.20	3.20
	179,919.94	181,026.14
	214,045.21	**215,135.13**
Subscribed and paid-up capital		
Equity shares		
1,698,385,719 (previous year 1,697,571,794) equity shares	**33,967.71**	**33,951.44**
Preference shares issued by subsidiary companies		
Nil (previous year 1,106,200) 0.5% cumulative redeemable preference shares	-	1,106.20
179,908,742 (previous year 179,908,742) 9% cumpulsorily convertible preference shares	179,908.74	179,908.74
8,000 (previous year 8,000) 9% non cumulative redeemable preference shares	8.00	8.00
3,200 (previous year 3,200) 12% non cumulative redeemable preference shares	3.20	3.20
	179,919.94	181,026.14
(* equity shares of ₹ 2 each and preference shares of ₹ 100 each)	**213,887.65**	**214,977.58**

a) Reconciliation of shares outstanding at the beginning and at the end of the year

	2012		2011	
Equity shares	No of shares	₹ in lacs	No of shares	₹ in lacs
At the beginning of the year	1,697,571,794	33,951.44	1,697,390,890	33,947.82
shares issued on exercise of employees stock option plan (ESOP)	813,925	16.27	180,904	3.62
At the end of the year	**1,698,385,719**	**33,967.71**	**1,697,571,794**	**33,951.44**
Preference shares				
At the beginning of the year	181,026,142	181,026.14	591,986,172	591,986.17
Additions due to inclusion of subsidiairy company	-	-	3,000	3.00
Redeemed during the year by way of issue of equity share capital	-	-	(272,479,230)	(272,479.23)
Redeemed during the year	(1,106,200)	(1,106.20)	(138,483,800)	(138,483.80)
At the end of the year	**179,919,942**	**179,919.94**	**181,026,142**	**181,026.14**

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Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

DLF BUILDING INDIA

b) Rights / preferences / restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2012, the amount of proposed final dividend recognised as distributions to equity shareholders was₹ 2 per share (March 31, 2011 : ₹ 2 per share)

c) Terms of conversion / redemption of preference shares

i) 3,000 (previous year 3,000), 12% non cumulative redeemable preference shares of ₹ 100 each issued by Digital Talkies Private Limited, a subsidiary company, shall be redeemable at par on or before April 14, 2024

ii) 8,000 (previous year 8,000), 9% non cumulative redeemable preference shares of ₹ 100 each issued by Regency Park Property Management Services Limited (formerly Regency Park Property Management Services Private Limited) and Galleria Property Management Services Private Limited, subsidiary companies, shall be redeemable on or before January 22, 2023

iii) 200 (previous year 200), 12% non cumulative redeemable preference shares of ₹ 100 each issued by Regency Park Property Management Services Limited (formerly Regency Park Property Management Services Private Limited) and Galleria Property Management Services Private Limited, subsidiary companies, shall be redeemable on or before December 11, 2022

iv) 20,208,743 (previous year 20,208,743), 9% cumulative compulsorily convertible preference shares of ₹ 100 each issued by DLF Assets Private Limited, a subsidiary company shall be compulsorily convertible into 10 equity shares of face value of ₹ 10 each at par, convertible on December 09, 2019.

v) 159,699,999 (previous year 159,699,999) 9% cumulative compulsorily convertible preference shares of ₹ 100 each (CCPS) issued by DLF Cyber City Developers Limited, a subsidiary company. Each CCPS shall be compulsorily convertible into equity shares of face value of ₹ 10 each at premium in one or more tranches on or after April 01, 2011, but not later than 5 years from the date of allotment, at the option of the preference share holders.

d) Details of shareholders holding more than 5% equity shares in the company

	As on March 31, 2012		As on March 31, 2011	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 2 each fully paid up				
Panchsheel Investment Company	306,759,200	18.06	306,759,200	18.07
Sidhant Housing and Development Company	235,340,000	13.86	235,340,000	13.86
Kohinoor Real Estate Company	91,869,600	5.41	91,080,000	5.37
Mallika Housing Company	90,992,000	5.36	90,992,000	5.36
Madhur Housing and Development Company	91,823,200	5.41	90,992,000	5.36
Yashika Property and Development Company	90,978,800	5.36	90,200,000	5.31
Prem Traders and Investments Private Limited	90,059,200	5.30	80,770,800	4.76

e) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the date March 31, 2012

i) Bonus Shares issued during the financial year 2007-08 to 2011-12

Nil (during FY 2006-07 to 2010-11: 1,338,243,445) equity shares of ₹ 2 each fully paid up allotted by way of capitalisation of free reserves and securities premium account.

ii) Shares bought back during the financial year 2007-08 to 2011-12

7,638,567 (during FY 2006-07 to 2010-11: 7,638,567) equity shares of ₹ 2 each bought back pursuant to section 77A of the Companies Act, 1956.

iii) Shares issued under Employees Stock Option Plan (ESOP) during the financial year 2007-08 to 2011-12

The Company has issued total 1,235,286 equity shares of ₹ 2 each (during FY 2006-07 to 2010-11: 421,361 equity shares) during the period of five years immediately preceding March 31, 2012 on exercise of options granted under the employee stock option plan (ESOP).

f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 34.

DLF BUILDING INDIA

₹ in lacs

3 Reserves and surplus

	2012	2011
Capital reserve		
Balance as per last balance sheet	231,223.79	283,466.48
On consolidation of subsidiaries	-	(51,555.88)
On account of foreign exchange	3,407.64	(686.81)
	234,631.43	**231,223.79**
Capital redemption reserve		
Balance as per last balance sheet	6,227.68	2,977.82
Decrease due to dilution of stake in a subsidiary	(1,365.52)	-
Amount transferred from statement of profit and loss on account of redemption of preference shares during the year	-	3,250.00
Amlgamation adjustment	-	(0.14)
	4,862.16	**6,227.68**
Debenture redemption reserve		
Balance as per last balance sheet	110,918.11	36,318.11
Amount transferred from statement of profit and loss during the year	53,000.00	74,600.00
	163,918.11	**110,918.11**
Forfeiture of shares		
Balance as per last balance sheet	66.55	66.55
Securities premium account		
Balance as per last balance sheet	920,350.93	906,348.29
Additions on ESOP exercised	3,907.87	790.42
Premium received on issue of shares by the subsidiary companies	10,526.40	13,212.22
	934,785.20	**920,350.93**
Revaluation reserve		
Balance as per last balance sheet	2,617.10	1,899.18
Revaluation reserve during the year	4,775.88	717.92
	7,392.98	**2,617.10**
Amalgamation reserve	15.00	-
Foreign currency translation reserve		
Balance as per last balance sheet	(10,526.14)	(5,055.96)
Translation reserve during the year	10,037.10	(5,470.18)
	(489.04)	**(10,526.14)**
General reserve		
Balance as per last balance sheet	80,202.62	57,419.59
Amount transferred from statement of profit and loss during the year	10,454.92	23,099.47
Premium on redemption of preference shares	-	(422.10)
Amalgamation adjustment	(207.77)	105.66
Decrease due to dilution of stake in a subsidiary	(1,787.27)	-
	88,662.50	**80,202.62**
Employee's stock options outstanding		
Gross employee stock compensation for options granted	21,836.28	26,280.63
Less : deferred employee stock compensation	(6,799.26)	(11,225.55)
	15,037.02	**15,055.08**

3 Reserves and surplus (Cont'd)

₹ in lacs

	2012	2011
Statement of profit and loss		
Balance as per last balance sheet	1,062,096.62	1,123,018.54
Add : Profit for the year	120,081.97	163,960.88
Less : Appropriations		
Transfer to capital redemption reserve	-	(3,250.00)
Transfer to debenture redemption reserve	(53,000.00)	(74,600.00)
Transfer to amalgamation reserve	(15.00)	-
Transfer to general reserve	(10,454.92)	(23,099.47)
Amalgamation adjustment	360.70	(7,459.08)
Premium on redemption of preference shares	-	(36,749.30)
Proposed equity / preference dividend	(50,164.72)	(70,499.91)
Tax on proposed equity / preference dividend	(8,082.96)	(9,225.04)
Net surplus in the statement of profit and loss	**1,060,821.69**	**1,062,096.62**
	2,509,703.60	**2,418,232.34**

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Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

₹ in lacs

4 Long-term borrowings	Non current		Current maturities	
	2012	2011	2012	2011
Secured				
10% Non cumulative non redeemable debentures	0.90	0.90	-	-
Non convertible redeemable debentures	142,000.00	242,000.00	100,000.00	30,000.00
Term loans				
Foreign currency loan				
From banks	241,768.83	206,905.23	-	-
Rupee loan				
From banks	755,621.30	892,148.05	284,746.24	159,065.84
From others	447,147.28	391,149.29	99,513.97	44,646.04
Buyers' credit in foreign currency from banks	4,573.64	-	-	-
Vehicle loan from banks	126.82	249.69	28.33	130.39
	1,591,238.77	**1,732,453.16**	**484,288.54**	**233,842.27**
Unsecured				
Convertible debentures	87,860.53	87,860.53	-	-
Term loans				
Foreign currency loan				
From others	2,632.50	10,449.07	-	-
Long term maturities of finance lease obligations	684.54	-	-	-
	91,177.57	**98,309.60**	**-**	**-**
	1,682,416.34	**1,830,762.76**	**484,288.54**	**233,842.27**

a) Secured debentures - listed, secured, redeemable, non convertible debentures of ₹ 10,00,000 each referred above to the extent of :-

(i) ₹ 72,000 lacs are secured by way of pari passu charge on the immovable properties situated at Gurgaon, owned by subsidiary companies. Coupon rate of these debentures is 14% and date of redemption is February 24, 2014.

(ii) ₹ 50,000 lacs are secured by way of pari passu charge on the immovable property situated at Gurgaon, owned by a subsidiary company. Coupon rate of these debentures is 13.70% and date of redemption is August 18, 2013.

(iii) ₹ 20,000 lacs are secured by way of pari passu charge on the immovable property situated at Gurgaon, owned by the Company/ subsidiary company and corporate guarantee of subsidiary company. Coupon rate of these debentures is 10.24% and date of redemption is May 18, 2013.

(iv) ₹ 15,000 lacs are secured by way of pari passu charge on the immovable property situated at Gurgaon, owned by the Company/ subsidiary company and corporate guarantee of subsidiary company. Coupon rate of these debentures is 10.24% and date of redemption is February 18, 2013.

(v) ₹ 70,000 lacs are secured by way of pari passu charge on the immovable properties situated at Gurgaon owned by a subsidiary company. Coupon rate of these debentures is 10.50% and date of redemption is February 17, 2013.

(vi) ₹ 15,000 lacs are secured by way of pari passu charge on the immovable property situated at Gurgaon, owned by the Company/ subsidiary company and corporate guarantee of subsidiary company. Coupon rate of these debentures is 10.24% and date of redemption is November 18, 2012.

b) Term loans from banks are secured by way of :

(i) Equitable mortgage of immovable properties owned by the Company/ subsidiary/ group companies.

(ii) Equitable mortgage on land underneath windmills and exclusive charge on movable assets and receivables of windmills owned by the Company/ subsidiary/ group companies.

(iii) Negative lien over immovable properties and assignment of lease rentals in respect of certain immovable properties owned by the Company.

(iv) Charge on receivables pertaining to the aforesaid immovable properties owned by the Company/ subsidiary companies.

(v) Charge on fixed and current assets of two subsidiary companies.

(vi) Pledge over the shareholding of certain subsidiary companies.

(vii) Charge on fixed and movable fixed assets of the power division of a subsidiary company.

c) Term loans from others are secured by way of :

(i) Equitable mortgage of immovable properties owned by the subsidiary/ group companies.

(ii) Negative lien on rights under the concession agreements pertaining to certain immovable properties.

(iii) First and exclusive charge by way of hypothecation on assets viz Aircraft and Helicopter owned by the Company.

(iv) Negative lien over immovable properties and assignment of lease rentals in respect of certain immovable properties owned by the Company.

(v) Charge on receivables pertaining to the aforesaid immovable properties owned by the Company/ subsidiary companies/ group companies.

d) Vehicle loans including current maturities are secured by way of hypothecation on assets, thus purchased.

e) Unsecured convertible debentures

i) ₹ 45,261 lacs, 12.50% compulsory convertible debentures of ₹ 225,000 each, issued by subsidiary company, are convertible into equity shares of ₹ 10 each on the expiry of 7 years from the date of their respective allotment.

ii) ₹ 11,486 lacs, 12% compulsory convertible debentures of ₹ 50,000 each, issued by subsidiary company, are convertible into equity shares of ₹ 10 each on the expiry of 6 years from the date of their respective allotment.

iii) ₹ 9,615.75 lacs 12.50% compulsory convertible debentures of ₹ 75,000 each, issued by subsidiary company, are convertible into equity shares of ₹ 10 each on the expiry of 7 years from the date of their respective allotment.

iv) ₹ 4,794.08 lacs 12.50% compulsory convertible debentures of ₹ 27,500 each, issued by subsidiary company, are convertible into equity shares of ₹ 10 each on the expiry of 7 years from the date of their respective allotment.

v) ₹ 2,520 lacs compulsory convertible debentures of ₹ 100,000 each, issued by subsidiary company, shall be automatically and mandatorily be converted into two equity shares of ₹ 10 each in accordance with the terms and conditions mentioned in the investment agreement dated July 4, 2009.

vi) ₹ 14,183.70 lacs compulsory convertible debentures Series I of ₹ 1,000 each,issued by subsidiary company, convertible into 1 Class B equity share of ₹ 10 each at a premium of ₹ 990 after 17 years from the date of respective allotment. Interest is payable at the lower of (i) the rate of 15% per annum, or (ii) the maximum rate of SBI PLR plus 300 basis point (on the date of board meeting in which CCDs were issued) and shall start accruing from the 3rd anniversary of the date of issue.

₹ in lacs

5 Other long-term liabilities

	2012	2011
Trade payables	122,054.67	147,259.00
Advance from recreational facility members	6,526.57	-
Security deposits	103,597.18	96,942.00
	232,178.42	**244,201.00**

6 Provisions

	Long-term		Short-term	
	2012	2011	2012	2011
Provision for employee benefits	4,851.95	3,120.74	2,380.51	4,779.39
Provision for dividend	-	-	37,569.81	38,477.91
Provision for tax on dividend	-	-	6,096.35	6,462.95
Provision for taxation (net of advance tax)	-	-	27,797.04	15,286.12
Provision for others	-	-	1,621.31	1,368.30
	4,851.95	**3,120.74**	**75,465.02**	**66,374.67**

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₹ in lacs

7 Short-term borrowings	2012	2011
Secured		
Overdraft facility		
From banks	24,538.95	28,242.95
Short term loans		
Foreign currency loan		
From banks	20,210.39	27,119.90
Rupee loan		
From banks	250,127.77	191,241.44
Buyers' credit in foreign currency from banks	17,526.18	14,750.67
	312,403.29	261,354.96
Unsecured		
Short term loans		
From others	17,366.45	1,878.86
Buyers' credit in foreign currency from banks	10,104.71	44,183.41
Commercial papers	-	27,000.00
Fixed deposits	-	36.08
	27,471.16	73,098.35
	339,874.45	**334,453.31**

Security for the short term borrowings :

(i) Equitable mortgage of immovable properties owned by the Company/ subsidiary companies/ partnership firm.

(ii) Charge on certain plant and machinery of a subsidiary company.

(iii) Charge on current assets of two subsidiary companies.

(iv) Charge on current assets of the power division of a subsidiary company.

(v) Charge on receivables pertaining to the aforesaid immovable properties owned by the Company/ subsidiary companies/ partnership firm.

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₹ in lacs

8 Trade payables

	2012	2011
Amount payable to contractors/ suppliers/ others	258,070.34	226,362.58
	258,070.34	**226,362.58**

9 Other current liabilities

	2012	2011
Current maturities of long-term borrowings (refer note 4)	484,288.54	233,842.27
Interest accrued but not due on borrowings	22,696.46	23,864.16
Interest accrued and due on borrowings	128.13	0.07
Income received in advance	7,340.42	6,327.06
Uncashed dividends*	243.48	200.86
Realisation under agreement to sell	307,153.27	325,873.77
Registration charges	20,281.69	1,947.02
Security deposits from recreational facility members	2,677.85	-
Security deposit	10,633.57	10,284.95
Statutory dues and others	17,297.67	41,248.00
Other liabilities	107,689.34	42,177.68
	980,430.42	**685,765.84**

* Not due for credit to 'Investor Education and Protection Fund'

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DLF BUILDING INDIA

10. FIXED ASSETS

₹ in lacs

Particulars	2011	Additions during the year: Additions on acquisition of subsidiaires	Additions during the year: Additions / adjustments	Additions during the year: Foreign exchange / revaluation	Deletions during the year: Deletions on disposal of subsidiaries	Deletions during the year: Disposals/ Adjustments	2012
GROSS BLOCK							
TANGIBLE ASSETS							
OWN ASSETS							
Land	251,324.10	173.78	701.04	7,237.55	314.10	152.82	258,969.55
Buildings and related equipments	321,840.56	729.29	2,084.89	6,982.08	-	12,045.40	319,591.42
Plant and machinery	282,851.44	683.82	17,445.37	15,374.53	3,440.19	8,637.72	304,277.25
Furniture and fixtures	42,902.07	20.21	1,384.84	(12,240.01)	2,443.07	1,121.22	28,502.82
Office equipments	5,292.91	44.35	514.00	252.69	682.42	200.27	5,221.26
Air conditioners and coolers	219.85	-	5.86	-	-	6.62	219.09
Vehicles*	3,804.65	86.94	179.28	138.54	-	707.83	3,501.58
Leasehold improvements	8,417.58	-	1,034.64	-	-	77.45	9,374.77
Aircraft and helicopter	20,524.27	-	-	-	-	-	20,524.27
Sub-Total	**937,177.43**	**1,738.39**	**23,349.92**	**17,745.38**	**6,879.78**	**22,949.33**	**950,182.01**
LEASED ASSETS							
Land	84,435.77	-	-	-	1,797.75	-	82,638.02
Buildings and related equipments	932,389.39	-	154,949.43	-	33,286.84	223.68	1,053,828.30
Plant and machinery	-	-	387.18	-	-	-	387.18
Furniture and fixtures	24,404.14	-	6,537.94	-	-	1,026.27	29,915.81
Vehicles*	12.72	-	27.19	-	-	-	39.91
Sub-Total	**1,041,242.02**	**-**	**161,901.74**	**-**	**35,084.59**	**1,249.95**	**1,166,809.22**
Total (A)	**1,978,419.45**	**1,738.39**	**185,251.66**	**17,745.38**	**41,964.37**	**24,199.28**	**2,116,991.23**
INTANGIBLE ASSETS							
Software	4,353.31	-	349.16	55.28	-	0.66	4,757.09
Rights under build, own, operate and transfer project:							
On building for commercial space constructed on leasehold land	-	-	971.79	-	-	-	971.79
On plant and machinery and structure installed for multilevel automated car parking in building constructed on leasehold land	-	-	6,774.80	-	-	-	6,774.80
Total (B)	**4,353.31**	**-**	**8,095.75**	**55.28**	**-**	**0.66**	**12,503.68**
Total - Current year	**1,982,772.76**	**1,738.39**	**193,347.41**	**17,800.66**	**41,964.37**	**24,199.94**	**2,129,494.91**
- Previous year	1,788,445.59	80.70	269,235.08	9,486.43	-	84,475.04	1,982,772.76

10. Fixed assets (cont'd)

Particulars	2011	Additions during the year: Additions on acquisition of subsidiaires	Additions during the year: Additions / adjustments	Additions during the year: Foreign exchange / revaluation	Deletions during the year: Deletions on disposal of subsidiaries	Deletions during the year: Disposals/ Adjustments	2012
							₹ in lacs
DEPRECIATION / AMORTISATION							
TANGIBLE ASSETS							
OWN ASSETS							
Land	58.71	-	45.54	-	12.28	-	91.97
Buildings and related equipments	19,571.60	105.23	9,811.69	-	-	3,134.93	26,353.59
Plant and machinery	90,461.41	272.33	28,719.74	-	453.61	1,736.53	117,263.34
Furniture and fixtures	9,536.56	13.99	2,518.21	-	278.18	3,835.77	7,954.81
Office equipments	1,858.91	18.04	560.15	-	63.74	(2.47)	2,375.83
Air conditioners and coolers	80.88	-	10.37	-	-	1.52	89.73
Vehicles	1,650.03	46.44	346.14	-	-	451.29	1,591.32
Leasehold improvements	2,128.10	-	976.48	-	-	60.88	3,043.70
Aircraft and helicopter	3,815.17	-	1,152.51	-		-	4,967.68
Sub-Total	**129,161.37**	**456.03**	**44,140.83**	**-**	**807.81**	**9,218.45**	**163,731.97**
LEASED ASSETS							
Land	387.16	-	90.44	-	113.19	-	364.41
Buildings and related equipments	56,408.01	-	26,014.42	-	2,172.15	7.16	80,243.12
Plant and machinery	-	-	7.06	-	-	-	7.06
Furniture and fixtures	7,539.44	-	3,296.66	-	-	144.82	10,691.28
Vehicles	6.26	-	31.12	-	-	(2.52)	39.90
Sub-Total	**64,340.87**	**-**	**29,439.70**	**-**	**2,285.34**	**149.46**	**91,345.77**
Total (A)	**193,502.24**	**456.03**	**73,580.53**	**-**	**3,093.15**	**9,367.91**	**255,077.74**
INTANGIBLE ASSETS							
Software	2,059.69	-	934.78	17.54	-	-	3,012.01
Rights under build, own, operate and transfer project:							
On building for commercial space constructed on leasehold land	-	-	-	-	-	-	-
On plant and machinery and structure installed for multilevel automated car parking in building constructed on leasehold land	-	-	0.45	-	-	-	0.45
Total (B)	**2,059.69**	**-**	**935.23**	**17.54**	**-**	**-**	**3,012.46**
Total - Current year	**195,561.93**	**456.03**	**74,515.76** *	**17.54**	**3,093.15**	**9,367.91**	**258,090.20**
- Previous year	132,645.83	54.89	66,840.42	-	-	3,979.21	195,561.93

* Includes depreciation capitalised and prior period depreciation

DLF LIMITED
Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)
10. Fixed assets (cont'd)

DLF BUILDING INDIA

Particulars	2011	Additions during the year: Additions on acquisition of subsidiaires	Additions during the year: Additions / adjustments	Additions during the year: Foreign exchange / revaluation	Deletions during the year: Deletions on disposal of subsidiaries	Deletions during the year: Disposals/ Adjustments	2012
							₹ in lacs
NET BLOCK							
TANGIBLE ASSETS							
OWN ASSETS							
Land	251,265.39						258,877.58
Buildings and related equipments	302,268.96						293,237.83
Plant and machinery	192,390.03						187,013.91
Furniture and fixtures	33,365.51						20,548.01
Office equipments	3,434.00						2,845.43
Air conditioners and coolers	138.97						129.36
Vehicles	2,154.62						1,910.26
Leasehold improvements	6,289.48						6,331.07
Aircraft and helicopter	16,709.10						15,556.59
Sub-Total	**808,016.06**						**786,450.04**
LEASED ASSETS							
Land	84,048.61						82,273.61
Buildings and related equipments	875,981.38						973,585.18
Plant and machinery	-						380.12
Furniture and fixtures	16,864.70						19,224.53
Vehicles	6.46						0.01
Sub-Total	**976,901.15**						**1,075,463.45**
Total (A)	**1,784,917.21**						**1,861,913.49**
INTANGIBLE ASSETS							
Software	2,293.62						1,745.08
Rights under build, own, operate and transfer project:							
On building for commercial space constructed on leasehold land	-						971.79
On plant and machinery and structure installed for multilevel automated car parking in building constructed on leasehold land	-						6,774.35
Total (B)	**2,293.62**						**9,491.22**
Total - Current year	**1,787,210.83**						**1,871,404.71**
- Previous year	1,655,799.76						1,787,210.83

10. Fixed assets (cont'd)

Particulars	2011	Additions during the year: Additions on acquisition of subsidiaires	Additions during the year: Additions / adjustments	Additions during the year: Foreign exchange / revaluation	Deletions during the year: Deletions on disposal of subsidiaries	Deletions during the year: Disposals/ Adjustments	2012
							₹ in lacs
Capital work-in-progress	1,008,603.91						887,362.69
Intangible assets under development:							
Rights under build, own, operate and transfer project:							
Building, plant and machinery and structure installed for multilevel automated car parking in building constructed on leasehold land	14,782.97						11,793.00
Software under development	56.69						125.18
	14,839.66						**11,918.18**

* Vehicles are taken on finance lease; monthly installments are paid as per agreed terms and conditions.
1. For assets given on lease refer note 33.
2. For details of intangible assets and amortisation refer note 1(f)(ii).

11 . Non-current investments

	2012 Nos.	2012 Book value (₹ in lacs)	2011 Nos.	2011 Book value (₹ in lacs)
a) Investment property		3,469.76		3,506.61
b) Investment in equity instruments*				
Quoted (trade) at cost				
In other body corporates				
Ackruti City Limited	430,621	2,267.55	430,621	2,267.55
Symphony International Holding Limited	50,000,000	25,578.25	50,000,000	22,642.70
Aggregate book value of quoted investments (trade)		**27,845.80**		**24,910.25**
Aggregate market value of quoted investments (trade)		**15,295.79**		**17,395.96**
Unquoted (trade) at cost				
In other body corporates				
Abheek Real Estate Private Limited	3,000	0.30	3,000	0.30
Alankrit Estates Limited	3	-**	3	- **
Anuroop Builders and Developers Private Limited	10,000	1.00	10,000	1.00
ASC Spring Creek LLC	3,253,277	-**	3,253,277	- **
Beverly Park Operation and Maintenance Services Private Limited (formerly Super Mart One Property Management Services Private Limited)	59	4.03	40,000	4.03
Prem Traders & Investments Private Limited (formerly Bansal Development Company Private Limited)	3	1.64	16,320	1.64
Bodrum Demirbuku	-	-	125,000	101.89
Carnaoustie Management Private Limited	40,000	600.00	-	-
D.E. Shaw Composite Fund	4,000,000	2,046.23	4,000,000	1,811.42
DLF Brands Limited	8,000,000	800.00	8,000,000	800.00
Felicite Builders & Constructions Private Limited	203,000	20.30	203,000	20.30
Garv Developers Private Limited	10,000	1.00	10,000	1.00
Garv Promoters Private Limited	10,000	1.00	10,000	1.00
Garv Realtors Private Limited	10,000	1.00	10,000	1.00
Grism Builders and Developers Private Limited	10,000	1.00	10,000	1.00
Harinakshi Estate Developers Private Limited	-	-	6	0.25
Hemadri Real Estate Developers Private Limited	3,000	0.30	3,000	0.30
Indore Dewas Tollways Limited	16,660	2.40	16,660	1.67
Jayanti Real Estate Developers Private Limited	4,000	0.40	4,000	0.40
HKR Tallways Limited	10	2.17	14,000	1.40
Kirtimaan Builders Limited	2	- **	2	- **
Kokalath Builders & Developers Private Limited	4,000	0.40	-	-
Luvkush Builders Private Limited	10,000	1.00	10,000	1.00
Luxurious Bus Seats Company Private Limited	98,250	550.20	98,250	550.20
Mohak Real Estate Private Limited	3,000	0.30	3,000	0.30
Nadish Real Estate Private Limited	10,000	1.00	10,000	1.00
Northern India Theaters Private Limited (₹ 100 each)	90	0.09	90	0.09
Nairne Builders & Developers Private Limited	2,000	0.20	-	-
Pariksha Builders & Developers Private Limited	3,000	0.30	3,000	0.30
Parvati Estates Private Limited (formerly Magna Real Estate Developers Private Limited)	8	1.01	10,000	1.01
Peace Buildcon Private Limited	10,000	1.00	10,000	1.00
Prudent Management Strategies Private Limited	90,100	500.06	90,100	500.06
Purandar Estate Developers Private Limited	-	-	10,000	1.00
Radiant Sheet Metal Components Private Limited	98,500	650.10	98,500	650.10
Realest Builders and Services Private Limited	50,012	5.03	50,012	5.03

11 . Non-current investments

	2012			2011	
	Nos.	Book value (₹ in lacs)		Nos.	Book value (₹ in lacs)
Ripple Infrastructure Private Limited	90,100	500.06		90,100	500.06
SKH Construct Well Private Limited	92,550	499.77		92,550	499.77
SKH Infrastructure Developers Private Limited	92,550	499.77		92,550	499.77
Skyrise Home Developers Private Limited	10,000	1.00		10,000	1.00
Unicorn Real Estates Private Limited	3,000	0.30		-	-
Ujagar Estates Limited	2	-**		2	- **
Urbana Limited	1,000,000	709.08		1,000,000	627.45
Vinesh Home Developers Private Limited	10,000	1.00		10,000	1.00
Vismay Builders and Developers Private Limited	10,000	1.00		10,000	1.00
		7,405.45			**6,589.74**
Less : Provision for diminution in value		1,776.41			689.14
		5,629.04			**5,900.60**
In associates (trade) at cost					
Australian Resort Limited	9,000,002	-**		9,000,002	- **
Galaxy Mercantiles Limited	32,486	47.33		-	-
Islan Aviation Limited	-	-		903,996	- **
Joyous Housing Limited (₹ 100 each)	37,500	37.50		37,500	37.50
Kyoto Resorts YK	333	827.20		333	732.26
P.T. Jawa Express Amanda Indah	9,161	- **		9,161	- **
Pamalican Island Holdings Inc	2,098	6.98		2,098	6.18
Regional D & R Limited	6	- **		6	- **
Revlys SA	159,999	1,112.49		159,999	984.81
Seven Seas Resorts and Leisure Inc	31,914,275	869.66		31,914,275	769.85
Surin Bay Co. Limited	449,998	4,751.92		449,998	4,257.73
Villajena	50,000	216.39		50,000	191.56
Rapid Metrorail Gurgaon Limited	27,083	2.71		27,083	2.71
		7,872.18	#		**6,982.60**
Add: Profit in associates (net) ***		4,688.10			1,605.16
		12,560.28			**8,587.76**
In shares quoted (non trade)					
Ambuja Cements Limited	300	0.21		-	-
Axis Bank Limited	14,175	162.43		-	-
Bajaj Auto Limited	11,800	197.51		-	-
Bank of Baroda	6,410	50.87		-	-
Bharat Heavy Electricals Limited	38,568	99.10		-	-
Bharat Petroleum Corporation Limited	8,703	60.86		-	-
Bharti Airtel Limited	97,379	327.92		-	-
BGR Energy Systems Limited	5,967	19.50		-	-
Cadila Healthcare Limited	2,996	22.72		-	-
Chambal Fertilisers & Chemicals Limited	500	0.20		-	-
Cipla Limited	47,130	143.53		-	-
Coal India Limited	60,177	206.47		-	-
Dish TV India Limited	263,782	168.42		-	-
Dr. Reddy's Laboratories Limited	10,990	193.28		-	-
EIH Limited	250	0.22		-	-
GAIL (India) Limited	17,390	65.20		-	-
Godrej Consumer Products Limited	19,752	94.74		-	-
Grasim Industries Limited	1,034	27.16		-	-
Great Eastern Shipping Company Limited	62,374	152.07		-	-
HCL Technologies Limited	14,972	72.22		-	-
HDFC Bank Limited	123,137	640.13		-	-
Hindalco Industries Limited	56,498	73.11		-	-

11 . Non-current investments

	2012 Nos.	2012 Book value (₹ in lacs)		2011 Nos.	2011 Book value (₹ in lacs)
Hindustan Unilever Limited	73,124	299.74		-	-
Housing Development Finance Corporation Limited	50,400	339.34		-	-
ICICI Bank Limited	58,737	521.14		-	-
ING Vysya Bank Limited	56,554	200.82		-	-
IRB Infrastructure Developers Limited	106,824	198.96		-	-
ITC Limited	345,130	782.93		-	-
Infosys Limited	27,466	786.89		-	-
Jain Irrigation Systems Limited	175	0.01		-	-
JBF Industries Limited	83,153	92.34		-	-
Jaiprakash Associates Limited	51,830	42.29		-	-
Jindal Steel & Power Limited	11,766	64.12		-	-
Larsen & Toubro Limited	19,675	257.12		-	-
Lupin Limited	20,892	110.62		-	-
Mahindra & Mahindra Limited	13,411	93.46		-	-
NTPC Limited	86,171	140.20		-	-
Oil & Natural Gas Limited	30,832	82.41		-	-
Petronet LNG Limited	54,056	90.84		-	-
Polyplex Corporation Limited	38,954	71.83		-	-
Power Finance Corporation Limited	65,984	121.41		-	-
Power Grid Corporation of India Limited	112,738	121.64		-	-
Punjab National Bank	6,703	62.00		-	-
Ranbaxy Laboratories Limited	3,365	15.78		-	-
Reliance Industries Limited	74,821	559.85		-	-
Sintex Industries Limited	21,026	18.13		-	-
Spicejet Limited	145,791	34.33		-	-
State Bank Of India	13,514	283.12		-	-
Sterlite Industries (India) Limited	16,695	18.54		-	-
Sun Pharmaceutical Industries Limited	23,971	136.51		-	-
Tata Consultancy Services Limited	27,709	323.60		-	-
Tata Motors Limited	84,537	232.63		-	-
Tata Power Company Limited	76,741	77.39		-	-
Tata Steel Limited	23,637	111.19		-	-
Tecpro Sytems Limited	32,849	55.53		-	-
VA Tech Wabag Limited	16,920	72.49		-	-
Wipro Limited	13,163	57.79		-	-
		9,254.98	#		**-**
c) Investment in preference instruments (Unquoted) at cost*					
In other body corporates					
Parvati Estates Private Limited (formerly Magna Real Estate Developers Private Limited)	-	-		4,000	4.03
Beverly Park Operation and Maintenance Services Private Limited (formerly Super Mart One Property Management Services Private Limited)	-	-		3,000	3.02
Nachiketa Real Estate Private Limited	12,000	12.00		12,000	12.00
		12.00			**19.05**
In associates					
Seven Seas Resorts and Leisure Inc	39,567,424	1,077.87		39,567,424	954.16
Galaxy Mercantiles Limited @ 0.01% per annum	7,094,934	7,094.93		-	-
		8,172.80			**954.16**

* Equity shares of ₹ 10 each, Preference shares ₹ 100 each unless otherwise stated

** Rounded off to 'zero'

*** Includes prior period losses

11 . Non-current investments

	2012		2011	
	Nos.	Book value (₹ in lacs)	Nos.	Book value (₹ in lacs)
d) Investment in Government or trust securities				
i) In Government securities				
GOI 06.05% February 02, 2019	50,000,000	475.78	50,000,000	470.44
GOI 06.07% May 15, 2014	6,500,000	62.27	6,500,000	61.95
GOI 06.25% January 2, 2018	3,200,000	28.52	3,200,000	28.94
GOI 07.02% August 17, 2016	11,820,000	111.88	11,820,000	113.21
GOI 07.38% September 3, 2015	1,000,000	9.81	1,000,000	9.72
GOI 07.40% May 3, 2012	-	-	5,000,000	49.95
GOI 07.56% Novemeber 3, 2014	7,500,000	73.84	7,500,000	73.94
GOI 07.59% April 12, 2016	65,000,000	659.07	50,000,000	517.55
GOI 7.80% April 11, 2021	28,120,000	269.40	-	-
GOI 07.94% May 24, 2021	50,000,000	523.03	50,000,000	526.93
GOI 07.95% February 18, 2026	50,000,000	523.61	50,000,000	526.81
GOI 07.99% July 9, 2017	105,000,000	1,094.85	105,000,000	1,049.60
GOI 8.08% August 2, 2022	9,500,000	92.29	-	-
GOI 10.25% June 1, 2012	-	-	32,150,000	334.08
GOI 11.83% November 12, 2014	26,630,000	296.51	26,630,000	310.66
GOI 12.00% October 21, 2011	-	-	50,000,000	512.58
GOI 12.40% August 20, 2013	3,000,000	31.61	3,000,000	33.02
GOI 05.59% June 4, 2016	50,000,000	468.92	50,000,000	460.24
GOI 8.20% February 15, 2022	50,000,000	501.12	50,000,000	507.47
GOI 08.13% September 21, 2022	63,000,000	628.24	50,000,000	502.01
GOI 8.26% August 2, 2027	5,000,000	46.99	-	-
GOI 8.79% Novemebr 08, 2021	183,500,000	1,889.30	-	-
GOI 8.83% December 12, 2041	59,000,000	593.21	-	-
GOI 8.97% December 05, 2030	13,000,000	134.33	-	-
GOI 9.15% Novemeber 14, 2024	157,500,000	1,647.61	-	-
National Saving Certificate		1.96	-	1.99
		10,164.15		**6,091.09**
ii) In treasury bills				
364 D TBILL April 8, 2011	-	-	3,000,000	29.95
91 D TBILL April 8, 2011	-	-	9,500,000	94.87
91 D TBILL April 22, 2011	-	-	6,500,000	64.79
91 D TBILL April 29, 2011	-	-	2,000,000	19.89
91 D TBILL May 6, 2011	-	-	50,000,000	496.60
91 D TBILL May 27, 2011	-	-	107,400,000	1,062.24
91 D TBILL June 10, 2011	-	-	2,500,000	24.67
91 D TBILL June 17, 2011	-	-	7,500,000	73.89
91 D TBILL June 24, 2011	-	-	100,675,000	990.32
		-		**2,857.22**
iii) In infrastructure bonds				
REC 07.60% January 22, 2013	-	-	50,000,000	500.00
PFC 08.90% March 15, 2015	20,000,000	198.48	20,000,000	199.39
IL&FS 09.25% August 17, 2016	50,000,000	500.00	50,000,000	500.00
PFC 10.75% July 15, 2011	-	-	12,000,000	120.54
PFC 11.40% November 28, 2013	38,000,000	392.81	38,000,000	402.14
HDFC Limited 08.98% November 26, 2020	5,000,000	48.79	5,000,000	49.50
HDFC Limited 09.50% January 20, 2014	30,000,000	299.32	30,000,000	300.47
IDFC 08.15% May 10, 2015	50,000,000	500.00	50,000,000	500.00

11 . Non-current investments

	2012		2011	
	Nos.	Book value (₹ in lacs)	Nos.	Book value (₹ in lacs)
LIC Housing Finance Limited 08.95% September 15 , 2020	60,000,000	584.76	60,000,000	585.12
National Housing Bank 08.20% August 30, 2013	50,000,000	498.77	50,000,000	498.41
NCRPB 08.68% August 4, 2020	20,000,000	196.67	20,000,000	197.79
NTPC 05.95% September 15, 2011	-	-	6,600,000	64.92
PGC 09.25% July 24, 2011	-	-	12,500,000	125.93
Power Grid Corporation Limited 08.84% October 21, 2020 NCD	5,000,000	48.32	5,000,000	49.28
SBI 09.45% March 16, 2026 (Call- March 16, 2021) NCD	-	-	7,580,000	75.80
SBI 09.95% March 16, 2026 (Call- March 16, 2021) NCD	-	-	67,500,000	703.74
PGC LTD 9.35% August 29, 2022	50,000,000	491.95	-	-
PFC 9.45% September 1, 2026	50,000,000	499.50	-	-
PFC 9.48% April 15, 2022.	50,000,000	499.58	-	-
First Blue Home Finance Limited 11% July 15, 2016	25,000,000	251.75		
IL&FS LTD 9.98% December 5, 2021	50,000,000	502.60		
		5,513.30		**4,873.03**
e) Investment in debentures (unquoted) at cost				
Compulsory convertible debentures in body corporates				
YG Realty Private Limited	1,292,952	12,929.52	1,292,952	12,929.52
		12,929.52		**12,929.52**
f) In corporate bonds				
10.09% MRF LTD NCD May 27, 2021	8,000,000	81.40	-	-
9.45% SBI Bonds 4 Lower Tier 2026 Series	7,580,000	75.80	-	-
9.65% ISEC PD Tier II May 17, 2022	50,000,000	501.70	-	-
9.83 Bajaj Finance Limited May 18, 2021	15,000,000	151.23	-	-
9.95% SBI Bonds 4 Lower Tier II 2026 Series	67,500,000	700.77	-	-
		1,510.90		**-**
g) Other non-current investments (unquoted) at cost				
In fixed deposits				
HSBC		-		77.00
Andhra Bank		-		133.00
State Bank of Travencore		100.00		340.00
Canara Bank		65.00		130.00
Corporation Bank		100.00		215.00
		265.00		**895.00**
		97,327.53		**71,524.29**

	2012	2011
Aggregate amount and market value of investments		
Aggregate amount quoted investments	**37,100.78**	**24,910.25**
Market value of quoted investments	**24,550.77**	**17,395.96**
Aggregate amount unquoted investments at cost	**60,226.74**	**46,614.04**
Aggregate provision for diminution in value of investments	**1,776.41**	**689.14**

12 Deferred tax asset (net)

	2012	2011
		₹ in lacs
Deferred tax liability arising on account of :		
Depreciation, amortisation and impairment	23,585.34	12,192.24
Pre-construction period interest allowed in current year	7,997.07	9,007.76
Others	-	441.99
	31,582.41	**21,641.99**
Deferred tax asset arising on account of :		
Brought forward losses/unabsorbed depreciation	58,224.93	33,054.61
Expenditure debited to statement of profit and loss but allowable for tax purposes in subsequent years	300.02	579.10
Provision for doubtful debts and advances	4,821.63	3,200.09
Provision for diminution in value of investment	451.32	17.45
Provision for employee benefits	986.14	1,110.58
Others	291.07	8.11
	65,075.11	**37,969.94**
	33,492.70	**16,327.95**
Aggregate of net deferred tax liabilities jurisdictions	(15,736.08)	(12,692.04)
Aggregate of net deferred tax assets jurisdictions	49,228.78	29,019.99
	33,492.70	**16,327.95**

13 Loans and advances

	Non-current		Current	
	2012	2011	2012	2011
(Unsecured, considered good unless otherwise stated)				
Capital advances				
Secured	5,137.23	-	-	43.39
Unsecured (including ₹ 5.43 lacs (previous year ₹ nil) doubtful)	12,040.49	10,758.69	-	46.83
Security deposits				
Secured	2,075.82	838.96	6.99	-
Unsecured	24,204.34	24,687.41	16,533.38	16,656.23
Due from KMP entity- DLF Brands Limited	2,486.38	2,058.80	-	-
Advances to Joint ventures and associates	24,484.58	20,228.95	7,357.72	5,460.61
Advances recoverable in cash or in kind or for value to be received				
Secured	1,966.01	-	1,223.23	267.98
Unsecured (including ₹ 18,619.44 lacs (previous year ₹ 7,522.27 lacs) doubtful)	121,557.08	72,195.86	162,530.86	190,187.43
Income tax paid (net of provisions)	130,138.39	72,193.64	13,661.24	-
Employee advances	4,136.43	5,671.13	1,482.09	399.28
Share/debenture application money paid	-	-	5,015.07	2,472.00
	328,226.75	208,633.44	207,810.58	215,533.75
Less : Doubtful and provided for	13,601.46	6,904.89	5,023.41	617.38
	314,625.29	**201,728.55**	**202,787.17**	**214,916.37**

14 Other non-current assets

	2012	2011
Long term trade receivables (including trade receivables on deferred credit terms)		
Unsecured, considered good		
Trade receivables	6,536.84	16,338.97
	6,536.84	**16,338.97**
Other non current assets		
Bank deposit with maturity of more than 12 months (refer note 18)	5,077.87	2,427.37
Interest receivable	2,795.81	-
	7,873.68	**2,427.37**
	14,410.52	**18,766.34**

15 . Current investments

	2012 Nos.	2012 Book value (₹ in lacs)	2011 Nos.	2011 Book value (₹ in lacs)
a) Investment in equity instruments				
Quoted (non trade)				
Ambuja Cements Limited	-	-	300	0.21
Axis Bank Limited	-	-	5,490	77.06
Bajaj Auto Limited	-	-	4,673	67.53
Bajaj Electricals Limited	-	-	45,030	105.60
Bharat Heavy Electricals Limited	-	-	8,003	164.93
Bharat Petroleum Corporation Limited	-	-	3,209	19.62
Bharti Airtel Limited	-	-	44,566	159.28
BGR Energy Systems Limited	-	-	11,189	53.36
Bombay Dyeing and Manufacturing Company Limited	-	-	21,367	78.27
Cadila Healthcare Limited	-	-	13,081	103.33
Cairn India Limited	-	-	17,213	60.41
Chambal Fertilizers & Chemicals Limited	-	-	500	0.20
Cipla Limited	-	-	7,053	22.64
Coal India Limited	-	-	41,572	144.05
Crompton Greaves Limited	-	-	18,021	49.15
Dishman Pharma and Chemical Limited	-	-	1,158	1.18
EIH Limited	177,681	152.10	177,931	143.79
Gail India Limited	-	-	7,279	33.77
Grasim Industries Limited	-	-	1,544	37.93
HCL Technologies Limited	-	-	5,278	25.15
HDFC Bank Limited	-	-	12,318	288.60
Hindalco Industries Limited	-	-	41,375	86.33
Housing Development Finance Corporation Limited	-	-	21,233	148.40
ICICI Bank Limited	-	-	28,939	322.02
Infosys Technologies Limited	-	-	15,002	485.58
IRB Infrastructure Developers Limited	-	-	54,386	115.11
ITC Limited	-	-	168,820	306.32
Jain Irrigation Systems Limited	-	-	175	0.01
Jaiprakash Associates Limited	-	-	18,613	17.22
JBF Industries Limited	-	-	41,707	68.27
Jindal Steel & Power Limited	-	-	7,619	53.13
Larsen & Toubro Limited	-	-	10,403	171.85
Mahindra & Mahindra Limited	-	-	11,086	77.45
Manappuram General Finance & Leasing Limited	-	-	85,496	113.20
Mundra Port and Special Economic Zone Limited	-	-	60,340	82.33
National Thermal Power Corporation Limited	-	-	51,437	99.27
Oil and Natural Gas Corporation Limited	-	-	23,000	66.72
Power Grid Corporation of India Limited	-	-	47,668	48.53
Punjab National Bank	-	-	6,378	77.35
Ranbaxy Laboratories Limited	-	-	4,246	18.85
Reliance Communications Limited	80,000	67.24	80,000	86.16
Reliance Industries Limited	-	-	43,782	458.66
Reliance Media Works Limited	115,943	150.90	231,886	349.80
Reliance Broadcast Network Limited	115,943	-	115,943	-
Reliance Power Limited	228,633	267.27	228,633	296.54

15 . Current investments

	2012 Nos.	2012 Book value (₹ in lacs)	2011 Nos.	2011 Book value (₹ in lacs)
SJVN Limited	-	-	63,168	13.96
SPICEJET Limited	-	-	194,391	74.45
State Bank of India	-	-	6,642	183.67
Sterlite Industries India Limited	-	-	12,800	22.20
Sun Pharmacutical Industries Limited	-	-	8,865	39.17
TATA Consultancy Services Limited	-	-	14,933	176.58
TATA Motors Limited	-	-	8,069	100.66
TATA Power Company Limited	-	-	12,857	171.04
TATA Steel Limited	-	-	13,156	81.63
Tecpro Systems Limited	-	-	20,359	55.65
The Great Eastern Shipping Company Limited	-	-	54,532	143.31
VA Tech Wabag Limited	-	-	4,750	59.80
Wipro Limited	-	-	11,361	54.34
		637.51		**6,361.62**
b) Investment in mutual funds				
Quoted				
Birla Sun Life Cash Plus		167.05		43.42
Birla Sun Life Saving Fund		-		237.42
DSP Black Rock Liquidity Fund		-		120.00
DSP Black Rock Money Manager Fund		177.87		1,180.17
HDFC Liquid Fund-Growth		20.02		171.13
ICICI Prudential Liquid Plan-Growth		170.29		41.71
ICICI Prudential Flexible Income Plan Premium - Daily Dividend		192.20		81.34
JP Morgan India Treasury Fund		86.37		2,338.85
Kotak Liquid Fund - Regular		130.82		46.01
LIC Mutual Fund Liquid Growth Fund		-		260.13
Reliance Money Manager Fund		-		2,814.96
Reliance Liquid Fund		231.52		894.78
SBI Magnum Insta Cash		-		20.00
Tempelton India Treasury Management Growth Fund		75.44		250.35
UTI Liquid Fund		-		150.36
UTI Treasury Advantage Fund		-		216.04
Religare Liquid Fund - Super Institutional - G Large Cap		23.19		-
Tata Liquid High Investment Plan - Growth LIQ		7.00		-
		1,281.77		**8,866.67**
Unquoted				
Urban Infrastructure Oppurtunities Fund		10,142.42		11,069.60
Faering Capital India Evolving Fund		1,224.00		765.00
		11,366.42		**11,834.60**
c) Investment in Government or trust securities				
In Government securities				
7.40% GOI May 03, 2012	5,000,000	49.93		-
10.25% GOI June 01, 2012	32,150,000	323.23		-
		373.16		-
In treasury bills				
364 Day T-Bill April 06, 2012	4,000,000	39.96	-	-
364 Day T-Bill April 19, 2012	3,000,000	29.88	-	-

15 . Current investments

	2012		2011	
	Nos.	Book value (₹ in lacs)	Nos.	Book value (₹ in lacs)
364 Day T-Bill July 27, 2012	9,000,000	87.74	-	-
364 Day T-Bill December 28, 2012	10,000,000	94.06	-	-
364 Day T-Bill September 7, 2012	2,500,000	24.16	-	-
91 Day T-Bill April 13, 2012	3,500,000	34.90	-	-
91 Day T-Bill April 20, 2012	5,000,000	49.78	-	-
91 Day T-Bill May 18, 2012	5,000,000	49.45	-	-
91 Day T-Bill May 25, 2012	3,500,000	34.55	-	-
91 Day T-Bill June 01, 2012	2,500,000	24.63	-	-
91 Day T-Bill June 15, 2012.	2,125,000	20.87	-	-
		489.98		**-**
In infrastructure bonds				
7.60% REC Limited January 22, 2013	50,000,000	500.00	-	-
		500.00		**-**
d) Other investments				
In fixed deposits				
Fixed deposits in banks	50,500,000	505.00	-	
10.50% SBT FD March 30, 2013	15,000,000	150.00	-	
10.66% SBT FD March 22, 2013	4,000,000	40.00	-	
		695.00		**-**
In commercial papers				
JM Financial Products Limited	-	-	50,000,000	498.88
Religare Finvest Limited	-	-	50,000,000	485.65
		-		**984.53**
In funds				
Vkarma Capital Fund		5.10		5.10
		5.10		**5.10**
		15,348.94		**28,052.52**

Aggregate amount and market value of investments

	2012	2011
Aggregate amount quoted investments	**1,919.29**	15,228.29
Market value of quoted investments	**1,919.29**	15,228.29
Aggregate amount unquoted investments at cost	**13,429.65**	12,824.23

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Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

₹ in lacs

16 Inventories

	2012	2011
Land, plots, construction and development cost / materials	1,203,991.43	998,559.35
Development rights: payments under agreement to purchase land / development rights/ constructed properties	394,446.37	485,470.21
Rented buidings (including land and related equipments) *		
on lease hold	3,054.27	3,054.27
on free hold	12,345.09	12,345.09
	15,399.36	**15,399.36**
Less: depreciation on rented buildings and related equipments	2,108.72	1,814.18
	13,290.64	**13,585.18**
Food and beverages	1,665.21	2,423.14
Stores and spares	4,163.49	3,838.41
	1,617,557.14	**1,503,876.29**

* for assets given on lease disclosure refer note 33

17 Trade receivables
(Considered good unless otherwise stated)
Trade receivables outstanding for more than six months

	2012	2011
Secured	3,865.61	2,715.71
Unsecured - considered good	115,844.29	87,435.49
- considered doubtful	16,300.64	16,840.54
	136,010.54	106,991.74
Less : Doubtful and provided for	16,300.64	16,840.54
	119,709.90	**90,151.20**
Trade receivables (others)		
Secured, considered good	5,533.85	10,877.81
Unsecured - considered good	51,346.75	55,568.28
- considered doubtful	1,455.78	-
	58,336.38	66,446.09
Less : Doubtful and provided for	1,455.78	-
	56,880.60	66,446.09
	176,590.50	**156,597.29**

18 Cash and bank balances

	Non-current		Current	
	2012	2011	2012	2011
Cash and cash equivalents				
Cash in hand			883.61	379.16
Cheques in hand			1,010.61	914.35
Balances with banks				
In current accounts with schedued banks			86,577.14	84,015.29
In current accounts with non - scheduled banks			4,443.58	2,835.96
			92,914.94	88,144.76
Other bank balances				
Earmarked bank balances				
Unpaid dividend bank account	-	-	243.48	200.86
Monies kept in escrow account	-	-	2,036.61	-
Bank deposits				
Pledged / under lien / earmarked	-	-	9,682.09	7,589.89
Bank deposits with maturity more than 3 months and less than 12 months	-	-	45,746.36	36,242.12
Bank deposit with maturity of more than 12 months (refer note 14)	5,077.87	2,427.37	-	-
	5,077.87	2,427.37	57,708.54	44,032.87
	5,077.87	**2,427.37**	**150,623.48**	**132,177.63**

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19 Other current assets

	2012	2011
		₹ in lacs
Unbilled receivables	766,914.12	762,798.79
Investment in lease (net of unearned finance income ₹ Nil (previous year ₹ 1,464.21 lacs)	-	2,876.32
Premium due in insurance business	497.29	-
Interest accrued		
Customers	10,977.23	11,374.03
Deposits with banks	751.58	1,037.83
Loans and advances (including deposits) (including ₹ 966.81 lacs (previous year ₹ nil) doubtful)	4,843.41	10,658.29
	16,572.22	23,070.15
Less: Doubtful and provided for	966.81	-
	15,605.41	23,070.15
	783,016.82	**788,745.26**

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₹ in lacs

20 Sales and other income	2012	2011
Revenue from operations		
Operating revenue		
Sale of land and plots (including sale of development rights)	260,730.06	159,242.50
Revenue from constructed properties	348,899.27	498,611.24
Sale of fitouts under finance lease (including finance charges)	-	442.70
Rent	155,042.02	128,083.81
Service and maintenance income	90,807.20	75,337.93
Revenue from retail chain outlets	-	3,723.09
Revenue from food court / restaurant business	3,138.71	3,022.82
Revenue from hotel business	36,058.66	35,054.28
Revenue from power generation	30,008.06	26,021.88
Revenue from cinemas operations	10,888.10	8,098.25
Revenue from recreational facility	6,388.44	4,703.79
Revenue from insurance business	17,508.06	10,619.96
	959,468.58	**952,962.25**
Other operating revenue		
Sale of construction material	545.99	-
Amount forfeited on properties	2,923.09	3,094.32
	3,469.08	**3,094.32**
	962,937.66	**956,056.57**
Other income		
Income from non-current investments		
Income from investment in trust	375.83	149.52
Profit from sale of shares / investment	26,637.94	16,089.52
Profit / (loss) from partnership firms (net)	295.04	(394.15)
Interest on debentures	48.69	0.16
	27,357.50	**15,845.05**
Income from current investments		
Dividend from mutual funds	1,218.16	5,950.88
Dividend - others	139.82	242.40
	1,357.98	**6,193.28**
Interest from:		
Bank deposits	3,719.50	3,176.20
Income - tax refunds	3,455.44	705.39
Customers	6,251.89	7,994.13
Loans and deposits	6,684.08	7,351.61
Others	1,674.09	677.76
	21,785.00	19,905.09
Exchange fluctuations (net)	-	939.28
Profit on disposal of fixed assets	580.76	8,291.43
Unclaimed balances and excess provisions written back	2,354.08	2,517.05
Commission	412.71	328.53
Miscellaneous income	5,599.64	4,368.15
	30,732.19	**36,349.53**
	59,447.67	**58,387.86**
	1,022,385.33	**1,014,444.43**

₹ in lacs

21 Cost of revenues

	2012	2011
Cost of land, plots and constructed properties (including cost of development rights)	305,582.94	352,275.52
Cost of development charges		-
Cost of power generation	24,548.74	16,883.87
Foods and beverages and facility management expenses - hotel business	9,367.73	10,074.30
Consumption of food and beverages - food court and restaurants	2,058.78	1,432.69
Cost of goods sold - retail chain outlets	-	2,170.15
Cost of service and maintenance	41,985.08	36,895.81
Cost of cinema operations	3,750.81	2,775.75
Cost of insurance business	9,453.36	7,485.95
	396,747.44	**429,994.04**

22 Employee benefits expense *

	2012	2011
Salaries, wages and bonus	51,318.58	49,781.28
Contribution to provident and other funds	1,744.51	1,475.55
Amortisation of deferred employees compensation (net)	3,889.80	5,039.89
Staff welfare	1,664.72	916.43
	58,617.61	**57,213.15**

* Net of capitalisation

* For employee benefits details, refer note 30

23 Finance costs *

	2012	2011
Interest		
Fixed periods loans		
Debentures	35,306.67	31,740.71
Term loans	172,447.30	108,027.10
	207,753.97	139,767.81
Others	3,241.46	14,250.47
	210,995.43	154,018.28
Guarantee, finance and bank charges	13,652.86	16,543.60
	224,648.29	**170,561.88**

* Net of capitalisation

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DLF BUILDING INDIA

₹ in lacs

	2012	2011
24 Depreciation, amortisation and impairment		
Depreciation on		
Tangible assets (net of capitalisation)	68,955.22	61,297.63
Current asset	294.54	293.74
Investment properties	36.84	36.84
Amortisation on		
Intangible assets	952.77	693.44
Impairment on		
Goodwill	(1,356.48)	750.00
	68,882.89	**63,071.65**
25 Other expenses		
Rent	7,252.64	6,446.01
Rates and taxes	2,351.09	1,744.54
Power, fuel and electricity	5,467.30	2,693.66
Repair and maintenance		
Building	1,370.86	1,323.73
Constructed properties / colonies	105.37	190.20
Machinery	3,581.22	3,818.85
Others	4,147.37	3,923.16
Operating and maintenance of windmill	1,545.65	1,761.09
Insurance	1,536.80	1,564.18
Commission and brokerage	12,173.81	16,967.86
Advertisement and publicity	13,173.93	10,268.91
Traveling and conveyance	3,002.85	2,993.46
Running and maintenance		
Vehicle	455.34	431.66
Aircraft and helicopter	1,717.65	1,432.93
Printing and stationery	902.67	829.67
Director's fee	306.87	572.00
Sales promotion	5,379.75	2,923.47
Communication	1,378.31	1,371.38
Legal and professional (including payment to statutory auditors)	16,606.54	12,902.22
Charity and donations	4,098.15	1,646.91
Claims and compensation	155.35	431.25
Loss on disposal of fixed assets	894.74	1,690.95
Loss on sale of long term investments	588.95	221.62
Advances / assets written off	1,953.38	860.96
Preliminary expenses written off	0.30	22.79
Provision for doubtful debts and advances	15,585.29	5,007.23
Provision for diminution in value of investment	0.90	-
Exchange fluctuations (net)	260.24	-
Miscellaneous expenses	11,147.90	9,542.65
	117,141.22	**93,583.34**
26 Tax expense		
Income tax	55,597.53	65,323.62
Deferred tax	(18,662.98)	(19,382.51)
	36,934.55	**45,941.11**

₹ in lacs

27 Earning per share

	2012	2011
Net profit attributable to equity shareholders		
Profit after tax but before prior period items	121,029.10	154,238.06
Earlier year items		
Income tax	320.01	1,733.66
Deferred tax	(652.96)	0.09
Prior period expenses (net)	(614.18)	8,050.06
Depreciation	-	(60.99)
	120,081.97	**163,960.88**
Nominal value of equity share (₹)	2.00	2.00
Weighted average number of equity shares (Basic)	1,697,938,563	1,697,471,290
Basic earning per share (₹)	**7.07**	**9.66**
Nominal value of equity share (₹)	2.00	2.00
Weighted average number of equity shares (Dilutive)	1,701,546,079	1,701,254,929
Diluted earning per share (₹)	**7.06**	**9.64**

28. a) A subsidiary of the Company has purchased land with an obligation to provide built up area to third parties in consideration of settlement of disputes, claims, rights and entitlements of such parties. As the cost in this respect is not currently ascertainable, no accrual for these liabilities is considered necessary at present.

b) One of the subsidiary company namely DLF Universal Limited has entered into joint ventures for development of certain projects in financial year 2007-08 and 2008-09, and has advanced certain sum of monies to the joint venture partners for the said developments as of March 31, 2012. The projects have not yet commenced and Management is in continuing discussions with the joint venture partners and contemplating options to further resume its rights on the land/properties in question and is fully confident that the outstanding advance is good and recoverable.

c) Owing to the recent increases in the key items of project costs, the Group revised its budgeted costs of various projects of the Company and other companies in the Group and the resultant impact of the budget revisions has been appropriately taken in the respective standalone and the consolidated financial statements.

29. The company was selected as successful bidder in a Global Tender issued by Delhi Development Authority (DDA) for Dwarka Project (the project) in FY 2007-08. Total Investment made by the company in the project as of March 31, 2012 is ₹ 107,402.55 lacs. The company is under litigation for recovery of this amount with DDA. The company is also under discussion with DDA through Delhi High Court Mediation Cell appointed by Hon. High Court of Delhi for alternative options to execute the project.

The company based upon opinions of legal experts believes that the investment made (classified under Capital Work in Progress) in the project is fully recoverable from DDA and accordingly no adjustment has been done in the consolidated financial statements

30. Employee benefits

a) Gratuity (Non funded)

Amount recognised in the statement of profit and loss is as under:

(₹ in lacs)

Description	2012	2011
Current service cost	483.14	404.05
Interest cost	239.53	170.91
Actuarial loss recognised during the year	93.83	3.28
Past service cost	(6.64)	(5.01)
	809.86	**573.23**

Movement in the liability recognised in the balance sheet is as under:

(₹ in lacs)

Description	2012	2011
Present value of defined benefit obligation as at the start of the year *	3,045.82	2,735.12
Current service cost	483.14	404.05
Interest cost	239.53	170.91
Actuarial loss recognised during the year	93.83	3.28
Benefits paid	(397.63)	(159.09)
Past service cost	(6.64)	(5.01)
Transferred from gratuity (non funded) to gratuity (funded)	-	(222.58)
Present value of defined benefit obligation as at the end of the year	**3,458.05**	**2,926.68**

b) Gratuity (Funded)

(₹ in lacs)

Changes in defined benefit obligation	2012	2011
Present value obligation as at the start of the year *	526.00	255.95
Interest cost	44.01	10.17
Past service cost	-	14.40
Current service cost	117.68	49.51
Benefits paid	(65.05)	(7.05)
Acturial gains on obligations	(30.48)	(2.60)
Transferred from gratuity (non funded) to gratuity (funded)	-	222.58
Present value obligation as at the end of the year	**592.16**	**542.96**
Change in fair value of plan assets	**2012**	**2011**
Fair value of plan assets as at the start of the year *	192.33	226.84
Expected return on plan assets	25.27	10.67
Actuarial loss/(gain)	36.52	(23.65)
Contribution	192.92	-
Benefits paid	(64.99)	(7.05)
Fair value of plan assets as at the end of the year	**382.05**	**206.81**

(₹ in lacs)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets	2012	2011
Present value obligation as at the end of the year	592.16	542.96
Fair value of plan assets as at the end of the year	382.05	206.81
Net liability recognised in balance sheet	**(210.11)**	**(336.15)**
Amount recognised in the statement of profit and loss		
Current service cost	117.68	49.51
Past service cost	-	14.40
Interest cost	44.01	10.17
Expected return on plan assets	(25.27)	(10.67)
Net actuarial (gain) / loss recognised in the year	(31.70)	21.04
Total expenses recognised in the statement of profit and loss	**104.72**	**84.45**

For determination of the gratuity liability of the Company, the following actuarial assumptions were used:

Description	2012	2011
Discount rate (per annum)	8.00%	8.00%
Rate of increase in compensation levels	7.50%	7.50%

Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

c) Compensated absences (Non funded)

Amount recognised in the Statement of profit and loss is as under: (₹ in lacs)

Description	2012	2011
Current service cost	664.12	374.51
Interest cost	174.42	117.64
Actuarial (gain) / loss recognised during the year	(29.11)	47.39
Capitalised during the year	(1.34)	-
	808.09	**539.54**

Movement in the liability recognised in the balance sheet is as under:

(₹ in lacs)

Description	2012	2011
Present value of defined benefit obligation as at the start of the year *	2,474.14	2,144.06
Current service cost	664.12	374.51
Interest cost	174.42	117.64
Actuarial (gain) / loss recognised during the year	(29.11)	47.39
Benefits paid	(502.95)	(235.43)
Capitalised during the year/liability transfer as per financial	40.11	(9.20)
Present value of defined benefit obligation as at the end of the year	**2,820.73**	**2,448.17**

d) Compensated absences (Funded)

(₹ in lacs)

Changes in defined benefit obligation	2012	2011
Present value of obligation as at the start of the year *	179.28	154.50
Interest cost	13.49	10.96
Current service cost	97.34	81.78
Benefits paid	(45.23)	(28.01)
Acturial gains on obligations	(56.91)	(39.95)
Present value obligation as at the end of the year	**187.97**	**179.28**

(₹ in lacs)

Change in fair value of plan assets	2012	2011
Fair value of plan assets as at the start of the year *	-	-
Expected return on plan assets	-	-
Actuarial gain	-	-
Contribution	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	-	-

(₹ in lacs)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets	2012	2011
Present value obligation as at the end of the year	187.97	179.28
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in balance sheet	**(187.97)**	**(179.28)**
Amount recognised in the statement of profit and loss	**2012**	**2011**
Current service cost	97.34	81.78
Interest cost	13.49	10.96
Net actuarial gain recognised in the year	(56.91)	(39.95)
Total expenses recognised in the statement of profit and loss	**53.92**	**52.79**

* *Opening liability includes liability in respect of entities acquired during the year and excludes liability in respect of entitites disposed off during the year.*

For determination of the liability in respect of compensated absences, the following actuarial assumptions were used:

Description	2012	2011
Discount rate (per annum)	8.00%	8.00%
Rate of increase in compensation levels	7.50%	7.50%

e) Provident fund

Contribution made by the group companies, to the provident fund trust setup by the Company and to the Employee Provident Fund Commissioner during the year is ₹1,647.10 lacs (previous year ₹1,264.05 lacs).

31. Related party disclosures

a) Relationship

(i) Joint Ventures	
S. No	**Name of Joint Ventures**
1	Banjara Hills Hyderabad Complex
2	DLF Gayatri Home Developers Private Limited
3	DLF Limitless Developers Private Limited
4	DLF SBPL Developer Private Limited
5	GSG DRDL Consortium
6	Kujjal Builders Private Limited
7	Saket Courtyard Hospitalty Private Limited {w.e.f. May 26, 2011}
8	Y.G. Realty Private Limited
9	Cleva Builders and Developers Private Limited
10	Prowess Buildcon Private Limited
11	Design Plus Architecture Private Limited
12	DLF Green Valley
13	DLF Gayatri Developers {w.e.f December 9, 2011}

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(ii) Associates	
S. No	**Name of associates**
1	Australian Resorts Limited
2	Islan Aviation Limited
3	Joyous Housing Limited
4	Kyoto Resorts YK
5	P.T Jawa Express Amanda Indah
6	Pamalican Island Holdings Inc
7	Pandis (Thailand) Company Limited
8	Pansea Tourism Company Limited
9	Regional D & R Limited
10	Revlys SA
11	Seven Seas Resorts and Leisure Inc
12	Surin Bay Co. Limited
13	Villajena
14	Galaxy Mecantiles Limited {w.e.f. December 3, 2011}
15	Rapid Metro Rail Gurgaon Limited

(iii) Key Management Personnel (of the Parent Company)			
	Name	**Designation**	**Relatives (Relation)***
a)	Dr. K.P. Singh	Chairman	Ms. Renuka Talwar (Daughter)
b)	Mr. Rajiv Singh	Vice Chairman	Ms. Kavita Singh (Wife) Ms. Savitri Devi Singh (Daughter) Ms. Anushka Singh (Daughter)
c)	Mr. T.C. Goyal	Managing Director	Ms. Sharda Goyal (Wife)
d)	Ms. Pia Singh	Whole Time Director	Mr. Dhiraj Sarna (Husband)
e)	Mr. K. Swarup (till December 31, 2011)	Group Executive Director	Ms. Veena Swarup (Wife) Mr. Manish Swarup (Son)
	* Relatives of key management personnel (other than key management personnel themselves) with whom there were transactions during the year.		

(iv) Other enterprises under the control of the key management personnel (of the Parent company) and their relatives :	
S. No	**Name of the company**
1	A.S.G. Realcon Private Limited
2	Adampur Agricultural Farm
3	Adept Real Estate Developers Private Limited
4	AGS Buildtech Private Limited
5	Angus Builders & Developers Private Limited
6	Antriksh Properties Private Limited
7	Anubhav Apartments Private Limited
8	Arihant Housing Company *
9	Atria Partners
10	Bansal Development Company Private Limited {till December 14, 2011} #
11	Belicia Builders & Developers Private Limited
12	Beryl Builders & Constructions Private Limited
13	Beverly Park Operation and Maintenance Services Private Limited

S. No	Name of the company
14	Buland Consultants & Investments Private Limited
15	Careen Builders & Developers Private Limited
16	Centre Point Property Management Services Private Limited
17	Ch.Lal Chand Memorial Charitable Trust
18	Cian Builders & Developers Private Limited
19	Desent Promoters & Developers Private Limited
20	Diana Retail Private Limited
21	Dilly Builders & Developers Private Limited
22	Dinky Builders & Developers Private Limited
23	DLF Brands Limited
24	DLF Building & Services Private Limited
25	DLF Commercial Enterprises
26	DLF Foundation
27	DLF Investments Private Limited
28	DLF M.T.FBD Medical and Community Facility Charitable Trust
29	DLF Q.E.C. Educational Charitable Trust
30	DLF Q.E.C. Medical Charitable Trust
31	DLF Raghvendra Temple Trust
32	Elanor Builders & Developers Private Limited
33	Elephanta Estates Private Limited
34	Enki Retail Private Limited
35	Eros Retail Private Limited
36	Excel Housing Construction Private Limited
37	Exe. of The Estate of Lt. Ch. Raghvendra Singh
38	Exe. of The Estate of Lt. Smt. Prem Mohini
39	Family Idol Shri Radha Krishan Ji
40	Family Idol Shri Shiv Ji
41	Ferragamo Retail India Private Limited
42	Galena Builders & Constructions Private Limited
43	Gangrol Agricultural Farm & Orchard
44	General Marketing Corporation
45	Giorgio Armani India Private Limited
46	Haryana Electrical Udyog Private Limited
47	Herminda Builders & Developers Private Limited
48	Hitech Property Developers Private Limited
49	Indira Trust
50	Ishtar Retail Private Limited
51	Jhandewalan Ancillaries and Investments Private Limited
52	Juno Retail Private Limited
53	K. P. Singh HUF
54	Kapo Retail Private Limited
55	Kohinoor Real Estates Company *
56	Krishna Public Charitable Trust
57	Lal Chand Public Charitable Trust
58	Lion Brand Poultries
59	Maaji Properties and Development Company *
60	Madhukar Housing and Development Company *
61	Madhur Housing and Development Company *
62	Magna Real Estate Developers Private Limited {till June 5, 2011} ##
63	Mallika Housing Company *
64	Megha Estates Private Limited

65	Nachiketa Family Trust
S. No	**Name of the company**
66	Northern India Theatres Private Limited
67	P & S Exports Corporation
68	Pace Financial Services
69	Panchsheel Investment Company *
70	Panchvati Estates Private Limited {till November 17, 2011} ###
71	Parvati Estates Private Limited
72	Pia Pariwar Trust
73	Plaza Partners
74	Power Overseas Private Limited
75	Prem Traders & Investments Private Limited
76	Prem's Will Trust
77	Pushpak Builders and Developers Private Limited
78	R.R Family Trust
79	Raghvendra Public Charitable Trust
80	Raisina Agencies & Investments Private Limited
81	Rajdhani Investments & Agencies Private Limited
82	Realest Builders and Services Private Limited
83	Renkon Partners
84	Renuka Pariwar Trust
85	Rhea Retail Private Limited
86	Rod Retail Private Limited
87	S & S Towel Private Limited
88	Sabre Investment Advisor India Private Limited
89	Sabre Investment Consultants LLP
90	Sambhav Housing and Development Company *
91	Sarna Export International
92	Sarna Exports Limited
93	Sarna Property and Industry Private Limited
94	Sidhant Housing and Development Company *
95	Singh Family Trust
96	Skills Acadamy Private Limited {w.e.f November 14, 2011}
97	Sketch Investment Private Limited
98	Smt. Savitri Devi Memorial Charitable Trust
99	Solace Housing and Construction Private Limited
100	Solange Retail Private Limited
101	Sudarshan Estates Private Limited
102	Sukh Sansar Housing Private Limited
103	Super Mart One Property Management Services Private Limited {till July 26, 2011} ####
104	Super Mart Two Property Management Services Private Limited
105	Trinity Elastomers Private Limited
106	Trinity Housing and Construction Company *
107	Udyan Housing and Development Company *
108	Universal Management & Sales Private Limited
109	Urva Real Estate Developers Private Limited
110	Uttam Builders and Developers Private Limited
111	Uttam Real Estates Company *
112	Vishal Foods and Investments Private Limited
113	Yashika Properties and Development Company *

* A private company with unlimited liability.

\# Bansal Develoment Company Private Limited, was merged (w.e.f. December 15, 2011) in Prem Traders & Investments Private Limited as per the order of the Hon'ble High Court of Delhi dated August 30, 2011.

\## Magna Real Estate Developers Private Limited was merged (w.e.f. June 6, 2011) in Parvati Estates Private Limited as per the order of the Hon'ble High Court of Delhi dated March 29, 2011.

\### Panchvati Estates Private Limited was merged (w.e.f. November 18, 2011) in Super Mart Two Property Management Services Private Limited as per the order of the Hon'ble High Court of Delhi dated September 8, 2011.

\#### Super Mart One Property Management Services Private Limited was merged (w.e.f. July 27, 2011) in Beverly Park Operation and Maintenance Services Private Limited as per the order of the Hon'ble High Court of Delhi dated May 20, 2011.

(₹ in lacs)

b) The following transactions were carried out with related parties in the ordinary course of business (net of Service tax, if any)

Description	Joint Ventures and Associates #		Key Management Personnel (KMP) and their relatives		Enterprises over which KMP is able to exercise significant influence	
	2012	2011	2012	2011	2012	2011
Sale of assets	-	-	0.02	0.66	97.54	-
Sale of land and material	-	323.15	-	-	-	-
Sale of development rights	8,918.26	-	-	-	-	-
Interest received	2,654.66	2,256.48	-	-	389.29	60.50
Rent and licence fee received	-	462.33	-	-	1,977.97	653.10
Directors remuneration	-	-	2,594.89	2,166.72	-	-
Salary	-	-	255.31	289.31	-	-
Expenses recovered	-	0.50	-	-	854.81	3.63
Expenses paid	0.19	-	53.73	29.74	2,386.36	2,653.63
Payment for construction work	-	1,220.69	-	-	-	-
Rent paid	-	-	21.03	26.64	371.03	311.11
Loan taken	-	174.85	-	-	9,700.00	-
Loan refunded (paid)	-	1,581.00	-	-	9,700.00	-
Interest paid	-	225.11	-	-	152.77	153.86
Miscllaneous receipts (income)	251.25	1,053.50	23.21	12.64	2,988.57	1,201.74
Loans and advances given	5,216.84	1,459.84	-	-	-	313.51
Loans refunded (received)	8,503.25	2,423.08	-	-	-	141.93
Advances given	3,163.00	4,300.00	-	-	-	-
Advances received	-	750.00	-	-	-	-
Advance received under agreement to sell €	-	-	264.78	2,177.72	18,036.73	12.28
Guarantees given (net)	1,050.00	-	-	-	(1,100.05)	-
Purchase of land and material	-	184.64	-	-	-	1.73
Cancellation of sale of properties	-	-	-	-	-	187.75

(₹ in lacs)

c) Balance at the end of the year						
Description	Joint Ventures and Associates #		Key Management Personnel (KMP) and their relatives		Enterprises over which KMP is able to exercise significant influence	
	2012	2011	2012	2011	2012	2011
Investments *	8,902.72	7,934.06	-	-	823.80	818.85
Earnest money and part payments under agreement to purchase land/ constructed properties	-	-	-	-	258.56	261.50
Advance received under agreement to sell €	-	-	5,166.17	5,382.16	18,036.73	-
Trade/amount payables (net)	12,033.47	13,227.11	129.96	231.86	21.00	106.41
Managerial commission payable	-	-	790.00	800.00	-	-
Security deposit received	0.04	-	-	-	1,226.81	1,305.95
Advances/amount recoverable	-	25,963.88	-	-	-	-
Guarantees given	7,000.00	7,050.05	-	-	-	-
Loans and interest receivable	30,829.89	1,047.19	-	-	2,912.70	2,515.91
Trade receivables	6,746.07	323.40	-	0.82	233.24	745.39

** Excluding profits*

\# Complete transactions have been reported before inter company elimination.

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Above includes the following material transactions:

(₹ in lacs)

	Joint Ventures/ Associates		
Description	**Name of the entity**	**2012**	**2011**
Transactions during the year			
Sale of land and material	Star Alubuild Private Limited	-	323.15
Sale of development rights	Prowess Buildcon Private Limited	8,053.15	-
Interest received	Delanco Real Estate Private Limited	-	124.23
	Kujjal Builders Private Limited	128.35	94.54
	Joyous Housing Limited	1,373.21	697.53
	Ferragamo Retail India Private Limited	-	36.55
	Saket Courtyard Hospitality Private Limited	844.42	1,201.10
Rent and licence fee received	Ferragamo Retail India Private Limited	-	159.62
	Giorgio Armani India Private Limited	-	302.71
Expenses recovered	Prowess Buildcon Private Limited	-	0.50
Expenses paid	Saket Courtyard Hospitality Private Limited	0.19	-
Payment for construction work	Star Alubuild Private Limited	-	1,220.69
Loan taken	Delanco Real Estate Private Limited	-	174.85
Loan refunded (paid)	Delanco Real Estate Private Limited	-	1,581.00
Interest paid	Delanco Real Estate Private Limited	-	225.11
Miscllaneous receipts (income)	Saket Courtyard Hospitality Private Limited	202.23	-
	Prowess Buildcon Private Limited	47.91	-
	Giorgio Armani India Private Limited	-	935.36
Loans and advances given	Kujjal Builders Private Limited	4,850.00	-
	Delanco Real Estate Private Limited	-	89.33
	DLF Gayatri Home Developers Private Limited	-	70.38
	Prowess Buildcon Private Limited	-	1,300.00
Loans refunded (received)	Delanco Real Estate Private Limited	-	1,413.01
	Kujjal Builders Private Limited	5,084.00	-
	Saket Courtyard Hospitality Private Limited	1,167.47	-
	Prowess Buildcon Private Limited	1,373.50	-
	DLF Green Valley	878.28	-
	Ferragamo Retail India Private Limited	-	887.07
Advances given	Joyous Housing Limited	3,163.00	4,300.00
Advances received	Prowess Buildcon Private Limited	-	750.00
Guarantees given	Kujjal Builders Private Limited	1,050.00	-
Purchase of land and material	Star Alubuild Private Limited	-	184.64

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Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

(₹ in lacs)

Joint Venture/Associates			
Description	**Name of the entity**	**2012**	**2011**
Balance at the end of the year			
Trade receivables	Star Alubuild Private Limited	-	323.15
	Prowess Buildcon Private Limited	6,610.65	
Investments	Surin Bay Co. Limited	4,751.93	4,257.73
	Revlys SA	1,112.49	984.81
	Seven Seas Resort & Leisure Inc	1,947.53	1,724.01
	Kyoto Resorts YK	827.20	732.26
Trade/amount payables (net)	DLF Limitless Developers Private Limited	11,050.00	10,800.00
Advances/amount recoverable	Joyous Housing Limited	20,431.08	16,032.18
	Saket Courtyard Hospitality Private Limited	-	7,078.15
Guarantees given	Kujjal Builders Private Limited	7,000.00	5,950.00
	Giorgio Armani India Private Limited	-	1,100.05
Loans and interest receivable	Kujjal Builders Private Limited	1,053.35	835.08
	Saket Courtyard Hospitality Private Limited	6,753.63	-
Security deposit received	Saket Courtyard Hospitality Private Limited.	0.04	-

(₹ in lacs)

Enterprises over which KMP is able to exercise significant influence			
Description	**Name of the entity**	**2012**	**2011**
Transactions during the year			
Interest received	DLF Brands Limited	389.29	55.36
Rent and licence fee received	DLF Brands Limited	252.14	125.03
	Ferragamo Retail India Private Limited	434.27	144.99
	Giorgio Armani India Private Limited	577.32	228.27
	Rhea Retail Private Limited	176.07	67.52
Expenses recovered	Renkon Partners	380.21	-
	Atria Partners	202.25	-
	Plaza Partners	264.89	-
	DLF Brands Limited	0.98	1.63
	DLF Building & Services Private Limited	6.35	1.97
Expenses paid	DLF Brands Limited	1.10	1,149.70
	Pace Financial Services	-	4.56
	DLF Commercial Enterprises	746.52	-
	Renkon Partners	322.47	-
	DLF Foundation	1,025.00	1,017.00
Rent paid	DLF Q.E.C. Medical Charitable Trust	51.00	39.87
	DLF Q.E.C. Educational Charitable Trust	124.19	79.23
	Realest Builders and Services Private Limited	-	0.50
	DLF Commercial Enterprises	60.14	58.99
	Renkon Partners	74.31	71.62
Interest paid	Lal Chand Public School	-	44.87
	Panchsheel Investment Company	118.87	-
	Yashika Properties & Development Company	28.75	-
	DLF Q.E.C. Educational Charitable Trust	-	94.64

Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

(₹ in lacs)

Enterprises over which KMP is able to exercise significant influence			
Description	**Name of the entity**	**2012**	**2011**
Transactions during the year			
Miscllaneous receipts (income)	Atria Partners	698.34	260.03
	DLF Commercial Enterprises	579.56	271.07
	Renkon Partners	943.41	366.18
Cancellation of sales of properties	DLF Q.E.C. Educational Charitable Trust	-	119.50
	Lal Chand Public School	-	50.75
Guarantees given (net)	Giorgio Armani India Private Limited	(1,100.00)	-
Loans taken	Panchsheel Investment Company	7,525.00	-
	Yashika Properties & Development Company	1,850.00	-
Loan refunded (paid)	Panchsheel Investment Company	7,525.00	-
	Yashika Properties & Development Company	1,850.00	-
Loans and advances given	Lal Chand Public School	-	25.00
	Solange Retail Private Limited	-	288.51
Loans refunded (received)	Lal Chand Public School	-	25.00
	Solange Retail Private Limited	-	116.93
Advance received under agreement to sell €	Panchsheel Investment Company	5,820.36	-
	Jhandewalan Ancillaries & Investments Private Limited	3,229.57	-
	Raisina Agencies & Investments Private Limited	4,433.82	-
Sale of assets	Plaza Partners	97.54	-
Purchase of land and material	DLF Building & Services Private Limited	-	14.01

(₹ in lacs)

Enterprises over which KMP is able to exercise significant influence			
Description	**Name of the entity**	**2012**	**2011**
Balance at the end of the year			
Trade receivables	DLF Brands Limited	16.95	92.46
	Ferragamo Retail India Private Limited	68.17	106.05
	Giorgio Armani India Private Limited	31.66	156.06
	DLF Commercial Enterprises	2.38	81.19
	Renkon Partners	46.38	-
	Atria Partners	40.40	-
	Eros Retail Private Limited	25.72	-
Investments	DLF Brands Limited	800.00	800.00
Earnest money and part payments under agreement to purchase land/ constructed properties	DLF Building & Services Private Limited	224.29	227.23

Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

(₹ in lacs)

Enterprises over which KMP is able to exercise significant influence			
Description	**Name of the entity**	**2012**	**2011**
Balance at the end of the year			
Trade/amount payables (net)	DLF Brands Limited	1.10	84.81
	DLF Q.E.C. Educational Charitable Trust	5.81	7.17
	DLF Building & Services Private Limited	-	0.49
	DLF Q.E.C. Medical Charitable Trust	10.37	3.42
	Plaza Partners	-	2.84
	Rhea Retail Private Limited	3.28	-
Advance received under agreement to sell €	Panchsheel Investment Company	5,820.36	-
	Jhandewalan Ancillaries & Investments Private Limited	3,229.57	-
	Raisina Agencies & Investments Private Limited	4,433.82	-
Security deposit received	DLF Brands Limited	127.74	400.86
	Ferragamo Retail India Private Limited	171.85	147.56
	Giorgio Armani India Private Limited	318.43	259.46
	Solange Retail Private Limited	153.30	157.03
	Reha Retail Private Limited	184.90	146.46
Loans and interest receivable	DLF Brands Limited	2,902.46	2,486.33

(₹ in lacs)

Key Management Personnel (KMP) and their relatives			
Description	**Name of the KMP and their relatives**	**2012**	**2011**
Transactions during the year			
Sale of fixed asstes	Mr. T.C. Goyal	-	0.66
	Mr. K. Swarup (till December 31, 2011)	0.02	-
Miscellaneous receipts (income)	Dr. K.P. Singh	-	7.70
	Ms. Pia Singh	-	4.94
	Mr. Rajiv Singh Ms. Pia Singh Ms. Renuka Talwar	23.21	-
Director's remuneration paid	Dr. K.P. Singh	372.00	372.36
	Mr. Rajiv Singh	541.17	544.01
	Mr. K. Swarup (till December 31, 2011)	567.53	289.57
	Mr. T.C. Goyal	784.45	631.73
	Ms. Pia Singh	329.75	329.08
Salary	Ms. Renuka Talwar	202.30	201.00
	Ms. Savitri Devi Singh	50.26	73.31
Rent paid	Mrs.Veena Swarup	21.03	26.64
Expenses paid	Mr. Dhiraj Sarna	-	29.74
	Ms Kavita Singh	53.73	-
Advance received under agreement to sell €	Mrs. Sharda Goyal	-	14.37
	Ms. Renuka Talwar	236.32	-
	Mr. K. Swarup (till December 31, 2011)	-	12.17
	Mr. Rajiv Singh	-	936.60
	Mr. Manish Swarup	-	191.48
	Ms. Pia Singh	18.65	937.02

Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

(₹ in lacs)

Key Managerial Personnel (KMP) and their Relatives			
Description	**Name of the KMP and their relatives**	**2012**	**2011**
Balance at the end of the year			
Trade/amount payables (net)	Dr. K.P. Singh	24.32	-
	Mr. Rajiv Singh	-	25.62
	Mr. K. Swarup (till December 31, 2011)	-	91.14
	Ms. Renuka Talwar	100.00	100.00
	Ms Pia Singh	5.64	-
Managerial commission payable	Dr. K.P. Singh	250.00	250.00
	Mr. Rajiv Singh	250.00	250.00
	Mr. T.C. Goyal	190.00	200.00
	Ms. Pia Singh	100.00	100.00
Advance received under agreement to sell €	Mr. T.C. Goyal	302.77	302.77
	Mrs. Sharda Goyal	455.23	455.23
	Mr. Dhiraj Sarna	2,194.02	2,184.21
	Mr. Rajiv Singh	936.60	936.60
	Ms. Pia Singh	955.67	937.02
Trade receivables	Ms. Pia Singh	-	0.82

€ Revenue has been recognised as per the percentage of completion method {refer accounting policy no. i(i)(a)} on a project as a whole and not on individual unit basis.

32. The Group 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 issued by the Central Government in exercise of the powers conferred under sub section (I) (a) of Section 642 of the Companies Act, 1956 is considered to be the only reportable business segment. The Group is primarily operating in India which is considered as a single geographical segment.

33. Information to be disclosed in accordance with AS 19 on 'Leases'

A. Assets given on lease *

(₹ in lacs)

Class of assets		Gross block as on March 31, 2012	Depreciation for the year 2011-12	Accumulated depreciation as on March 31, 2012
i)	**Fixed assets**			
	Land and building including interiors	1,242,646.22	32,149.03	105,428.81
ii)	**Current assets**			
	(Constructed buildings including land and related equipments)			
	Lease hold	3,054.27	52.26	1,054.22
	Free hold	12,345.09	242.28	1,054.50

* *includes partly self occupied*

i) Operating lease

The Company has leased facilities under non- cancelable operating leases. The future minimum lease payment receivables in respect of these leases as at March 31, 2012 are:

(₹ in lacs)

Particulars	2012	2011
Upto one year	113,533.07	107,200.77
Two to five years	99,738.52	92,693.19
More than five years	3,168.52	2,666.20
	216,440.12	**202,560.16**

Figures disclosed above are gross of eliminations

ii) Finance lease

The minimum finance lease payments for the initial lease period are as under: (₹ in lacs)

Particulars	2012	2011
Principal		
Not later than one year	-	311.59
Later than one year but not later than five years	-	1,908.15
Later than five years	-	656.58
Interest		
Not later than one year	-	399.55
Later than one year but not later than five years	-	1,010.10
Later than five years	-	54.56

B. Assets taken on lease

i) Operating lease

The minimum operating lease payments for the initial lease period are as under: (₹ in lacs)

Particulars	2012	2011
Not later than one year	7,080.84	5,804.43
Later than one year but not later than five years	19,366.69	14,847.61
Later than five years	12,809.16	16,600.54
Lease payment made during the year recognised in the statement of profit and loss	9,622.75	7,439.49
Sub-lease payment received recognised in the statement of profit and loss	1,125.56	1,000.07

Figures disclosed above are gross of eliminations

Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

In respect of DLF Utilities Limited ("DUL"), a subsidiary of DLF Limited, the buildings for 'Multiplex Theatres' are taken on lease with the initial lease terms ranging from 3 to 4.5 years. These leases are further renewable subject to enhancement of rent by 10% on the expiry of the lease period. There are no restrictions imposed for sub-leasing as per the lease arrangement.

"DUL" sub leases the areas in the multiplexes for food courts.

ii) Finance lease

The minimum finance lease payments for the initial lease period are as under: (₹ in lacs)

Particulars	2012	2011
Principal		
Not later than one year	-	79.04
Later than one year but not later than five years	78.51	70.80
Interest		
Not later than one year	-	(1.36)
Later than one year but not later than five years	-	-

34. Employees Stock Option Scheme, 2006 (ESOP)

a) During the year ended March 31, 2007, the Company had announced an Employee Stock Option Scheme (the "Scheme") for all eligible employees of the Company, its subsidiaries, joint ventures and associates. Under the Scheme, 17,000,000 equity shares have been earmarked to be granted under the Scheme and the same will vest as follows:

Block I	Block II	Block III
Year 2	Year 4	Year 6
10% of the total grant	30% of the total grant	60% of the total grant

Pursuant to the above Scheme, the employee will have the option to exercise the right within three years from the date of vesting of shares at ₹ 2 per share, being its exercise price.

b) As per the Scheme, the Remuneration Committee has granted options as per details below :-

Grant No.	Date of grant	Number of options granted	Outstanding options as on March 31, 2012 (Net of options exercised / forfeited)
I	July 1, 2007	3,734,057 (3,734,057)	1,609,050 (2,206,250)
II	October 10, 2007	308,077 (308,077)	94,921 (106,183)
III	July 01, 2008	1,645,520 (1,645,520)	1,029,194 (1,083,272)
IV	October 10, 2008	160,059 (160,059)	72,486 (77, 954)
V	July 01, 2009	3,355,404 (3,355,404)	2,515,651 (2,976,654)

VI	October 10, 2009	588,819 (588,819)	504,735 (511,212)

According to the Guidance Note 18 on "Share Based Payments" issued by ICAI, ₹ 3,889.80 lacs (previous year ₹ 5,039.89 lacs) have been provided during the year as proportionate cost of ESOPs.

c) Outstanding stock options for equity shares of the Company under the "Employees Stock Option Scheme":

2012					
Grant No	Date of grant	Exercise price ₹	Numbers outstanding	Number of options committed to be granted in the future	Total
I	July 1, 2007	2	1,609,050 (2,206,250)	--- (---)	1,609,050 (2,206,250)
II	October 10, 2007	2	94,921 (106,183)	--- (---)	94,921 (106,183)
III	July 01, 2008	2	1,029,194 (1,083,272)	--- (---)	1,029,194 (1,083,272)
IV	October 10, 2008	2	72,486 (77,954)	--- (---)	72,486(77,954)
V	July 01, 2009	2	2,515,651 (2,976,654)	--- (---)	2,515,651 (2,976,654)
VI	October 10, 2009	2	504,735 (511,212)	--- (---)	504,735 (511,212)

d) In accordance with the Guidance Note - 18 "Share based payments" issued by ICAI the following information relates to the stock options granted by the Company.

	2012			
Particulars	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding, beginning of the year	6,961,525 (7,822,344)	2 (2)	- (-)	- (-)
Add: Granted during the year	- (-)	- -	- -	- (-)
Less: Forfeited during the year	321,863 (709,035)	2 (2)	2 (2)	- (-)
Less: Exercised during the year	813,625 (151,784)	2 (2)	2 (2)	- (-)
Less: Lapsed during the year	- (-)	- (-)	- (-)	- (-)
Outstanding, end of the year	5,826,037 (6,961,525)	2 (2)	2 (2)	3.40 (4.13)
Exercisable at the end of the year	322,203 (57,825)	2 (2)	2 (2)	- (-)

e) The following table summarizes information about stock options outstanding as at March 31, 2012:

Range of exercise price (₹)	Options outstanding			Options exercisable	
	Numbers	Weighted average remaining contractual life	Weighted average exercise price (₹)	Numbers	Weighted average exercise price (₹)
2 (2)	5,826,037 (6,961,525)	3.40 (4.13)	2 (2)	322,203 (57,825)	2 (2)

(Figures in brackets pertain to previous year)

The Company has calculated the employee compensation cost using the intrinsic value of the stock options measured by a difference between the fair value of the underline equity shares at the grant date and the exercise price. Had compensation cost been determined in a manner consistent with the fair value method, based on Black – Scholes model, the employees compensation cost would have been lower by ₹ 348.13 lacs and proforma profit after tax would have been ₹ 120,317.15 lacs (higher by ₹ 235.18 lacs). On a proforma basis, the basic and diluted earnings per share would have been ₹ 7.09 and ₹ 7.07 respectively.

The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions:

Particulars	Grant 1	Grant ll	Grant lll	Grant IV	Grant V	Grant VI
Dividend yield (%)	0.28	0.28	0.57	0.73	0.86	0.64
Expected life (no of years)	6.50	6.50	5.50	5.50	5.50	5.50
Risk free interest rate (%)	8.37	8.09	9.46	8.17	6.75	7.26
Volatility (%)	82.30	82.30	52.16	59.70	86.16	81.87

35. Cash settled options

a) Under the Employee shadow option scheme, (the 'scheme') employees are entitled to get cash compensation based on the average market price of equity share of the Company, upon exercise of shadow option on a future date. As per the scheme, Shadow options will vest as follows:-

Trench	Date of Grant *	Vesting at the end of year 2	Vesting at the end of year 3	Vesting at the end of year 4	Vesting at the end of year 7
I	July 1, 2007	50%	-	50%	-
II	September 1, 2007	50%	-	50%	-
III	July 01, 2008	50%	50%	-	-
IV	October 01, 2008	50%	50%	-	-
V	July 01,2009	100%	-	-	-
VI	August 01, 2010	-	-	-	100%-

b) Details of outstanding options and the expenses recognised under the employee shadow option scheme / employee phantom options scheme is as under:-

No of Shadow options outstanding as on March 31, 2012	Exercise price	Average market price	Fair value of shadow option	Total expenses charged to the Statement of Profit and Loss (Included in Note No - 22 Employee benefit)	Liability as on March 31, 2012 (Included in Note No.6 Provisions - Employee benefits)
(No.)	₹/Option	₹/Option	₹/Option	₹ in lacs	₹ in lacs
720,918	2	199.70	197.70	488.72	460.26
(1,552,498)	(2)	(232.08)	(230.08)	(428.03))	(1,998.25)

(Figures in brackets pertain to previous year)

* For tranch I, & II, 50% options have already been vested in the financial year ended March 31, 2010, and remaining 50% vested in current financial year. For tranch III and IV 50% options vested in financial year ended March 31, 2011 and remaining 50% vested in current financial year. For tranch V part of the options vested in current financial year, hence remaining of tranch V and entire tranch VI are disclosed above.

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36. Investment in Joint Ventures

The interest of the Group in major Joint Ventures is listed below:

S. No	Joint venture	Location	Principal activities	Ownership interest
1	Kujjal Builders Private Limited	New Delhi	Construction and development of hotels	50%
2	DLF Limitless Developers Private Limited	New Delhi	Construction and development of townships	50%
3	GSG DRDL Consortium	Hyderabad	Development and construction of shopping Malls	50%
4.	DLF Gayatri Home Developers Private Limited	Hyderabad	Development and construction of residential projects	50%
5	DLF SBPL Developers Private Limited	New Delhi	Construction and development of townships	50%
6	Banjara Hills Hyderabad Complex	Hyderabad	Development and construction of shopping mall	50%
7	Y.G. Realty Private Limited	Gurgaon	Development and construction of commercial projects	50%
8	Cleva Builders and Developers Private Limited	New Delhi	Development and construction of residential projects	50%
9	Prowess Buildcon Private Limited	New Delhi	Development and construction of residential projects	50%
10	Saket Courtyard Hospitalty Private Limited {w.e.f. May 26, 2011}	Gurgaon	Hotel operations	50%
11	Design Plus Architecture Private Limited	New Delhi	Architecture of projects	50%
12	DLF Green Valley	New Delhi	Development and construction of residential projects	50%
13	DLF Gayatri Developers (w.e.f. December 9, 2011)	Gurgaon	Development of residential township	42.50%

37. Contingent liabilities and commitments not provided for

(₹ in lacs)

Particulars	2012	2011
(I) Contingent liabilities		
a) Guarantees on behalf of third parties	65,391.85	9,919.23
b) Claims against the Group (including unasserted claims) not acknowledged as debts *	94,143.43	23,288.71
c) Demand in excess of provisions (pending in appeals):		
Income-tax	355,630.31	201,426.11
Other taxes	58,252.05	22,769.40
d) Letter of credit issued on behalf the Group	243.33	60.57
e) Liabilities under export obligations in EPCG scheme	8,950.83	3,333.69
f) Compensation for delayed possession	3,009.59	-
g) Miscellaneous	623.86	18.57

(II) Commitments		
a) Capital expenditure commitments	548,568.79	46,191.73
b) The Company has undertaken to provide continued financial support to Joyous Housing Limited (an associate company) for execution of its project at Tulsiwadi, Mumbai.		

* Interest on certain claims may be payable as and when the outcome of the related claim is finally determined and has not been included above.

38. The statutory auditors of one of the subsidiary company namely Silverlink Resorts Limited ('Silverlink') in their audit report have qualified certain balances in translation reserve and accumulated losses brought forward from the financial year ended December 31, 2004 as these are yet to be fully reconciled. These reconciliations pertain to prior to acquisition of Silverlink by the Company. The management of Silverlink is of the opinion that this reconciliation, if any, will not have any impact on the net worth of the Company. Further, the difference, if any, in reconciliation will interalia, change only the balance in translation reserve and accumulated brought forward losses pertaining to prior to acquisition of Silverlink. Further auditor of Silverlink has qualified carrying amount of a Hotel property valued at USD 9.3 mn (₹47.6 crores) (previous year valued at USD 7.5 mn) stating that basis of assumption and estimates are unlikely to be achieved. Management of Silverlink based on their future business plan and valuation report of an independent valuer of international repute (which has been used by management for all its hotel valuations over the past many years) believes that the assumptions are fair and achievable and does not require any adjustment in the financial statements.

39. Income tax and other matters

a) Subsequent to the year ended March 31, 2012, the Company received an assessment order for A.Y. 2009-10 from the Income Tax Authority, creating a demand of ₹ 45,739.22 lacs, out of which, ₹ 35,523.71 lacs pertains to demand on account of disallowance of SEZ profits U/s 80IAB of the Income Tax Act.

Similar disallowance of SEZ profits were made by the Income Tax Authorities for the company and its subsidiaries amounting to ₹ 103,190.24 lacs for the assessment year 2009-10 and ₹ 164,341.78 lacs for assessment year 2008-09 as per the assessment orders received during the year.

The Company and the respective subsidiary companies have filed appeals before the appropriate Appellate Authorities against the said assessment orders.

Based on the advice from independent tax experts, the Company and the subsidiary companies are 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 consolidated financial statements.

b) During the previous year ended March 31, 2011, the Company and two of its subsidiary companies received two judgments from the Hon'ble High Court of Punjab and Haryana cancelling the release/ sale deed of land relating to two IT SEZ/ IT Park Projects in Gurgaon. The Company and the subsidiary companies have filed Special Leave Petitions (SLPs) challenging the orders in the Hon'ble Supreme Court of India.

In one case, the Hon'ble Supreme Court has admitted the matter and stayed the operation of the impugned judgment till further orders.

The second case was listed on January 3, 2012 and the Hon'ble Supreme Court has granted a stay.

Based on the advice of the independent legal counsels, the Company and the subsidiary companies have 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 consolidated financial statements.

(c) The Competition Commission of India (CCI) on a complaint filed by the Belaire/ Park Place owners associations had passed orders dated August 12, 2011 and August 29, 2011 wherein the CCI had imposed a penalty of ₹63,000 lacs on DLF, restrained 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 order of CCI is challenged by DLF on several grounds by filing appeals before the Competition Appellate Tribunal (COMPAT).

COMPAT after the hearing on November 9, 2011, has granted stay against the orders of CCI imposing penalty and have further ordered that the directions of CCI for modifications of terms of the Agreement shall remain in abeyance.

The appeals are scheduled to be listed before COMPAT on July 18, 2012 for final hearing. Pending the final decisions, no adjustment has been done in these consolidated financial statements.

40. Consolidated financial statements comprise the financial statements of DLF Limited and its subsidiaries, Joint ventures and associates during the year ended March 31, 2012 listed below:

A) Subsidiaries

i) Subsidiaries having accounting year ended March 31, 2012 with the percentage of ownership of DLF Group.

S. No.	Name of entity	Country of Incorporation	Proportion of ownership (%) as at March 31, 2012
1	Aadarshini Real Estate Developers Private Limited	India	100.00
2	Abhigyan Builders & Developers Private Limited	India	94.43
3	Abhiraj Real Estate Private Limited	India	100.00
4	Ackruti City Magnum Limited {w.e.f. July 1, 2011}	India	67.00
5	Adelie Builders & Developers Private Limited	India	100.00
6	Adeline Builders & Developers Private Limited	India	90.10
7	Alvernia Limited	Cyprus	100.00
8	Americus Real Estate Private Limited	India	100.00
9	Amishi Builders & Developers Private Limited	India	100.00
10	Annabel Builders & Developers Private Limited	India	51.00
11	Argent Holdings Limited {till April 19, 2011}***	British Virgin Islands	100.00
12	Ariadne Builders & Developers Private Limited	India	99.99
13	Armand Builders & Constructions Private Limited	India	90.10
14	Baakir Real Estates Private Limited {till May 15, 2011}	India	100.00
15	Balaji Highways Holding Private Limited	India	51.00
16	Bedelia Builders & Constructions Private Limited	India	100.00
17	Benedict Estates Developers Private Limited	India	94.43
18	Berenice Real Estate Private Limited	India	100.00
19	Beverly Park Maintenance Services Limited	India	100.00
20	Bhamini Real Estate Developers Private Limited	India	100.00
21	Bhoruka Financial Services Limited {till March 19, 2012} **	India	99.68

S. No.	Name of entity	Country of Incorporation	Proportion of ownership (%) as at March 31, 2012
22	Breeze Construction Private Limited	India	100.00
23	Cachet Real Estates Private Limited	India	90.10
24	Calvine Builders & Constructions Private Limited	India	90.10
25	Caraf Builders & Constructions Private Limited	India	100.00
26	Catriona Builders & Constructions Private Limited	India	100.00
27	Cee Pee Maintenance Services Limited	India	100.00
28	Chakaradharee Estates Developers Private Limited	India	94.43
29	Chandrojyoti Estate Developers Private Limited	India	100.00
30	Comfort Buildcon Limited {formerly Comfort Buildcon Private Limited}	India	100.00
31	Cyrilla Builders & Constructions Limited	India	100.00
32	Dae Real Estates Private Limited	India	94.43
33	Dalmia Promoters & Developers Private Limited	India	100.00
34	Dankuni World City Limited	India	100.00
35	Delanco Home & Resorts Private Limited	India	100.00
36	Delanco Real Estate Private Limited	India	100.00
37	Delanco Realtors Private Limited	India	100.00
38	Deltaland Buildcon Private Limited	India	100.00
39	Deltaland Real Estate Private Limited	India	90.10
40	DHDL Wind Power Private Limited	India	100.00
41	Dhoomketu Builders & Developers Private Limited	India	100.00
42	Digital Talkies Private Limited	India	61.20
43	Diwakar Estates Limited	India	100.00
44	DLF Akruti Info Parks (Pune) Limited {till December 27, 2011}#	India	67.00
45	DLF Aspinwal Hotels Private Limited	India	100.00
46	DLF Assets Private Limited	India	100.00
47	DLF City Centre Limited	India	100.00
48	DLF Cochin Hotels Private Limited	India	100.00
49	DLF Comfort Hotels Private Limited	India	100.00
50	DLF Commercial Developers Limited	India	100.00
51	DLF Construction Limited	India	100.00
52	DLF Cyber City Developers Limited	India	100.00
53	DLF Developers Limited	India	100.00
54	DLF Emporio Restaurants Limited	India	100.00
55	DLF Energy Private Limited {w.e.f. October 4, 2011}	India	100.00
56	DLF Estate Developers Limited	India	100.00
57	DLF Financial Services Limited	India	100.00
58	DLF Finvest Limited	India	100.00
59	DLF Garden City Indore Private Limited	India	51.00
60	DLF Global Hospitality Limited	Cyprus	100.00

S. No.	Name of entity	Country of Incorporation	Proportion of ownership (%) as at March 31, 2012
61	DLF Golf Resort Limited	India	100.00
62	DLF Gurgaon Developers Limited	India	100.00
63	DLF Gurgaon Golflink Private Limited {formerly Alvita Builders and Developers Private Limited}	India	100.00
64	DLF Haryana SEZ (Ambala) Limited	India	100.00
65	DLF Haryana SEZ (Gurgaon) Limited	India	100.00
66	DLF Home Developers Limited	India	100.00
67	DLF Homes Ambala Private Limited	India	100.00
68	DLF Homes Goa Private Limited	India	100.00
69	DLF Homes Kokapet Private Limited	India	100.00
70	DLF Homes Panchkula Private Limited	India	51.00
71	DLF Homes Pune Private Limited	India	100.00
72	DLF Homes Rajapura Private Limited	India	51.00
73	DLF Home Services Private Limited	India	100.00
74	DLF Hospitality and Recreational Limited	India	100.00
75	DLF Hotel Holdings Limited	India	100.00
76	DLF Hotels and Apartments Private Limited	India	100.00
77	Adone Hotels & Hospitality Limited {formerly DLF Hotels & Hospitality Limited}	India	100.00
78	DLF India Limited	India	90.10
79	DLF Info City Developers (Chandigarh) Limited	India	100.00
80	DLF Info City Developers (Chennai) Limited	India	100.00
81	DLF Info City Developers (Kolkata) Limited	India	100.00
82	DLF Info Park Developers (Chennai) Limited	India	100.00
83	DLF Inns Limited	India	100.00
84	DLF International Holdings Pte. Limited	Singapore	100.00
85	DLF International Hospitality Corporation	British Virgin Islands	100.00
86	DLF Luxury Hotels Limited	India	100.00
87	DLF Metro Limited {till March 19, 2012} **	India	100.00
88	DLF New Delhi Convention Centre Limited	India	100.00
89	DLF New Gurgaon Homes Developer Private Limited	India	94.43
90	DLF New Gurgaon Offices Developers Private Limited	India	100.00
91	DLF New Gurgaon Retail Developers Private Limited	India	100.00
92	DLF Phase IV Commercial Developers Limited	India	100.00
93	DLF Pramerica Life Insurance Company Limited	India	74.00
94	DLF Projects Limited	India	100.00
95	DLF Property Developers Limited	India	100.00
96	DLF Raidurg Developers Private Limited {formerly Alta Builders & Developres Private Limited}	India	100.00
97	DLF Real Estate Builders Limited	India	100.00
98	DLF Recreational Foundation Limited	India	85.00

99	DLF Residential Builders Limited	India	100.00
100	DLF Residential Developers Limited	India	100.00
S. No.	**Name of entity**	**Country of Incorporation**	**Proportion of ownership (%) as at March 31, 2012**
101	DLF Residential Partners Limited	India	100.00
102	DLF Service Apartments Limited	India	100.00
103	DLF Southern Homes Private Limited	India	51.00
104	DLF SouthernTowns Private Limited	India	51.00
105	DLF Telecom Limited	India	100.00
106	DLF Trust Management Pte. Limited	Singapore	100.00
107	DLF Universal Limited	India	100.00
108	DLF Utilities Limited	India	99.99
109	DLF Wind Power Private Limited	India	100.00
110	Domus Real Estates Private Limited	India	100.00
111	Domus Realtors Private Limited	India	90.10
112	Eastern India Powertech Limited	India	100.00
113	Edward Keventor (Successors) Private Limited	India	100.00
114	Eila Builders & Developers Private Limited	India	100.00
115	Elvira Builders & Constructions Private Limited	India	90.10
116	Falguni Builders Private Limited {till April 12, 2011}*	India	100.00
117	Faye Builders & Constructions Private Limited	India	90.10
118	First City Real Estate Private Limited	India	90.10
119	Flora Real Estate Private Limited	India	90.10
120	Galaxy Mecantiles Limited {till December 2, 2011} ##	India	71.00
121	Galleria Property Management Services Private Limited	India	72.24
122	Ganika Builders Private Limited {till April 12, 2011}*	India	100.00
123	Geocities Airport Infrastructures Private Limited	India	100.00
124	Gulika Home Developers Private Limited {till April 12, 2011}*	India	100.00
125	Gyan Real Estate Developers Private Limited	India	100.00
126	Hampton Furniture Limited {w.e.f. June 16, 2011}	India	100.00
127	Hansel Builders & Developers Private Limited	India	90.10
128	Hiemo Builders & Developers Private Limited	India	100.00
129	Highvalue Builders Limited {formerly Highvalue Builders Private Limited}	India	100.00
130	Hyacintia Real Estate Developers Private Limited	India	99.99
131	Irving Builders & Developers Private Limited	India	90.10
132	Isabel Builders & Developers Private Limited	India	100.00
133	Jai Luxmi Real Estate Private Limited	India	92.50
134	Jawala Real Estate Private Limited	India	100.00
135	K G Infrastructure Private Limited {till April 7, 2011}	India	100.00
136	Khem Buildcon Private Limited	India	100.00
137	Lada Estates Private Limited	India	90.10
138	Laman Real Estates Private Limited	India	94.43

S. No.	Name of entity	Country of Incorporation	Proportion of ownership (%) as at March 31, 2012
139	Latona Builders & Constructions Private Limited {w.e.f. December 9, 2011}	India	90.10
140	Lawanda Builders & Developers Private Limited	India	100.00
141	Lear Builders & Developers Private Limited	India	90.10
142	Lempo Buildwell Private Limited	India	90.10
143	Liber Buildwell Private Limited	India	90.10
144	Livana Builders & Developers Private Limited {w.e.f. December 9, 2011}	India	90.10
145	Lizebeth Builders & Developers Private Limited	India	94.43
146	Lodhi Property Company Limited	India	100.00
147	Marala Real Estate Private Limited {formerly known as DLF Hilton Hotels (Mysore) Limited}	India	100.00
148	Mariposa Builders & Developers Private Limited	India	90.10
149	Melosa Builders & Developers Private Limited	India	90.10
150	Mens Buildcon Private Limited	India	100.00
151	Mhaya Buildcon Private Limited	India	100.00
152	Monroe Builders & Developers Private Limited	India	100.00
153	Nambi Buildwell Private Limited	India	100.00
154	Nellis Builders & Developers Private Limited	India	100.00
155	NewGen MedWorld Hospitals Limited	India	100.00
156	Nilayam Builders & Developers Limited	India	100.00
157	Overseas Hotels Limited {till May 16, 2011} ****	British Virgin Islands	100.00
158	Paliwal Developers Limited	India	100.00
159	Paliwal Real Estate Limited {formerly Paliwal Real Estate Private Limited}	India	100.00
160	Pee Tee Property Management Services Limited	India	100.00
161	Penthea Builders & Developers Private Limited	India	94.43
162	Philana Builders & Developers Private Limited	India	94.43
163	Phoena Builders & Developers Private Limited	India	94.43
164	Prompt Real Estate Limited {formerly Prompt Real Estate Private Limited}	India	100.00
165	Pyrite Builders & Constructions Private Limited	India	90.10
166	Qabil Builders & Constructions Private Limited	India	90.10
167	Rachelle Builders & Constructions Private Limited	India	90.10
168	Rati Infratech Private Limited	India	100.00
169	Regency Park Property Management Services Limited {formerly Regency Park Property Management Services Private Limited}	India	99.93
170	Richmond Park Property Management Services Limited	India	100.00
171	Riveria Commercial Developers Limited	India	100.00
172	Rochelle Builders & Constructions Private Limited	India	90.10
173	Royalton Builders & Developers Private Limited	India	90.10
174	Saguna Builders & Developers Private Limited	India	90.10

S. No.	Name of entity	Country of Incorporation	Proportion of ownership (%) as at March 31, 2012
175	Saket Holidays Resorts Private Limited {formerly known as Saket Courtyard Hospitalty Private Limited}	India	100.00
176	Shakirah Real Estate Private Limited {till March 19, 2012} **	India	100.00
177	Shivajimarg Properties Limited	India	100.00
178	Silver Oaks Property Management Services Limited	India	100.00
179	Sinonet Holding Limited {till April 19, 2011} ***	British Virgin Islands	100.00
180	Springhills Infratech Private Limited	India	100.00
181	Star Alubuild Private Limited {w.e.f April 01, 2011}	India	60.02
182	Sunlight Promoters Limited {formerly Sunlight Promoters Private Limited}	India	100.00
183	Triumph Electronics Private Limited	India	100.00
184	Urvasi Infratech Private Limited	India	100.00
185	Valini Builders & Developers Private Limited	India	100.00
186	Vibodh Developers Private Limited	India	94.43
187	Vilina Estate Developers Private Limited	India	90.10
188	Vinanti Builders & Developers Private Limited	India	90.10
189	Vkarma Capital Investment Management Company Private Limited	India	100.00
190	Vkarma Capital Trustee Company Private Limited	India	100.00
191	Webcity Builders & Developers Private Limited	India	94.43
192	Zola Real Estate Private Limited	India	100.00
193	Zoria Infratech Private Limited	India	100.00

Proportion of ownership (%) as at the date till it was subsidiary

* Pursuant to the order of the Honorable High Court of Delhi and Honorable High Court of Punjab and Haryana at Chandigarh by virtue of scheme of arrangement, Falguni Builders Private Limited, Ganika Builders Private Limited and Gulika Home Developers Private Limited, have been merged with Aadarshini Real Estate Developers Private Limited w.e.f. April 13, 2011. Accordingly the transactions with the said entities during the year ended March 31, 2012 and balance outstanding thereto on that date have been disclosed as transactions with and balances outstanding to as the case may be, Aadarshini Real Estate Developers Private Limited during the year ended and as of March 31, 2012.

** Pursuant to the order of the Honorable High Court of Delhi and Honorable High Court of Punjab and Haryana at Chandigarh by virtue of scheme of arrangement, Bhoruka Financial Services Limited, DLF Metro Limited and Shakirah Real Estate Private Limited, have been merged with DLF Universal Limited w.e.f. March 20, 2012. Accordingly the transactions with the said entities during the year ended March 31, 2012 and balance outstanding thereto on that date have been disclosed as transactions with and balances outstanding to as the case may be, DLF Universal Limited during the year ended and as of March 31, 2012.

*** Argent Holdings Limited and Sinonet Holding Limited have been merged with Overseas Hotels Limited w.e.f. April 20, 2011. Accordingly the transactions with the said entities during the year ended March 31, 2012 and balance outstanding thereto on that date have been disclosed as transactions with and balances outstanding to as the case may be, Overseas Hotels Limited during the year ended and as of March 31, 2012.

**** Overseas Hotels Limited has been merged with Silverlink Resorts Limited w.e.f. May 17, 2011. Accordingly the transactions with the said entities during the year ended March 31, 2012 and balance outstanding thereto on that date have been disclosed as transactions with and balances outstanding to as the case may be, Silverlink Resorts Limited during the year ended and as of December 31, 2011.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

The Company along with its joint venture partner Hubtown Limited ("Hubtown"), have sold 100% of their respective shareholding in DLF Ackruti Info Park (Pune) Limited ("DLF Ackruti), to an entity controlled by real estate fund affiliated with The Blackstone Group, BRE/Mauritius Investments II, after obtaining all necessary approvals. Prior to the sale of their respective shareholding, the Company and Hubtown held 67% and 33% equity shares in "DLF Ackruti", respectively. Consequent of this disinvestment, DLF Ackruti has ceased to be a subsidiary of DLF Ltd. w.e.f December 28, 2011.

Galaxy Mercantiles Limited ("GML"), a JV Company of DLF Home Developers Limited ("DHDL"), a wholly owned subsidiary of DLF Limited, received two tranches of infusion of capital from Infrastructure Development Finance Company Limited ("IDFC") as part of a process for IDFC to acquire 100% stake in the GML. An aggregate amount of ₹ 22,049 lacs have been received in two tranches by the JV partners including DHDL, with the balance to be received from IDFC linked to leasing milestones. Prior to the infusion, DHDL had a 71% equity stake in GML and consequent to this capital infusion, DHDL's equity stake got diluted to 40.15% (post 2nd tranche) and GML ceased to be a subsidiary of the Company w.e.f December 2, 2011 and has become an associate company.

ii) The accounting year for the below entities being the calendar year, their financial statements as at December 31, 2011 have been considered for consolidation in these Consolidated Financial Statements. Further, no adjustment is considered necessary in the Consolidated Financial Statements for the period from January 1 to March 31, 2012, as the management believes that no material event, affecting the financial position of the subsidiary and its constituents, has occurred during this period.

S. No.	Name of entity	Country of Incorporation	Proportion of ownership (%)
1	Aman Gocek Insatt Taahhut Turizm Sanayi ve Ticaret AS	Turkey	100.00
2	Amancruises (2006) Company Limited	Thailand	100.00
3	Amancruises Company Limited	Thailand	100.00
4	Amankila Resorts Limited	British Virgin Islands	100.00
5	Amanproducts Limited	British Virgin Islands	100.00
6	Amanresorts B.V.	Netherlands	100.00
7	Amanresorts Internaltional Pte Limited	Singapore	100.00
8	Amanresorts IPR B. V.	Netherlands	100.00
9	Amanresorts Limited	British Virgin Islands	100.00
10	Amanresorts Limited	Hong Kong	100.00
11	Amanresorts Management B.V.	Netherlands	100.00
12	Amanresorts Services Limited	British Virgin Islands	100.00
13	Amanresorts Technical Services B.V.	Netherlands	100.00
14	Anbest Holdings Limited	British Virgin Islands	100.00
15	Andaman Development Company Limited	Thailand	100.00
16	Andaman Holdings Limited	British Virgin Islands	100.00
17	Andaman Resorts Company Limited	Thailand	100.00
18	Andaman Thai Holding Company Limited	Thailand	100.00
19	Andes Resorts Limited SAC	Peru	100.00
20	Aradel Company N.V.	Netherlands Antilles	100.00
21	ARL Marketing Inc.	USA	100.00
22	ARL Marketing Limited	British Virgin Islands	100.00
23	ASL Management (Palau) Limited	Palau	100.00
24	Balina Pansea Company Limited	British Virgin Islands	100.00
25	Barbados Holdings Limited	British Virgin Islands	100.00
26	Bhosphorus Investments Limited	British Virgin Islands	100.00
27	Bhutan Hotels Limited	British Virgin Islands	100.00
28	Bhutan Resorts Private Limited	Bhutan	60.00

S. No.	Name of entity	Country of Incorporation	Proportion of ownership (%)
29	Bodrum Development Limited	British Virgin Islands	100.00
30	Ceylon Holdings B.V.	Netherlands	100.00
31	Colombo Resorts Holdings N.V.	Netherlands Antilles	100.00
32	Current Finance Limited	British Virgin Islands	100.00
33	Fonton Limited	British Virgin Islands	100.00
34	Forerun Group Limited	British Virgin Islands	100.00
35	Goyo Services Limited	British Virgin Islands	60.00
36	Guardian International Private Limited	India	100.00
37	Gulliver Enterprises Limited	British Virgin Islands	100.00
38	Heritage Resorts Private Limited	India	51.00
39	Hospitality Trading Limited	British Virgin Islands	100.00
40	Hotel Finance International Limited	British Virgin Islands	100.00
41	Hotels Sales Services Limited	British Virgin Islands	100.00
42	Hotels Sales Services Private Limited	Sri Lanka	100.00
43	IncanValley Holdings Limited	British Virgin Islands	100.00
44	Jackson Hole Holdings Limited	British Virgin Islands	100.00
45	Jalisco Holdings Pte Limited	Singapore	100.00
46	Lao Holdings Limited	British Virgin Islands	100.00
47	Le Savoy Limited	British Virgin Islands	81.10
48	LP Hospitality Company Limited	Laos	100.00
49	Marrakech Investments Limited	British Virgin Islands	100.00
50	Mulvey B.V.	Netherlands	100.00
51	Mulvey Venice S.R.L	Italy	100.00
52	Naman Consultants Limited	British Virgin Islands	51.00
53	NOH (Hotel) Private Limited	Sri Lanka	51.00
54	Norman Cay's Holdings Limited	Bahamas	100.00
55	Nusantara Island Resorts Limited	British Virgin Islands	60.00
56	Otemachi Tower Resorts Company Limited	Japan	100.00
57	P.T. Amanresorts Indonesia	Indonesia	100.00
58	P.T. Amanusa Resort Indonesia	Indonesia	60.00
59	P.T. Indrakila Villatama Development	Indonesia	59.52
60	P.T. Moyo Safari Abadi	Indonesia	52.70
61	P.T. Nusantara Island Resorts	Indonesia	60.00
62	P.T. Villa Ayu	Indonesia	60.00
63	Palawan Holdings Limited	British Virgin Islands	100.00
64	Phraya Riverside (Bangkok) Company Limited	Thailand	100.00
65	Princiere Resorts Limited	Cambodia	100.00
66	Puri Limited	British Virgin Islands	100.00
67	Queensdale Management Limited	British Virgin Islands	51.00
68	Red Acres Development Limited	British Virgin Islands	100.00
69	Regent Asset Finance Limited	British Virgin Islands	100.00
70	Regent Land Limited	Cambodia	100.00
71	Regional Design and Research B.V.	Netherlands	60.00
72	Regional Design and Research N.V.	Netherlands Antilles	60.00
73	Serendib Holdings B.V.	Netherlands	100.00
74	Silverlink (Mauritius) Limited	Mauritius	100.00
75	Silverlink (Thailand) Company Limited	Thailand	100.00
76	Silverlink Resorts Limited (formerly known as Silverlink Holdings Limited)	British Virgin Islands	100.00
77	Silver- Two (Bangkok) Company Limited	Thailand	100.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

S. No.	Name of entity	Country of Incorporation	Proportion of ownership (%)
78	Societe Nouvelle de L'Hotel Bora Bora	French Polynesia	100.00
79	Tahitian Resorts Limited	British Virgin Islands	100.00
80	Tangelle Property (Private) Limited	Sri Lanka	51.00
81	Toscano Holdings Limtied	British Virgin Islands	100.00
82	Universal Hospitality Limited	British Virgin Islands	100.00
83	Villajena Development Company Limited	British Virgin Islands	100.00
84	Yucantan Holdings Pte Limited	Singapore	100.00
85	Zeugma Limited	British Virgin Islands	80.00

B) Partnership Firms

S. No.	Name of Partnership firm	Country of Incorporation	Proportion of ownership(%) as at March 31, 2012
1	DLF Commercial Projects Corporation	India	100.00
2	DLF Office Developers	India	85.00
3	DLF South Point	India	100.00
4	Kavicon Partners	India	100.00
5	Rational Builders and Developers	India	90.00
6	DLF GK Residency	India	100.00
7	Saket Courtyard Hospitality (till May 25, 2011)	India	50.00
8	DLF Green Valley	India	50.00
9	DLF Gayatri Developers (w.e.f. December 09, 2011)	India	42.50

C) Joint Ventures

S. No.	Name of Joint Venture	Country of Incorporation	Proportion of ownership (%) as at March 31, 2012
1	DLF Limitless Developers Private Limited	India	50.00
2	DLF SBPL Developers Private Limited	India	50.00
3	Kujjal Builders Private Limited	India	50.00
4	GSG DRDL Consortium	India	50.00
5	DLF Gayatri Home Developers Private Limited	India	50.00
6	Banjara Hills Hyderabad Complex	India	50.00
7	Y.G. Realty Private Limited	India	50.00
8	Cleva Builders and Developers Private Limited	India	50.00
9	Prowess Buildcon Private Limited	India	50.00
10	Saket Courtyard Hospitalty Private Limited {w.e.f. May 26, 2011}	India	50.00
11	Design Plus Architechture Private Limited	India	50.00
12	DLF Green Valley	India	50.00
13	DLF Gayatri Developers (w.e.f. December 09, 2011)	India	42.50

D) Associates

S. No	Name of Associates	Country of Incorporation	Proportion of ownership (%) as at March 31, 2012
1	Joyous Housing Limited	India	37.50
2	Regional D & R Limited	U.K	50.00
3	Seven Seas Resorts and Leisure Inc	Phillippines	21.00
4	Islan Aviation Limited	Phillippines	21.00
5	Revlys SA	Moracco	50.00
6	Villajena	Moracco	50.00
7	Surin Bay Co. Limited	Thailand	50.00
8	P.T Jawa Express Amanda Indah	Indonesia	50.00
9	Australian Resort Limited	British Virgin Islands	50.00
10	Kyoto Resorts YK	Japan	33.30
11	Pamalican Island Holdings Inc	Philippines	21.00
12	Pandis (Thailand) Co. Limited	Thailand	50.00
13	Pansea Tourism Co. Limited	Thailand	50.00
14	Galaxy Mercantiles Limited (w.e.f December 3, 2011)	India	40.15
15	Rapid Metro Rail Gurgaon Limited	India	26.00

41 . Amalgamation / Merger of subsidiaries

A. Petitions for amalgamation were filed before the Hon'ble High Court of Delhi at New Delhi and Hon'ble High Court of Punjab and Haryana at Chandigarh by various subsidiary companies as per details given below. As mentioned against each, the respective Hon'ble High Courts have approved/sanctioned the scheme of amalgamation, which were filed with Registrar of Company ("ROC"), NCT of Delhi & Haryana thereby making the scheme of amalgamation effective from the appointed date. Accordingly, financial statements of these companies are merged to give effect of the amalgamation/arrangement. All transferor companies and transferee companies are direct/indirect subsidiaries of the Company.

Sl No	Name of transferee company	Name of transferor companies	Date of filing of Order with ROC i.e. effective date
1	Aadarshini Real Estate Developers Private Limited (Indirect wholly owned subsidiary of DLF Limited)	1. Falguni Builders Private Limited 2. Ganika Builders Private Limited 3. Gulika Home Developers Private Limited	Merger Order filed with ROC on April 13, 2011 to make amalgamation effective.
2	DLF Universal Limited (Wholly owned subsidiary of DLF Limited)	1. Bhoruka Financial Services Limited 2. DLF Metro Limited 3. Shakirah Real Estates Private Limited	Merger Order filed with ROC on March 20, 2012

Notes to the Consolidated Financial Statements for the year ended March 31, 2012 (Cont'd)

B. As per the Certificate issued on May 17, 2011 by the Registrar of Corporate Affairs of the British Virgin Islands, Overseas Hotels Limited has merged into Silverlink Resorts Limited (both are subsidiaries of DLF Limited) and accordingly Financial Statement of the Company are merged to give effect of the rearrangement.

C. In addition to above, the following subsidiary and joint venture companies have also filed amalgamation petitions as per details below before the Hon'ble High Court of Delhi at New Delhi and Hon'ble High Court of Punjab and Haryana at Chandigarh as per the respective jurisdictions. The orders for sanction from the respective High Courts are awaited and hence, no effect thereto has been given in the consolidated financial statements:

S. No.	Name of transferee company	Name of transferor companies	Date of Board meeting approving the Scheme of Amalgamation	Appointed / Transfer Date as per the Scheme of Amalgamation
1.	DLF Universal Limited (Wholly owned subsidiary of DLF Limited)	1. Adelie Builders & Developers Private. Limited 2. Catriona Builders & Constructions Private Limited 3. Delanco Real Estate Private Limited 4. DLF Comfort Hotels Private Limited. 5. DLF Financial Services Limited 6. DLF Haryana SEZ (Ambala) Limited 7. DLF Haryana SEZ (Gurgaon) Limited 8. DLF Homes Ambala Private Limited 9. DLF India Limited 10. DLF New Delhi Convention Centre Limited 11. Nilayam Builders & Developers Limited	May 24, 2011	April 1, 2010
2.	DLF Home Developers Limited (Wholly owned subsidiary of DLF Limited	1. Bedelia Builders & Construction Private Limited 2. Dankuni World City Limited 3. DHDL Wind Power Private Limited. 4. DLF Developers Limited 5. DLF Gurgaon Developers Limited 6. DLF Wind Power Private Limited 7. Geocities Airport Infrastructures Private Limited 8. Hiemo Builders & Developers Private Limited 9. Jai Luxmi Real Estate Private Limited 10. Khem Buildcon Private Limited 11. Lawanda Builders & Developers Private Limited 12. Rati Infratech Private Limited 13. Shivajimarg Properties Limited 14. Springhills Infratech Private Limited 15. Zoria Infratech Private Limited	May 24, 2011	April 1, 2010

3.	Saket Courtyard Hospitality Private Limited	1. Prowess Buildcon Private Limited 2. Cleva Builders & Developers Private Limited	March 26, 2012	June 1, 2011

42 a) The Group uses forward contracts and swaps to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of Forward contracts and Swaps is covered by Group's overall strategy. The Group does not use forward covers and swaps for speculative purposes.

As per the strategy of the Group, foreign currency loans are covered by comprehensive hedge, considering the risks associated with the hedging of such loans, which effectively fixes the principal and interest liability of such loans and further there is no additional risk involved post hedging of these loans.

The following are the outstanding forward contracts and swaps as at March 31, 2012:

(₹ in lacs)

For hedging any risks	2012	2011
Secured borrowings*	217,609.06	238,519.41
Interest on secured borrowings	367.52	627.12
Unsecured borrowings*	-	2,120.88
Interest on unsecured borrowings	-	0 .11

* Stated at forward rates

Conversion rate applied 1 USD = ₹ 51.16, 1 EURO = ₹ 68.34, 1 JPY = ₹ 0.6243
(previous year 1 USD = ₹ 44.65, 1 JPY = ₹ 0.5402,, 1 EURO = ₹ 63.24 , 1 GBP = ₹ 71.9289)

b) The detail of foreign currency exposure that are not hedged by derivative instrument or other wise included in the creditors is as mentioned below:-

(₹ in lacs)

	2012		2011	
	Foreign currency	Amount (₹)	Foreign currency	Amount (₹)
Secured borrowings				
USD	432	22,099.81	338.68	15,122.15
Interest on Secured borrowings				
USD	2.57	131.30	0.80	35.60
Unsecured borrowings				
USD	197.53	10,104.71	503.18	22,467.19
EURO	-	-	39.36	2,488.91
JPY	-	-	31,666.85	17,106.43
Interest on Unsecured borrowings				
USD	0.86	43.93	0.79	35.55
EURO	-	-	0.05	3.16
JPY	-	-	28.10	15.18
Creditors for goods				
USD	-	-	1.20	53.36
SGD	-	-	0.01	0.43

Conversion rate applied 1 USD = ₹ 51.16, 1 EURO = ₹ 68.34, 1 JPY = ₹ 0.6243,
(previous year 1 USD = ₹ 44.65, 1 JPY = ₹ 0.5402, 1 EURO = ₹ 63.24 , 1 GBP = ₹ 71.9289, 1 SGD= ₹ 35.87)

43. Previous year figures have been regrouped/recast wherever necessary to make them comparable with those of the current period.

For and on behalf of the Board of Directors

Ashok Kumar Tyagi	**Subhash Setia**	**T.C. Goyal**	**Rajiv Singh**
Group Chief Financial Officer	Company Secretary	Managing Director	Vice Chairman

Place : New Delhi
Date : May 30, 2012

Auditors' Report

To the Board of Directors of DLF Limited

We have audited the attached consolidated balance sheet of DLF Limited, its subsidiaries, associates and joint ventures (as per list appearing in Note 18 on Schedule 24 and hereinafter collectively referred to as the 'Group'), as at March 31, 2011 and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on the date annexed thereto (collectively referred as the 'Consolidated Financial Statements'). These Consolidated Financial Statements are the responsibility of the management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. the Consolidated Financial Statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard 21 on 'Consolidated Financial Statements', Accounting Standard 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 on 'Financial Reporting of Interests in Joint Ventures' notified pursuant to the Companies (Accounting Standards) Rules, 2006.

2. We did not audit the financial statements of some consolidated entities, whose financial statements reflect total assets of ₹ 935,513.85 lacs as at March 31, 2011, total revenues of ₹ 127,200.83 lacs and cash outflows of ₹ 35,131.40 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in respect thereof is based solely on the reports of such other auditors.

3. The Consolidated Financial Statements include total assets of ₹ 173,858.70 lacs, revenues of ₹ 36,980.45 lacs and total cash outflows of ₹ 513.57 lacs of Silverlink Resort Limited (formerly, Silverlink Holdings Limited ("Silverlink"), a subsidiary of the Company which has been consolidated based on the audited consolidated financial statements of Silverlink as at and for the year ended December 31, 2010. No further adjustment is considered necessary in the Consolidated Financial Statements as the management has confirmed that no material event, affecting the financial position of the subsidiary and its constituents, has occurred during the period from January 1, 2011 to March 31, 2011.

4. *As stated in Note 16 of Schedule 24 , Auditors of Silverlink Resorts Limited (formerly, Silverlink Holdings Limited) ("Silverlink"), one of the Subsidiary Companies have qualified their report in respect of the balances in translation reserve and accumulated losses brought forward from the financial year ended December 31, 2004 as these are yet to be fully reconciled. These reconciliations pertain to prior to acquisition of Silverlink by the Company. The management Silverlink is of the opinion that these reconciliations will not have any material impact on the financial statements, however we are unable to independently verify the same.*

5. Without further qualifying our opinion, we draw attention to Note 17 of Schedule 24 in the Consolidated Financial Statements in respect of certain income tax and other matters relating to the Company and certain subsidiaries. Based on the advice from independent experts on the respective matters, the Group's management is confident that no liabilities or other obligations resulting in a financial impact, other than those already recognized will devolve on the entities concerned. There exists however uncertainty in respect of the final resolution of these material matters, and the resultant financial adjustments if any, will be recorded in the periods in which these matters are resolved.

6. Based on our audit and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the consolidated entities, and to the best of our information and according to the explanations given to us, in our opinion, *subject to our comments in para 4 above,* the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in case of:

   (a) the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
   (b) the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
   (c) the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No: 001076N

per **David Jones**
Partner
Membership No.: 98113

Place: New Delhi
Date: May 24, 2011

DLF LIMITED AND SUBSIDIARIES

DLF BUILDING INDIA

Consolidated Balance Sheet as at March 31, 2011

	Schedule	2011	2010
			(₹ in lacs)
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	214,977.58	625,933.99
Reserves and surplus	2	2,418,232.34	2,417,338.50
		2,633,209.92	3,043,272.49
Minority Interests		57,520.48	62,777.51
Loan funds			
Secured loans	3	2,227,619.23	1,930,158.61
Unsecured loans	4	171,407.94	237,506.38
		2,399,027.17	2,167,664.99
Deferred tax liability (net)	5	-	25,149.11
		5,089,757.57	**5,298,864.10**
APPLICATION OF FUNDS			
Goodwill		138,404.43	126,798.91
Fixed assets			
Gross block	6	1,982,772.76	1,788,445.59
Less: accumulated depreciation and amortisation		195,561.93	132,645.83
Net block		1,787,210.83	1,655,799.76
Capital work in progress (including capital advances)		1,031,203.58	1,112,881.95
Deferred tax asset (net)	5	16,327.95	-
Investments	7	99,576.81	550,519.96
Current assets, loans and advances			
Stocks	8	1,503,876.29	1,248,059.10
Sundry debtors	9	172,573.26	161,896.41
Cash and bank balances	10	134,605.00	92,823.22
Loans and advances	11	727,119.61	759,330.10
Other current assets	12	789,000.26	468,467.44
		3,327,174.42	2,730,576.27
Less : Current liabilities and provisions			
Current liabilities	13	922,505.77	463,696.91
Provisions	14	387,634.68	414,015.84
		1,310,140.45	877,712.75
Net current assets		2,017,033.97	1,852,863.52
		5,089,757.57	**5,298,864.10**
Significant accounting policies	23		
Notes to the consolidated financial statements	24		

The schedules referred to above form an integral part of the consolidated financial statements

For and on behalf of the board of Directors

Ashok Kumar Tyagi	**Subhash Setia**	**T.C. Goyal**	**Rajiv Singh**
Group Chief Financial Officer	*Company Secretary*	*Managing Director*	*Vice Chairman*

This is the Consolidated Balance Sheet referred to in our report of even date

for **Walker ,Chandiok & Co**
Chartered Accountants

Place: New Delhi
Date: May 24, 2011

per **David Jones**
Partner

DLF LIMITED AND SUBSIDIARIES

DLF BUILDING INDIA

(₹ in lacs)

Consolidated Profit & Loss Account for the year ended March 31, 2011

	Schedule	2011	2010
INCOME			
Sales and other income	15	1,014,444.43	785,089.77
		1,014,444.43	**785,089.77**
EXPENDITURE			
Cost of revenues	16	429,994.04	256,688.36
Establishment expenses	17	57,213.15	47,028.99
Finance charges	18	170,561.88	111,003.91
General, administrative and selling expenses	19	93,583.34	87,412.61
Depreciation, amortisation and impairment	20	63,071.65	32,493.28
		814,424.06	534,627.15
Profit before tax and minority interests / share of profit (loss) in associates		200,020.37	250,462.62
Tax expense	21	45,941.11	70,224.92
Profit before minority interests / share of profit (loss) in associates		154,079.26	180,237.70
Share of profit in associates (net)		882.62	81.83
Minority interests		(723.82)	1,078.62
Profit after tax, minority interests and before prior period items		154,238.06	181,398.15
Prior period items			
Income tax (net)		1,733.66	(1,601.59)
Deferred tax		0.09	(6,269.73)
Other income/ (expense), net		8,050.06	(1,419.73)
Depreciation		(60.99)	(124.07)
Net profit after tax, minority interest and prior period items		163,960.88	171,983.03
Balance available for appropriation		**163,960.88**	**171,983.03**
APPROPRIATION			
Transfer to general reserve		23,099.47	16,668.21
Transfer to capital redemption reserve		3,250.00	35.00
Proposed dividend on equity/preference shares		70,499.91	36,168.53
Tax on dividend		9,225.04	5,509.43
Excess provision of previous year written back		-	(0.06)
Balance carried to reserves and surplus		57,886.46	113,601.92
		163,960.88	**171,983.03**
EARNING PER SHARE	22		
Basic earning per share (₹)		**9.66**	**10.13**
Diluted earning per share (₹)		**9.64**	**10.11**
Significant accounting policies	23		
Notes to the consolidated financial statements	24		

The schedules referred to above form an integral part of the consolidated financial statements

For and on behalf of the board of Directors

Ashok Kumar Tyagi	**Subhash Setia**	**T.C. Goyal**	**Rajiv Singh**
Group Chief Financial Officer	*Company Secretary*	*Managing Director*	*Vice Chairman*

This is the Consolidated Profit & Loss Account referred to in our report of even date

for **Walker ,Chandiok & Co**
Chartered Accountants

Place: New Delhi
Date: May 24, 2011

per **David Jones**
Partner

DLF LIMITED AND SUBSIDIARIES

DLF BUILDING INDIA

Consolidated Cash Flow Statement for the year ended March 31, 2011

(₹ in lacs)

Particulars	2011	2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation and minority interest	200,020.37	250,462.62
Adjustments for:		
Depreciation, amortisation and impairment	63,071.65	32,493.28
Profit on sale of fixed assets, net	(6,600.48)	(5,790.59)
Interest / guarantee charges	170,561.88	111,003.91
Income from investment in trust	(149.52)	(358.54)
(Profit)/ loss from partnership firms, net	394.15	-
Provision for doubtful debts and advances	5,007.23	8,189.10
Advances / assets written off (including preliminary expenses)	883.75	5,847.56
Exchange fluctuations (net)	(939.28)	(1,012.47)
Prior period items	8,050.06	(1,419.73)
Profit on sale of investments, net	(15,867.90)	(854.52)
Unclaimed balances and provisions written back	(2,517.05)	(2,416.19)
Amortisation of deferred employees compensation, net	5,039.89	4,147.20
Amount forfeited on properties	(3,094.32)	(3,202.52)
Provision for employee benefits	354.90	2,207.95
Interest/ dividend income	(26,098.53)	(25,590.23)
Operating profit before working capital changes	398,116.80	373,706.83
Movements in working capital :		
(Increase) / decrease in trade and other recievables	(303,731.44)	589,194.76
Increase in inventories	(203,493.13)	(91,253.39)
Increase in current liabilities and provisions	459,502.25	76,376.45
Cash generated from operations	350,394.48	948,024.65
Direct taxes paid (net of refunds)	(74,696.93)	(85,601.73)
Net cash generated from operating activities (A)	275,697.55	862,422.92
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Capital work in progress)	(110,127.58)	(1,390,757.06)
Proceeds from sale of fixed assets	41,485.43	58,306.70
Interest / dividend received	26,594.59	12,742.17
Purchase of investments	(38,979.76)	(1,823,417.22)
Proceeds from sale of investment	486,723.60	1,512,882.43
Net cash generated from / (used in) investing activities (B)	405,696.28	(1,630,242.98)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of debentures (net)	50,000.00	106,703.70
Proceeds from long term borrowings	913,848.92	1,109,768.57
Repayment of long term borrowings	(746,819.38)	(614,018.81)
Proceeds from (redemption) / issuance of preference shares	(410,960.03)	452,387.97
Premium on redemption of preference shares	(123,787.18)	-
Proceeds from short term borrowings (net)	14,541.12	(64,346.67)
Proceeds from issue of capital (including securities premium)	13,215.84	4.81
Dividend paid	(82,967.38)	(35,442.25)
Dividend tax paid	(8,280.74)	(2,892.08)
Buy back of equity shares	-	(77.80)
Interest / guarantee charges paid	(259,131.82)	(210,341.67)
Net cash (used in) / generated from financing activities (C)	(640,340.65)	741,745.77
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	41,053.18	(26,074.29)

DLF BUILDING INDIA

Consolidated Cash Flow Statement for the year ended March 31, 2011

(₹ in lacs)

Particulars	2011	2010
Cash and cash equivalents at the beginning of the year	83,540.83	109,615.12
Cash and cash equivalents at the end of the year	124,594.01	83,540.83
	41,053.18	(26,074.29)
Note:		
Cash and bank balance (as per schedule 10)	134,605.00	92,823.22
Less: Fixed deposit (pledged/under lien/earmarked)	8,649.28	6,911.03
Margin money	397.64	2,048.94
Unclaimed dividend	200.86	160.38
Exchange gain	763.21	162.04
	124,594.01	83,540.83

Figures in brackets indicates cash outflow

For and on behalf of the board of Directors

Ashok Kumar Tyagi	**Subhash Setia**	**T.C. Goyal**	**Rajiv Singh**
Group Chief Financial Officer	*Company Secretary*	*Managing Director*	*Vice-Chairman*

This is the Consolidated Cash Flow Statement referred to in our report of even date

for **Walker ,Chandiok & Co**
Chartered Accountants

Place: New Delhi
Date: May 24, 2011

per **David Jones**
Partner

Schedules forming part of Consolidated financial statements as at March 31, 2011

(₹ in lacs)

SCHEDULE : 1 SHARE CAPITAL

	2011	2010
Authorised		
2,497,500,000 (previous year 2,497,500,000) equity shares of ₹ 2 each	49,950.00	49,950.00
50,000 (previous year 50,000) Cumulative redeemable preference shares of ₹ 100 each	50.00	50.00
	50,000.00	**50,000.00**
Issued		
1,705,028,247 (previous year 1,705,028,247) equity shares of ₹ 2 each	**34,100.56**	**34,100.56**
Subscribed and paid up		
1,697,390,890 (previous year 1,704,832,680) equity shares of ₹ 2 each	33,947.82	34,096.65
Less : forfeited nil (previous year 43,680) equity shares of ₹ 2 each	-	0.87
Add : new issue under exercise of ESOP 180,904 (previous year 240,457) equity shares of ₹ 2 each	3.62	4.81
Less : buy back nil (previous year 7,638,567) equity shares of ₹ 2 each	-	152.77
Net paid up 1,697,571,794 (previous year 1,697,390,890) equity shares of ₹ 2 each	33,951.44	33,947.82
(Refer note no. 1 of schedule 24)		
Preference share capital issued by subsidiary companies	181,026.14	591,986.17
(Refer Note no 20 of schedule 24)		
	214,977.58	**625,933.99**

SCHEDULE : 2 RESERVES AND SURPLUS

	2011	2010
Reserves		
Capital reserve	231,223.79	283,466.48
Capital redemption reserve	6,227.68	2,977.82
Amalgamation reserve	-	74.30
Securities premium	920,350.93	906,348.29
Forfeiture of shares	66.55	66.55
Debenture redemption reserve		
As per last balance sheet	36,318.11	11,316.95
Transfer from surplus during the year	74,600.00	25,001.16
	110,918.11	36,318.11
Revaluation reserve	2,617.10	1,899.18
Foreign currency translation reserve	(10,526.14)	(5,055.96)
General reserve		
As per last balance sheet	57,419.59	40,827.14
Transfer from profit and loss Account	23,099.47	16,668.21
Transfer from capital reserve	-	2.04
Buy back of equity shares (premium paid)	-	(77.50)
Premium on redemption of preference shares	(422.10)	-
Amalgamation adjustment	105.66	-
Transfer to capital redemption reserve account	-	(0.30)
	80,202.62	57,419.59
Employee's stock option scheme		
Employee's stock options outstanding	26,280.63	29,489.44
Less : Deferred employees compensation	(11,225.55)	(18,683.84)
	15,055.08	10,805.60
Surplus		
Balance as per last balance sheet	1,123,018.54	1,107,993.38
Surplus as per profit & loss account	57,886.46	113,601.92
Transfer to debenture redemption reserve	(74,600.00)	(25,001.16)
Amalgamation adjustment	(7,459.08)	(73,575.60)
Premium on redemption of preference shares	(36,749.30)	-
	1,062,096.62	1,123,018.54
	2,418,232.34	**2,417,338.50**

DLF BUILDING INDIA

Schedules forming part of Consolidated financial statements as at March 31, 2011

(₹ in lacs)

	2011	2010
SCHEDULE : 3 SECURED LOANS		
From banks		
Term loans	1,494,144.85	1,253,374.44
Overdraft facilities	28,242.95	13,877.90
	1,522,387.80	1,267,252.34
From others		
GE Capital Services India	2,442.51	3,528.07
Infrastructure Development Finance Company Limited	15,000.00	15,000.00
GE Money Financial Services Private Limited	3,568.49	4,424.93
Housing Development Finance Corporation Limited	412,069.67	409,886.03
Axis Bank Limited -Trust Series	-	8,000.00
Others	149.86	66.34
	433,230.53	440,905.37
Debentures		
90 (previous year 90) 10% non-cumulative non-redeemable debentures of ₹ 1,000 each	0.90	0.90
5,000 (previous year 5,000) 13.70% non convertible redeemable debentures of ₹ 1,000,000 each redeemable on August 18, 2013.	50,000.00	50,000.00
7,200 (previous year 7,200) 14% non convertible redeemable debentures of ₹ 1,000,000 each redeemable on February 24, 2014.	72,000.00	72,000.00
3,000 (previous year 3,000) 10% non convertible redeemable debentures of ₹ 1,000,000 each redeemable on February 17, 2012.	30,000.00	30,000.00
7,000 (previous year 7,000) 10.50% non convertible redeemable debentures of ₹ 1,000,000 each redeemable on February 17, 2013.	70,000.00	70,000.00
1,500 (previous year nil) 10.24% non convertible redeemable debentures of ₹ 1,000,000 each redeemable on November 18, 2012	15,000.00	-
1,500 (previous year nil) 10.24% non convertible redeemable debentures of ₹ 1,000,000 each redeemable on February 18, 2013	15,000.00	-
2,000 (previous year nil) 10.24% non convertible redeemable debentures of ₹ 1,000,000 each redeemable on May 18, 2013	20,000.00	-
	272,000.90	222,000.90
	2,227,619.23	**1,930,158.61**

(Refer note no 2 of Schedule 24)

	2011	2010
SCHEDULE : 4 UNSECURED LOANS		
Fixed deposits	35.00	35.00
Interest accrued and due	1.08	1.07
	36.08	36.07
Other term loans and advances		
Directors - subsidiary company	-	15.34
Banks		
Standard Chartered Bank	28,025.88	26,245.92
The Hong Kong Shanghai Banking Corporation Limited	14,225.58	3,880.61
Oriental Bank of Commerce	1,931.94	299.88
Others		
Commercial Papers	27,000.00	100,000.00
Other body corporate(s)	2,920.35	9,728.02
Interest accrued and due	0.07	242.97
Debentures		
20,116 (previous year 20,116) 12.50% Compulsory convertible debentures of ₹ 225,000 each	45,261.00	45,261.00
22,972 (previous year 22,972) 12% Compulsory convertible debentures of ₹ 50,000 each	11,486.00	11,486.00
12,821 (previous year 12,821) 12.50% Compulsory convertible debentures of ₹ 75,000 each	9,615.75	9,615.75
17,433 (previous year 17,433) 12.50% Compulsory convertible debentures of ₹ 27,500 each	4,794.08	4,794.08
2,520 (previous year 2,520) Class B Compulsory convertible debentures of ₹ 100,000 each	2,520.00	2,520.00
1,418,370 (previous year 1,418,370) Series I Compulsory convertible debentures of ₹ 1,000 each	14,183.70	14,183.70
From a share holder of a subsidiary company	9,407.51	9,197.04
	171,407.94	**237,506.38**

(Refer note no 3 of Schedule 24)

Schedules forming part of Consolidated financial statements as at March 31, 2011

	2011	(₹ in lacs) 2010
SCHEDULE : 5 DEFERRED TAX LIABILITY / (ASSET)		
Deferred tax liability arising on account of :		
Depreciation	12,192.24	42,460.33
Pre-construction period interest allowed in current year	9,007.76	8,051.49
Others	441.99	0.93
Gross deferred tax liability	**21,641.99**	**50,512.75**
Deferred tax asset arising on account of :		
Brought forward losses / unabsorbed depreciation	33,054.61	21,086.51
Expenditure debited to profit and loss account but allowable for tax purposes in subsequent years	579.10	502.86
Doubtful debts and advances	3,200.09	2,757.24
Dimunition in the value of investments	17.45	18.28
Employee benefits	1,110.58	987.24
Others	8.11	11.51
Gross deferred tax asset	**37,969.94**	**25,363.64**
Net deferred tax liability /(asset)	**(16,327.95)**	**25,149.11**
Aggregate of net deferred tax liabilities jurisdications	12,692.04	39,242.73
Aggregate of net deferred tax assets jurisdications	(29,019.99)	(14,093.62)
Net liability / (asset)	**(16,327.95)**	**25,149.11**

Schedules forming part of Consolidated financial statements as at March 31, 2011

SCHEDULE : 6 FIXED ASSETS

(₹ in lacs)

Gross block	2010	Additions on acquisition of subsidiaires	Additions / adjustments		Disposals/ Adjustments	2011
Intangible assets						
Computer softwares	4,415.23	0.33	213.28		579.10	4,049.74
Patent, trademark and franchise rights	661.86	-	-		661.86	-
Tangible assets						
Land						
Lease hold	187,927.25	-	1,682.44		58,906.42	130,703.27
Free hold	145,295.05	-	60,842.23		1,361.81	204,775.47
Buildings and related equipments	1,119,943.08	-	148,877.66		14,016.82	1,254,803.92
Plant and machinery	238,911.10	50.48	50,935.41		2,041.55	287,855.44
Furniture, fixtures and equipments	57,937.60	6.48	14,169.52		4,639.30	67,474.30
Air conditioners and coolers	256.31	4.07	32.55		73.75	219.18
Vehicles	3,959.78	10.11	164.04		316.57	3,817.36
Leasehold improvement	8,614.06	9.23	1,804.38		1,877.86	8,549.81
Aircraft and helicopter	20,524.27	-	-		-	20,524.27
Total - Current year	**1,788,445.59**	**80.70**	**278,721.51**		**84,475.04**	**1,982,772.76**
- Previous year	848,668.83	710,617.15	312,736.82		83,577.21	1,788,445.59
Depreciation / amortisation						
Intangible assets						
Computer softwares	1,167.39	0.33	889.21		195.77	1,861.16
Patent, trademark and franchise rights	22.06	-	25.87		47.93	-
Tangible assets						
Land - lease hold	329.97	-	118.85		2.98	445.84
Buildings and related equipments	47,905.48	-	29,934.11		1,855.84	75,983.75
Plant and machinery	67,810.12	32.75	24,773.32		192.59	92,423.60
Furniture, fixtures and equipments	9,686.96	3.64	8,667.85		1,207.40	17,151.05
Air conditioners and coolers	81.12	1.40	9.58		11.15	80.95
Vehicles	1,387.52	7.54	387.01		125.76	1,656.31
Leasehold improvement	1,589.40	9.23	885.26		339.79	2,144.10
Aircraft and helicopter	2,665.81	-	1,149.36		-	3,815.17
Total - Current year	**132,645.83**	**54.89**	**66,840.42**	*	**3,979.21**	**195,561.93**
- Previous year	57,429.53	41,193.36	35,681.87		1,658.93	132,645.83
Net block						
Intangible assets						
Computer softwares	3,247.84					2,188.58
Patent, trademark and franchise rights	639.80					-
Tangible assets						
Land						
Lease hold	187,597.28					130,257.43
Free hold	145,295.05					204,775.47
Buildings and related equipments	1,072,037.60					1,178,820.17
Plant and machinery	171,100.98					195,431.84
Furniture, fixtures and equipments	48,250.64					50,323.25
Air conditioners and coolers	175.19					138.23
Vehicles	2,572.26					2,161.05
Leasehold improvement	7,024.66					6,405.71
Aircraft and helicopter	17,858.46					16,709.10
Total - Current year	**1,655,799.76**					**1,787,210.83**
- Previous year	791,239.30					1,655,799.76

* Includes depreciation capitalised and prior period depreciation

DLF BUILDING INDIA

SCHEDULE : 7 INVESTMENTS

Schedules forming part of Consolidated financial statements as at March 31, 2011

(₹ in lacs)

	Class *	2011 Share (No.)	2010 Share (No.)	2011 Book value	2010 Book value
Long Term					
In Shares (Quoted) (Trade)					
Ackruti City Limited	Equity	430,621	430,621	2,267.55	2,267.51
Symphony International Holding Limited	Equity	50,000,000	50,000,000	22,642.70	22,479.60
Aggregate book value of quoted investments (trade)				**24,910.25**	**24,747.11**
Aggregate market value of quoted investments (trade)				**17,395.96**	**17,307.28**
In shares / CCDs (Unquoted) (Trade)					
Abheek Real Estate Private Limited	Equity	3,000	3,000	0.30	0.30
Adeline Builders & Developers Private Limited	Equity	-	2,000	-	0.20
Alankrit Estates Limited	Equity	3	3	- **	- **
Anuroop Builders and Developers Private Limited	Equity	10,000	10,000	1.00	1.00
Armand Builders & Constructions Private Limited	Equity	-	2,000	-	0.20
ASC Spring Creek LLC	Equity	3,253,277	3,253,277	-	139.41
Bansal Development Company Private Limited	Equity	16,320	16,320	1.64	1.64
Bodrum Demirbuku	Equity	125,000	125,000	101.89	130.42
D.E. Shaw Composite Fund	Equity	4,000,000	4,000,000	1,811.42	1,798.37
Digital Talkies Private Limited	Equity	-	8,850	-	88.50
Digital Talkies Private Limited	Preference	-	80,680	-	80.68
DLF Brands Limited	Equity	8,000,000	-	800.00	-
Elvira Builders & Constructions Private Limited	Equity	-	2,000	-	0.20
Felicite Builders & Constructions Private Limited.	Equity	203,000	203,000	20.30	20.30
Garv Developers Private Limited	Equity	10,000	10,000	1.00	1.00
Garv Promoters Private Limited	Equity	10,000	10,000	1.00	1.00
Garv Realtors Private Limited	Equity	10,000	10,000	1.00	1.00
Grism Builders and Developers Private Limited	Equity	10,000	10,000	1.00	1.00
Harinakshi Estate Developers Pvt Limited.	Equity	6	-	0.25	-
Hansel Builders & Developers Private Limited.	Equity	-	2,000	-	0.20
Hemadri Real Estate Developers Private Limited	Equity	3,000	3,000	0.30	0.30
Indore Dewas Tollways Limited	Equity	16,660	-	1.67	-
Ishayu Builders and Developers Private Limited	Equity	-	4,000	-	0.40
Jayanti Real Estate Developers Private Limited	Equity	4,000	4,000	0.40	0.40
H K R Tallways Limited.	Equity	14,000	-	1.40	-
Kirtimaan Builders Limited	Equity	2	2	- **	- **
Lada Estates Private Limited	Equity	-	2,000	-	0.20
Lear Builders & Developers Private Limited	Equity	-	2,000	-	0.20
Luvkush Builders Private Limited	Equity	10,000	10,000	1.00	1.00
Luxurious Bus Seats Company Private Limited.	Equity	98,250	98,250	550.20	550.20
Magna Real Estate Developers Private Limited	Equity	10,000	10,000	1.01	1.01
Magna Real Estate Developers Private Limited	Preference	4,000	4,000	4.03	4.03
Melosa Builders & Developers Private Limited	Equity	-	2,000	-	0.20
Mohak Real Estate Private Limited	Equity	3,000	3,000	0.30	0.30
Nachiketa Real Estate Private Limited	Preference	12,000	12,000	12.00	12.00
Nadish Real Estate Private Limited	Equity	10,000	10,000	1.00	1.00
Nairne Builders and Developers Private Limited	Equity	-	2,000	-	0.20
Northern India Theaters Private Limited (₹ 100/- each)	Equity	90	90	0.09	0.09
Pariksha Builders & Developers Private Limited	Equity	3,000	3,000	0.30	0.30
Peace Buildcon Private Limited	Equity	10,000	10,000	1.00	1.00
Prudent Management Strategies Private Limited	Equity	90,100	90,100	500.06	500.05
Pyrite Builders & Constructions Private Limited	Equity	-	2,000	-	0.20
Purandar Estate Developers Private Limited	Equity	10,000	-	1.00	-
Qabil Builders & Constructions Private Limited.	Equity	-	2,400	-	0.24
Rachelle Builders & Constructions Private Limited	Equity	-	2,000	-	0.20
Radiant Sheet Metal Components Private Limited.	Equity	98,500	98,500	650.10	650.10
Realest Builders and Services Private Limited	Equity	50,012	50,012	5.03	5.03
Ripple Infrastructure Private Limited	Equity	90,100	90,100	500.06	500.05
Rochelle Builders & Constructions Private Limited	Equity	-	2,000	-	0.20
SKH Construct Well Private Limited	Equity	92,550	92,550	499.77	499.77
SKH Infrastructure Developers Private Limited	Equity	92,550	92,550	499.77	499.77
Skyrise Home Developers Private Limited	Equity	10,000	10,000	1.00	1.00
Star Alubuild Private Limited	CCD	-	24	-	239.89
Super Mart One Property Management Services Private Limited	Equity	40,000	40,000	4.03	4.03
Super Mart One Property Management Services Private Limited	Preference	3,000	3,000	3.02	3.02

Schedules forming part of Consolidated financial statements as at March 31, 2011

(₹ in lacs)

SCHEDULE : 8 STOCKS	2011	2010
Land, plots, construction and development cost/ materials	998,559.35	640,154.03
Development rights : payments under agreement to purchase land / development rights / constructed properties	485,470.21	586,689.74
Rented buildings (including land and related equipments)		
on leasehold	3,054.27	3,054.27
on free hold	12,345.09	12,345.09
	15,399.36	15,399.36
Less: Depreciation on buildings and related equipments	1,814.18	1,520.44
	13,585.18	13,878.92
Food and beverages	2,423.14	2,315.86
Stores and spares	3,838.41	3,166.58
Stock-in-trade - Retail chain outlets	-	1,853.97
	1,503,876.29	**1,248,059.10**

SCHEDULE : 9 SUNDRY DEBTORS		
(Considered good unless otherwise stated)		
Debts over six months		
Secured	2,715.71	1,668.43
Unsecured - considered good	103,411.46	113,306.12
- considered doubtful	16,840.54	15,181.59
	122,967.71	130,156.14
Other debts		
Secured	10,877.81	4,288.66
Unsecured - considered Good	55,568.28	42,633.20
	189,413.80	177,078.00
Less: Doubtful and provided for	16,840.54	15,181.59
	172,573.26	**161,896.41**

SCHEDULE : 10 CASH AND BANK BALANCES		
Cash in hand	379.16	498.31
Cheques in hand	914.35	256.20
Bank balances:		
With scheduled banks in		
Current accounts	84,216.15	63,331.06
Pledged accounts	904.96	478.02
Fixed deposit accounts		
Pledged / under lien / earmarked	8,649.28	6,911.03
Margin money	397.64	2,048.94
Others	36,307.50	16,791.50
With non-scheduled banks in current account	2,835.96	2,508.16
	134,605.00	**92,823.22**

Schedules forming part of Consolidated financial statements as at March 31, 2011

(₹ in lacs)

	2011	2010
SCHEDULE : 11 LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Secured	9,724.46	6,191.06
Unsecured {including ₹ 7,522.27 lacs (previous year ₹ 7,423.50 lacs) doubtful}	289,943.87	329,215.93
	299,668.33	335,406.99
Security deposits	42,182.61	42,082.45
Taxes paid	390,318.94	388,664.16
Share / debenture application money	2,472.00	600.00
	734,641.88	766,753.60
Less: Doubtful and provided for	7,522.27	7,423.50
	727,119.61	**759,330.10**

SCHEDULE : 12 OTHER CURRENT ASSETS		
Investment in lease {net of unearned finance income ₹ 1,464.21 lacs (previous year ₹ 1,906.91 lacs)}	2,876.32	3,144.76
Assets held for leasing	-	4,767.32
Interest accrued		
Customers	11,374.03	13,763.26
Banks / fixed deposits	1,037.83	1,273.71
Loans and advances (including deposits)	10,913.29	8,784.24
Unbilled receivables	762,798.79	436,734.15
	789,000.26	**468,467.44**

SCHEDULE : 13 CURRENT LIABILITIES		
Sundry creditors	381,464.41	152,492.90
Realisation under agreement to sell	325,873.77	116,872.19
Advance from recreational facility members	3,213.37	2,784.19
Security deposits	106,335.81	90,000.56
Uncashed dividend *	200.86	160.38
Interest accrued but not due on loans	23,864.16	23,699.66
Other liabilities	81,553.39	77,687.03
	922,505.77	**463,696.91**

* Not due for credit to "Investor Education and Protection fund"

SCHEDULE : 14 PROVISIONS		
Proposed dividend	38,477.91	50,945.38
Tax on dividend	6,462.95	5,518.65
Income tax	333,411.12	349,992.31
Employee benefits	7,914.40	7,559.50
Others	1,368.30	-
	387,634.68	**414,015.84**

Schedules forming part of Consolidated financial statements for the year ended March 31, 2011

(₹ in lacs)

	2011	2010
SCHEDULE : 15 SALES AND OTHER INCOME		
a) Sales and other receipts		
Sale of land and plots (including sale of development rights)	159,242.50	11,466.91
Revenue from constructed properties	498,611.24	443,125.51
Income from development charges	-	100,656.61
Sale of fitouts under finance lease (including finance charges)	442.70	780.44
Rent	128,083.81	72,456.39
Service and maintenance income	75,337.93	44,270.26
Revenue from retail chain outlets	3,723.09	2,293.05
Revenue from food court / restaurant business	3,022.82	2,343.21
Revenue from hotel business	35,054.28	22,712.83
Revenue from power generation	26,021.88	26,191.35
Revenue from cinemas operations	8,098.25	5,214.81
Revenue from recreational facility	4,703.79	2,834.74
Revenue from insurance business	10,619.96	4,738.52
Amount forfeited on properties	3,094.32	3,202.52
	956,056.57	742,287.15
b) Income from investments		
Current (other than trade)		
Dividend from mutual funds	5,950.88	3,177.17
Dividend - others	105.37	267.55
Long term (trade)		
Dividend	137.03	4.31
Interest on debentures	0.16	0.55
Income from investment in trust	149.52	358.54
Profit / (loss) from partnership firms (net)	(394.15)	-
	5,948.81	3,808.12
c) Other income		
Interest from:		
Bank deposits	3,176.20	1,490.13
Income - tax refunds	705.39	1,432.73
Customers	7,994.13	11,368.23
Loans and deposits	7,351.61	7,339.02
Others	677.76	510.54
	19,905.09	22,140.65
Exchange fluctuations (net)	939.28	1,012.47
Profit on disposal of fixed assets	8,291.43	7,026.91
Unclaimed balances and excess provisions written back	2,517.05	2,416.19
Profit from sale of investment	16,089.52	1,727.93
Commission	328.53	176.21
Miscellaneous income	4,368.15	4,494.14
	52,439.05	38,994.50
	1,014,444.43	**785,089.77**

Schedules forming part of Consolidated financial statements for the year ended March 31, 2011

(₹ in lacs)

SCHEDULE : 16 COST OF REVENUES

	2011	2010
Cost of land, plots and constructed properties (including cost of development rights)	352,275.52	173,994.14
Cost of development charges	-	33,156.86
Cost of power generation	16,883.87	7,156.33
Foods and beverages and facility management expenses - hotel business	10,074.30	6,734.93
Consumption of food and beverages - food court and restaurants	1,432.69	926.52
Cost of goods sold - retail chain outlets	2,170.15	1,362.04
Cost of service and maintenance	36,895.81	27,747.24
Cost of cinema operations	2,775.75	2,285.53
Cost of insurance business	7,485.95	3,324.77
	429,994.04	**256,688.36**

SCHEDULE : 17 ESTABLISHMENT EXPENSES *

	2011	2010
Salaries, wages and bonus	49,781.28	41,023.66
Contribution to provident and other funds	1,475.55	1,218.00
Amortization of deferred employees compensation (net)	5,039.89	4,147.20
Staff welfare	916.43	640.13
	57,213.15	**47,028.99**

* Net of capitalisation

SCHEDULE : 18 FINANCE CHARGES *

	2011	2010
Interest		
Fixed periods loans		
Debentures	31,740.71	19,630.74
Other term loans	108,027.10	53,705.21
	139,767.81	73,335.95
Others	14,250.47	24,093.12
	154,018.28	97,429.07
Guarantee, finance and bank charges	16,543.60	13,574.84
	170,561.88	**111,003.91**

* Net of capitalisation

Schedules forming part of Consolidated financial statements for the year ended March 31, 2011

	2011	(₹ in lacs) 2010
SCHEDULE : 19 GENERAL, ADMINISTRATIVE AND SELLING EXPENSES		
Rent	6,446.01	4,952.29
Rates and taxes	1,744.54	2,129.05
Power, fuel and electricity	2,693.66	1,858.09
Repair and maintenance		
Building	1,323.73	820.78
Constructed properties / colonies	190.20	462.83
Machinery	3,818.85	1,133.64
Others	3,923.16	3,440.86
Operating and maintenance of windmill	1,761.09	2,037.84
Insurance	1,564.18	1,197.61
Commission and brokerage	16,967.86	9,397.02
Advertisement and publicity	10,268.91	11,338.45
Traveling and conveyance	2,993.46	2,645.34
Running and maintenance		
Vehicle	431.66	371.58
Aircraft and helicopter	1,432.93	1,222.73
Printing and stationery	829.67	733.68
Director's fee	572.00	530.46
Sales promotion	2,923.47	2,851.89
Communication	1,371.38	1,556.83
Legal and professional (including audit fees)	12,902.22	11,589.00
Charity and donations	1,646.91	3,484.10
Claims and compensation	431.25	1,379.92
Loss on disposal of fixed assets	1,690.95	1,236.32
Loss on sale of short term investments	-	4.69
Loss on sale of long term investments	221.62	868.72
Advances / assets written off	860.96	5,700.19
Preliminary expenses written off	22.79	147.37
Provision for doubtful debts and advances	5,007.23	8,189.10
Miscellaneous expenses	9,542.65	6,132.23
	93,583.34	**87,412.61**
SCHEDULE : 20 DEPRECIATION, AMORTISATION AND IMPAIRMENT		
On fixed assets (net of capitalisation)	61,991.07	32,119.73
On current asset	293.74	336.71
On investment properties	36.84	36.84
On goodwill	750.00	-
	63,071.65	**32,493.28**
SCHEDULE : 21 TAX EXPENSE		
Income tax	65,323.62	77,616.65
Deferred tax	(19,382.51)	(7,391.73)
	45,941.11	**70,224.92**

Schedules forming part of Consolidated financial statements for the year ended March 31, 2011

SCHEDULE : 22 EARNING PER SHARE

	2011	2010
		(₹ in lacs)
Profit after tax , minority interest and before prior period items	154,238.06	181,398.15
Prior period items:		
Income tax (net)	1,733.66	(1,601.59)
Deferred tax	0.09	(6,269.73)
Other income/ (expense), net	8,050.06	(1,419.73)
Depreciation	(60.99)	(124.07)
	163,960.88	171,983.03
Nominal value of equity share (₹)	2.00	2.00
Weighted average number of equity shares (Basic)	1,697,471,290	1,697,243,145
Basic earning per share (₹)	**9.66**	**10.13**
Nominal value of equity share (₹)	2.00	2.00
Number of equity shares (Dilutive)	1,701,254,929	1,700,592,070
Diluted earning per share (₹)	**9.64**	**10.11**

Schedules forming part of the Consolidated financial statements for the year ended March 31, 2011

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

1. Nature of operations

DLF Limited ('DLF' or the 'Company'), a public limited company, together with its subsidiaries, joint ventures and associates (collectively referred to as the 'Group') is engaged primarily in the business of colonisation and real estate development. The operations of the Group span all aspects of real estate development, from the identification and acquisition of land, to planning, execution, construction and marketing of projects. The Group is also engaged in the business of generation of power, provision of maintenance services, hospitality & recreational activities, life insurance and retail chain outlets.

2. Basis of accounting

The Consolidated Financial Statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 of the Companies Act, 1956 (the 'Act'), other pronouncements of The Institute of Chartered Accountants of India (ICAI) and guidelines issued by The Securities and Exchange Board of India, to the extent applicable.

3. Principles of consolidation

The Consolidated Financial Statements include the financial statements of DLF Limited, its subsidiaries, joint ventures, partnership firms and associates. The Consolidated Financial Statements of the Group have been prepared in accordance with Accounting Standard AS 21 'Consolidated Financial Statements', AS 23 'Accounting for Investments in Associates in Consolidated Financial Statements and AS 27 'Financial Reporting of Interests in Joint Ventures, as applicable issued by the Institute of Chartered Accountants of India ('ICAI') and notified pursuant to the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements are prepared on the following basis:

i. Consolidated financial statements normally include consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of cash flows and notes to the consolidated financial statements and explanatory statements that form an integral part thereof. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.

ii. The consolidated financial statements include the financial statements of the Company and all its subsidiaries, which are more than 50 per cent owned or controlled and partnership firms where the Company's share in the profit sharing ratio is more than 50 per cent during the year. Investments in entities that were not more than 50 per cent owned or controlled and partnership firms where the profit sharing ratio was not more than 50 per cent during the year have been accounted for in accordance with the provisions of Accounting Standard 13 'Accounting for Investments', or Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements', or Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures (as applicable) notified pursuant to the Companies (Accounting Standards) Rules, 2006.

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

iii. The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting elimination of unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated. Financial interest in joint ventures has been accounted for under the proportionate consolidation method.

iv. Investments in Associates are accounted for using the equity method. The excess of cost of Investment over the proportionate share in equity of the Associate as at the date of acquisition of stake is identified as Goodwill and included in the carrying value of the investment in the Associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. Where the associate prepares and presents consolidated financial statements, such consolidated financial statements of the associate are used for the purpose of equity accounting. In other cases, standalone financial statements of associates are used for the purpose of consolidation.

v. Minority interest represents the amount of equity attributable to minority shareholders/ partners at the date on which investment in a subsidiary/ partnership firm is made and its share of movements in equity since that date. Any excess consideration received from minority shareholders of subsidiaries/ minority partners of partnership firms over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.

vi. Notes to the Consolidated Financial Statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements has not been disclosed in the consolidated financial statements.

4. Use of estimates

The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the Consolidated Financial Statements and the results of operations for the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

5. Fixed assets, Capital work in progress and depreciation/ amortisation

i) Fixed assets (gross block) are stated at historical cost less accumulated depreciation and impairment. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Building / specific identifiable portion of Building, including related equipments are capitalized when the construction is substantially complete or upon receipt of the occupancy certificate, whichever is earlier.

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

ii) In respect of certain overseas hotel properties that have commenced commercial operations, are stated in the balance sheet at their revalued amounts, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation increase arising on the revaluation of such hotel properties is credited to the property revaluation reserve.

iii) Capital work in progress represents expenditure incurred in respect of capital projects under development and is carried at cost. Cost includes land, related acquisition expenses, development / construction costs, borrowing costs capitalised and other direct expenditure and advances to contractors and others.

iv) Depreciation on Fixed assets (including buildings and related equipment rented out and included under current assets as stocks) is provided on a straight line method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, or based on the estimated useful lives of assets, whichever is higher, as applicable. The useful lives as estimated by the management is as follows:

Description	**Estimated useful life (years)**
Leasehold land	Over the effective life of the lease
Buildings	25-62
Plant and machinery	4-20
Computers and software	2-6
Furniture and fixtures	10-15
Office equipment	8
Vehicles	2-10

Depreciation in respect of assets relating to the power generating division of one of the subsidiary companies is provided on the straight line method in terms of the Electricity (Supply) Act, 1948 on the basis of Central Government Notification No. S.O 266 (E) dated March 29, 1994, from the year immediately following the year of commissioning of the assets in accordance with the clarification issued by the Central Electricity Authority as per the accounting policy specified under the Electricity (Supply) Annual Accounts Rules, 1985.

Depreciation on revalued properties of certain overseas hotel properties is charged to profit or loss. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

v) Leasehold land under, perpetual lease are not being amortised. The leasehold lands, other than perpetual lease, are being amortised on a time proportion basis over their respective lease periods.

Schedules forming part of the Consolidated financial statements for the year ended March 31, 2011

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

6. Intangibles

Computer Software

Softwares which are not integral part of the hardware are classified as intangibles and is stated at cost less accumulated amortisation. Softwares are being amortised over the estimated useful life of three to five years, as applicable.

Goodwill

The difference between the cost of Investment to the Group in Subsidiaries and Joint Ventures and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

Other Intangible assets are stated at their cost of acquisition less accumulated amortisation.

7. Investments

Investments are classified as long term or current, based on management's intention at the time of purchase. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Trade investments are the investments made for or to enhance the Company's business interests.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Long-term investments are stated at cost and provision for diminution in their value, other than temporary, is made in the financial statements.

Profit/loss on sale of investments is computed with reference to the average cost of the investment.

In respect of Life Insurance business, investments are made in accordance with the Insurance Act 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000. These Investments are recorded at cost on date of purchase including brokerage & statutory levies.

8. Stocks

Stocks are valued as under:

i) Land and plots other than area transferred to constructed properties at the commencement of construction are valued at lower of cost/ approximate average cost/ as revalued on conversion to stock and net realisable value. Cost includes land (including development rights) acquisition cost, borrowing cost, estimated internal development costs and external development charges.

ii) Constructed properties other than Special Economic Zone (SEZ) projects includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads, borrowing cost, development/ construction materials, and is valued at lower of cost/ estimated cost and net realisable value.

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SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

iii) In case of SEZ projects, constructed properties include internal development costs, external development charges, construction costs, overheads, borrowing cost, development/ construction materials, and is valued at lower of cost/ estimated cost, and net realisable value.

iv) Development rights represents amount paid under agreement to purchase land/ development rights and borrowing cost incurred by the company to acquire irrevocable and exclusive licenses/ development rights in identified land and constructed properties, the acquisition of which is at an advanced stage.

v) Cost of construction/ development material is valued at lower of cost or net realisable value.

vi) Rented buildings and related equipments are valued at cost less accumulated depreciation.

vii) In respect of the power generating division of one of the subsidiary company, materials & components and stores & spares are valued at lower of cost or net realisable value. The cost is determined on the basis of moving weighted average. Loose tools are valued at depreciated value. Depreciation has been provided on a straight line method at the rate of ten per cent per annum.

viii) Stocks for maintenance and recreational facilities (including stores and spares) are valued at cost or net realisable value, whichever is lower. Cost of inventories is ascertained on a weighted average basis.

ix) Inventories at retail chain outlets are valued at lower of cost, computed on a moving weighted average basis and estimated net realisable value after providing for cost of obsolescence & other anticipated losses wherever considered necessary.

x) Stock of food and beverages is valued at cost or net realisable value, whichever is lower. Cost comprises of cost of material including freight and other related incidental expenses and is arrived at on first in first out basis. Slow moving inventory is determined on management estimates.

9. Revenue recognition

(i) Revenue from constructed properties

a) Revenue from constructed properties, other than SEZ projects, is recognised on the percentage of completion method. Total sale consideration as per the duly executed agreement to sell / application (containing salient terms of agreement to sell), is recognised as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost, subject to such actual cost incurred being 30 per cent or more of the total estimated project cost. Project cost includes cost of land, cost of development rights, estimated construction and development cost, borrowing cost of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognised in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

b) For SEZ projects, revenue from development charges is recognised on the percentage of completion method in accordance with the terms of the Co-developer Agreements / Memorandum of understanding ('MOU'), read with addendum, if any. The total development charges is recognised as Revenue on the percentage of actual project cost incurred thereon to total estimated project cost subject to such actual cost incurred being 30% or more of the total estimated project cost. The estimated project cost includes construction cost, development and construction material, internal development cost, external development charges, borrowing cost and overheads of such project. Revenue from Lease of land pertaining to such projects is recognised in accordance with the terms of the Co-developer Agreements/ MOU on accrual basis.

(ii) Sale of land and plots

Sale of land and plots (including development rights) is recognised in the financial year in which the agreement to sell / application containing salient terms of agreement to sell is executed. Where the Company has any remaining substantial obligations as per agreements, revenue is recognised on 'percentage of completion method' as per (i) a) above.

(iii) Construction contracts

a) Revenue from cost plus contracts is recognised with respect to the recoverable costs incurred during the period plus the margin in accordance with the terms of the agreement.

b) Revenue from fixed price contract is recognised under percentage of completion method. Percentage of completion method is determined as a proportion of cost incurred up to the reporting date to the total estimated contract cost.

(iv) Rental Income

Rental income is recognised in the profit and loss account on accrual basis in accordance with the terms of the respective lease agreements.

(v) Power Supply

a. Revenue from power supply together with claims made on customers is recognised in terms of power purchase agreements entered into with the respective purchasers.

b. Revenue from energy system development contracts is recognised on percentage of completion method and accounted for inclusive of excise duty recovered, where applicable. Accordingly, revenue is recognised when cost incurred (including appropriate portion of allocable overheads) on the contract is estimated at 30 per cent or more, of the total cost to be incurred (including all foreseeable losses and an appropriate portion of allocable overheads) for the completion of contract, wherever applicable.

c. Revenue from wind power generation projects is recognised on the basis of actual power sold (net of reactive energy consumed), as per the terms of the relevant power purchase agreements with the purchasers.

d. Sale of Certified Emission Reductions (CERs) and Voluntary Emission Reductions (VERs) is recognised as income on the delivery of the CERs/VERs to the customer's account and receipt of payment.

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

(vi) Hospitality services and Recreational facility income

a. Subscription and non refundable membership fee is recognised on proportionate basis over the period of the subscription/ membership.
b. Revenue from food and beverage is recorded net of sales tax/ value added tax and discounts.
c. Sales of merchandise are stated net of goods sold on consignment basis as agents.
d. Revenue from hotel operations and related services is recognised net of discounts and sales related taxes in the period in which the services are rendered.
e. Income from golf operations, course capitation, sponsorship etc is fixed and recognised as per the agreement with the parties, as and when services are rendered.
f. Sale of cinema tickets is stated net of discounts.

(vii) Life Insurance

a) Premium is recognised as income when due. Unallocated premium on lapsed policies is not recognised as income unless reinstated.
b) For linked business, premium income is recognised when the associated units are allocated. Top up premium (i.e. premium paid in excess of annual target premium as per policy contract) are recognised as single premium. Fees on linked policies including fund charges etc are recovered from the linked fund & recognised in accordance with terms & conditions of the policies.
c) Premium ceded is accounted at the time of recognition of premium income in accordance with treaty or in principle agreement with the reinsurers.

(viii) Retail Chain Outlets

Income from sales is recognised when significant risks and rewards in respect of ownership of the goods are transferred to the customers and is stated net of trade discounts, value added taxes and estimated sales return, wherever applicable.

(ix) Others

a. Revenue from design and consultancy services is recognised on percentage of completion method to the extent it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.
b. Revenue in respect of maintenance services is recognised on an accrual basis, in accordance with the terms of the respective contract.
c. Dividend income is recorded when the right to receive the dividend is established.
d. Service receipts and interest from customers under agreements to sell is accounted for on an accrual basis except in cases where ultimate collection is considered doubtful.
e. Interest Income is accounted for on time proportion basis taking into account the amount outstanding and the applicable rate of interest.
f. Share of profit/ loss from firms in which the Company is a partner is accounted for in the financial year ending on (or immediately before) the date of the balance sheet.

10. Unbilled receivables

Unbilled receivables disclosed under schedule 11 - “Other Current Assets” represents revenue recognised based on Percentage of completion method (as per Para no. 9(i) and 9(ii) above), over and above the amount due as per the payment plans agreed with the customers.

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

11. Cost of revenues

i) Cost of constructed properties other than SEZ projects, includes cost of land (including cost of development rights/ land under agreements to purchase), estimated internal development costs, external development charges, cost of development rights, construction and development cost, borrowing cost, construction materials, which is charged to the profit and loss account based on the percentage of revenue recognised as per accounting policy 9 (i) above, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

For SEZ projects, cost of constructed properties includes estimated internal development costs, external development charges, construction and development cost, borrowing cost, construction materials, which is charged to the profit and loss account based on the percentage of revenue recognised as per accounting policy 9(i) above, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

ii) Cost of land and plots includes land (including development rights), acquisition cost, estimated internal development costs and external development charges, borrowing cost which is charged to the profit and loss account based on the percentage of land/ plotted area in respect of which revenue is recognised as per accounting policy 9 (ii) above to the saleable total land/ plotted area of the scheme, in consonance with the concept of matching cost and revenue. Final adjustment is made on completion of the specific project.

12. Borrowing costs

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with Accounting Standard 16 "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the profit and loss account as incurred.

13. Taxation

Tax expense comprises current income tax and deferred tax and is determined and computed at the standalone entity level. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act and in the overseas branches / companies as per the respective tax laws. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group entity has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

14. Lease transactions

a) Where a Group entity is the lessee

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Group entity will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on straight line basis over the lease term.

b) Where a Group entity is the lessor

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease.

Assets subject to operating leases are included in fixed assets / current assets / investment properties. Lease income is recognised in the Profit and Loss Account on a straight line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs etc are recognised immediately in the Profit and Loss Account.

15. Foreign currency transactions

a) Relating to Overseas entities

Indian Rupee (₹) is the reporting currency for the Group. However, reporting currencies of certain non-integral overseas subsidiaries are different from the reporting currency of the Group. The translation of local currencies into Indian Rupee is performed for assets and liabilities (excluding share capital, opening reserves and surplus), using the exchange rate as at the balance sheet date.

Revenues, costs and expenses are translated using weighted average exchange rate during the reporting period. Share capital, opening reserves and surplus are carried at historical cost. The resultant currency translation exchange gain/ loss is carried as foreign currency translation reserve under reserves and surplus. Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment.

Income and expenditure items of integral foreign operations are translated at the monthly average exchange rate of their respective foreign currencies. Monetary items at the balance sheet date are translated using the rates prevailing on the balance sheet date. Non - monetary assets are recorded at the rates prevailing on the date of the transaction.

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

b) Relating to Indian entities

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate. Income and expenditure of the overseas liaison office is translated at the yearly average rate of exchange. The exchange differences arising on such conversion and on settlement of the transactions is recognised in the profit and loss account.

In terms of the clarification provided by Ministry of Corporate Affairs ("MCA") vide a notification no. G.S.R.225(E) on Accounting Standard – 11 "Changes in Foreign Exchange Rates", the exchange differences on long term foreign currency monetary items are adjusted in the cost of depreciable capital assets.

16. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with the notified Accounting Standard 15 - Employee Benefits.

i) Provident fund

Certain entities of the group make contribution to statutory provident fund trust setup in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. In terms of the Guidance on implementing the revised AS – 15, issued by the Accounting Standard Board of the ICAI, the provident fund trust set up by the Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognised as an expense in the period in which services are rendered by the employee.

Certain other entities of the Group, make contribution to the statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provision Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the services are rendered.

ii) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the profit and loss account in the year in which such gains or losses are determined. For certain consolidated entities, contributions made to an approved gratuity fund (funded by contributions to LIC under its group gratuity scheme) are charged to revenue on accrual basis.

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

iii) Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the profit and loss account in the year in which such gains or losses are determined.

iv) Superannuation benefit

Superannuation is in the nature of a defined benefit plan. Certain entities make contributions towards superannuation fund (funded by payments to Life Insurance Corporation of India under its Group Superannuation Scheme) which is charged to revenue on accrual basis.

v) Cash Settled Options

Accounting value of Cash Settled Options granted to employees under the Employees Shadow / Phantom Option Scheme is determined on the basis of intrinsic value representing the excess of the average market price, during the month before the reporting date, over the exercise price of the shadow option. The same is charged as employee benefits over the vesting period, in accordance with Guidance Note No 18 "Share Based Payments", issued by the ICAI.

vi) Other short term benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

vii) Overseas entities

Post employment benefits

- **Defined contribution**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

- **Defined benefit liability**

Management estimates the defined benefit liability annually. The actual outcome may vary due to estimation uncertainties. The estimate of its defined benefit liability is based on standard rates of inflation, medical cost trends and mortality. It also takes into account the Group's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Estimation uncertainties exist particularly with regard to medical cost trends, which may vary significantly in future appraisals of the Group's defined benefit obligations.

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

- **Employee Leave Entitlement**

  Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

17. Employee Stock Option Plan (ESOP)

The accounting value of stock options is determined on the basis of 'intrinsic value' representing the excess of the market price on the date of the grant over the exercise price of the shares granted under the 'Employees Stock Option Scheme' of the parent Company, and is amortised as 'Deferred employee compensation' on a straight line basis over the vesting period in accordance with the SEBI (Employees stock option scheme and Employees stock purchase scheme) Guidelines, 1999 and guidance note 18 'Share Based payments' issued by the "ICAI".

18. Impairment of assets

Goodwill

Goodwill is tested for impairment on an annual basis. If on testing, any impairment exists, the carrying amount of Goodwill is reduced to the extent of any impairment loss and such loss is recognised in the profit and loss account.

Other assets

At each balance sheet date, the Group assesses whether there is any indication based on internal/ external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

19. Contingent liabilities and provisions

The Group makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the consolidated Financial Statements.

SCHEDULE: 23 SIGNIFICANT ACCOUNTING POLICIES

20. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The period during which, number of dilutive potential equity shares change frequently, weighted average number of shares are computed based on a mean date in the quarter as impact is immaterial on earning per share.

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Schedules forming part of the Consolidated financial statements for the year ended March 31, 2011

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Equity share capital

(a) Issued, subscribed and paid up share capital includes:

(i) 5,877,850 equity shares of ₹ 2 each (originally 1,175,570 shares of ₹ 10 each) fully paid up allotted pursuant to a scheme of amalgamation of DLF United Limited with the Company, without payment being received in cash.

(ii) 1,338,603,595 equity shares of ₹ 2 each fully paid issued as bonus shares by way of capitalisation of free reserves and securities premium account.

(b) Upon exercise of Options granted under the Employees Stock Option Scheme 2006 (ESOP), 180,904 (previous year 240,457) equity shares of ₹ 2 each were issued at par during the year.

(c) Pursuant to the above mentioned transactions the paid up share capital of the Company increased by ₹ 3.62 lacs, during the year (previous year: increase by ₹ 4.08 lacs).

2. Secured loans

a) Facilities with banks comprise, term loans and overdraft facilities which are secured by equitable mortgages of certain freehold and leasehold lands/properties of the Company/subsidiary companies/sellers/lessors, land under agreement to sell and/ or against future receivables of the Company/subsidiary companies.

b) Loan from others comprise of term loans from financial institutions which are secured by equitable mortgages of certain lands/properties of some subsidiary entities/associates/group companies and the receivables and/ or against future receivables of the Company/subsidiary companies.

c) Loans for aircraft, helicopter, plant and machinery and vehicles are secured by hypothecation of the respective assets, thus purchased.

d) i) 5,000 (previous year 5,000), 13.70% Non Convertible Redeemable Debentures of face value of ₹ 1,000,000/-each and 7,200 (previous year 7,200), 14% Non Convertible Redeemable Debentures of face value of ₹ 1,000,000/- each, issued to the Life Insurance Corporation of India are secured by pari passu charge over certain lands / properties of the Company / subsidiary companies.

ii) 3,000 (previous year 3,000), 10% Non Convertible Redeemable Debentures of ₹ 1,000,000/- each and 7,000 (previous year 7,000), 10.50% Non Convertible Redeemable Debentures of ₹ 1,000,000/- each, issued to various investors are secured by pari passu/ exclusive charge over certain lands / properties of the Company / subsidiary companies.

iii) 1,500 (Previous year Nil), 10.24% Non Convertible Redeemable Debentures of ₹ 1,000,000/- each, 1,500 (Previous year Nil), 10.24% Non Convertible Redeemable Debentures of ₹ 1,000,000/- each and 2,000 (Previous year Nil), 10.24% Non Convertible Redeemable Debentures of ₹ 1,000,000/- each, issued to Bank of India are secured by pari passu charge over certain lands / properties of the Company / subsidiary companies.

3. Unsecured loans

a) 20,116 (previous year 20,116), 12.50% compulsory convertible debentures of ₹ 225,000 each are convertible into equity shares of ₹ 10/- each on the expiry of 7 years from the date of their respective allotment.

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

b) 22,972 (previous year 22,972), 12% compulsory convertible debentures of ₹ 50,000 each are convertible into equity shares of ₹ 10/- each on the expiry of 6 years from the date of their respective allotment.

c) 12,821 (previous year 12,821), 12.50% compulsory convertible debentures of ₹ 75,000 each are convertible into equity shares of ₹ 10/- each on the expiry of 7 years from the date of their respective allotment.

d) 17,433 (previous year 17,433), 12.50% compulsory convertible debentures of ₹ 27,500 each are convertible into equity shares of ₹ 10/- each on the expiry of 7 years from the date of their respective allotment.

e) 2,520 (previous year 2,520), Class B compulsory convertible debentures of ₹ 100,000 each shall be automatically and mandatorily be converted into two equity shares of ₹ 10 each in accordance with the terms and conditions mentioned in the investment agreement dated July 4, 2009.

f) 1,418,370 (previous year 1,418,370), Compulsory convertible debentures Series I of ₹ 1,000 each, convertible into 1 Class B equity share of ₹ 10 each at a premium of ₹ 990 after 17 years from the date of respective allotment. Interest is payable at the lower of (i) the rate of 15% per annum, or (ii) the maximum rate of SBI PLR plus 300 basis point (on the date of board meeting in which CCDs were issued) and shall start accruing from the 3rd anniversary of the date of issue.

4. a) A subsidiary of the Company has purchased land with an obligation to provide built up area to third parties in consideration of settlement of disputes, claims, rights and entitlements of such parties. As the cost in this respect is not currently ascertainable, no accrual for these liabilities is considered necessary at present.

b) One of the subsidiary company namely DLF Universal Limited (formerly DLF Retail Developers Limited) has entered into Joint Ventures for development of certain projects in financial year 2007-08 and 2008-09, and has advanced certain sum of monies to the joint venture partners for the said developments as of March 31, 2011. The projects have not yet commenced and Management is in continuing discussions with the joint venture partners and contemplating options to further resume its rights on the land/properties in question and is fully confident that the outstanding advance is good and recoverable.

c) Owing to the recent increases in the key items of project costs, the Group revised its budgeted costs of various projects of the Company and other companies in the group and the resultant impact of the budget revisions has been appropriately taken in the respective standalone and the consolidated financial statements.

5 a) Wind mill projects of the Company and of one of the subsidiary company, are entitled for tax holiday under section 80-IA of the Income tax Act, 1961. Accordingly, the computation of tax (current and deferred) has been done as per Accounting Standard 22 "Accounting for taxes on Income".

b) Profits from Special Economic Zone ("SEZ") business of the Company and three of subsidiary companies are exempt under section 80-IAB of the Income Tax Act, 1961. The dividend declared out of such SEZ profits are also exempt from dividend distribution tax under the provisions of section 115-O (6) of the Income tax Act, 1961.

In line with the above provisions, the Company has not provided the dividend tax since the dividend has been declared out of non SEZ profits and after adjustment of the dividend received from its wholly owned subsidiary companies in terms of provisions of section 115-O(1A)(i) of the Income Tax Act, 1961

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

6. Employee Benefits

a) Gratuity (Non Funded)

Amount recognised in the Profit and loss account is as under:

(₹ in lacs)

Description	2011	2010
Current service cost	404.05	390.65
Interest cost	170.91	186.09
Actuarial (gain)/loss recognised during the year	3.28	(139.01)
Past service cost	(5.01)	(65.02)
	573.23	**372.71**

Movement in the liability recognised in the balance sheet is as under:

(₹ in lacs)

Description	2011	2010
Present value of defined benefit obligation as at the start of the year *	2,735.12	2,542.50
Prior period adjustment	-	(0.66)
Current service cost	404.05	390.65
Interest cost	170.91	186.09
Actuarial (gain)/ loss recognised during the year	3.28	(139.01)
Benefits paid	(159.09)	(171.24)
Past service cost	(5.01)	(65.02)
Transferred from gratuity (non funded) to gratuity (funded)	(222.58)	-
Present value of defined benefit obligation as at the end of the year	**2,926.68**	**2,743.31**

b) Gratuity (Funded)

(₹ in lacs)

Changes in defined benefit obligation	2011	2010
Present value obligation as at the start of the year *	255.95	225.15
Interest cost	10.17	18.80
Past service cost	14.40	-
Current service cost	49.51	83.73
Benefits paid	(7.05)	(8.46)
Acturial (gains) / losses on obligations	(2.60)	(79.57)
Transferred from gratuity (non funded) to gratuity (funded)	222.58	-
Present value obligation as at the end of the year	**542.96**	**239.65**
Change in fair value of plan assets		
Fair value of plan assets as at the start of the year *	226.84	172.96
Expected return on plan assets	10.67	24.52
Actuarial gain	(23.65)	(0.46)
Contribution	-	23.81
Benefits paid	(7.05)	(8.46)
Fair value of plan assets as at the end of the year	**206.81**	**212.37**

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets	2011	2010
Present value obligation as at the end of the year	542.96	239.65
Fair value of plan assets as at the end of the year	206.81	212.37
Net asset / (liability) recognized in balance sheet	**(336.15)**	**(27.28)**
Amount recognised in the profit & loss account	**2011**	**2010**
Current service cost	49.51	83.73
Past service cost	14.40	-
Interest cost	10.17	18.80
Expected return on plan assets	(10.67)	(24.52)
Net actuarial (gain)/loss recognised in the year	21.04)	(79.11)
Total expenses recognized in the profit & loss account	**84.45**	**(1.10)**

For determination of the gratuity liability of the Company, the following actuarial assumptions were used:

Description	2011	2010
Discount rate (per annum)	8.00%	8.00%
Rate of increase in compensation levels	7.50%	7.50%

c) Compensated absences (non funded)

Amount recognised in the Profit and loss account is as under:

(₹ in lacs)

Description	2011	2010
Current service cost	374.51	547.78
Interest cost	117.64	165.52
Actuarial loss recognised during the year	47.39	(98.56)
Past service cost	-	27.08
	539.54	**641.82**

Movement in the liability recognised in the balance sheet is as under:

(₹ in lacs)

Description	2011	2010
Present value of defined benefit obligation as at the start of the year *	2,144.06	1,939.12
Past service cost	-	27.08
Current service cost	374.51	547.78
Interest cost	117.64	165.52
Actuarial loss/(gain) recognised during the year	47.39	(98.56)
Benefits paid	(235.43)	(417.16)
Capitalised during the year	(9.20)	-
Present value of defined benefit obligation as at the end of the year	**2,448.17**	**2,163.78**

d) Compensated Absences (Funded)

(₹ in lacs)

Changes in defined benefit obligation	2011	2010
Present value of obligation as at the start of the year *	154.50	92.08
Interest cost	10.96	6.91

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Current service cost	81.78	41.96
Benefits paid	(28.01)	(22.25)
Acturial (gains) / losses on obligations	(39.95)	35.80
Present value obligation as at the end of the year	**179.28**	**154.50**
Change in fair value of plan assets	**2011**	**2010**
Fair value of plan assets as at the start of the year *	-	-
Expected return on plan assets	-	-
Actuarial gain	-	-
Contribution	-	-
Benefits paid	-	-
Fair value of plan assets as at the end of the year	**-**	**-**

(₹ in lacs)

Reconciliation of present value of defined benefit obligation and the fair value of plan assets	**2011**	**2010**
Present value obligation as at the end of the year	179.28	154.50
Fair value of plan assets as at the end of the year	-	-
Net asset / (liability) recognized in balance sheet	**(179.28)**	**(154.50)**
Amount recognized in the profit & loss account	**2011**	**2010**
Current service cost	81.78	41.96
Past service cost	-	-
Interest cost	10.96	6.91
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	(39.95)	35.80
Total expenses recognized in the profit & loss account	**52.79**	**84.67**

* *Opening liability includes liability in respect of entities acquired during the year.*

For determination of the liability in respect of compensated absences, the following actuarial assumptions were used:

Description	2011	2010
Discount rate (per annum)	8.00%	8.00%
Rate of increase in compensation levels	7.50%	7.50%

e) Provident fund

Contribution made by the group companies, to the provident fund trust setup by the Company and to the Employee Provident Fund Commissioner during the year is ₹ 1,264.05 lacs (previous year ₹1,557.92 lacs).

Relating to Provident Fund Trust, at the year end, no interest shortfall in provident fund remains unprovided for as there is surplus in the fund. In the absence of guidance on actuarial valuation of Fund liability, which is to be issued by the Actuarial Society of India, the actuarial valuation liability towards provident fund is not feasible. Accordingly, other relaled disclosures in respect of provident fund have not been furnished.

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

7. Related party disclosures

a) Relationship

(i) Joint Ventures	
S. No	Name of Joint Ventures
1	Banjara Hills Hyderabad Complex
2	Delanco Real Estates Private Limited (till December 15, 2010)
3	DLF Gayatri Home Developers Private Limited
4	DLF Limitless Developers Private Limited
5	DLF SBPL Developer Private Limited
6	GSG DRDL Consortium
7	Kujjal Builders Private Limited
8	Mount Mary Residential Project
9	Saket Courtyard Hospitality
10	Star Alubuild Private Limited
11	Y.G. Realty Private Limited
12	Domus Real Estate Private Limited (till December 15, 2010)
13	Cleva Builders and Developers Private Limited
14	Prowess Buildcon Private Limited
15	Design Plus Architecture Private Limited (w.e.f. December 7, 2010)
16	DLF Green Valley (w.e.f. December 31, 2010)

(ii) Associates	
S. No	Name of associates
1	Australian Resorts Limited
2	Ferragamo Retail India Private Limited (till October 31,2010)
3	Giorgio Armani India Private Limited (till October 31,2010)
4	Islan Aviation Limited
5	Joyous Housing Limited
6	Kyoto Resorts YK
7	P.T Jawa Express Amanda Indah
8	Pamalican Island Holdings Inc
9	Pandis (Thailand) Company Limited
10	Pansea Tourism Company Limited
11	Regional D & R Limited
12	Revlys SA
13	Seven Seas Resorts and Leisure Inc
14	Surin Bay Co. Limited
15	Villajena
16	Zeus Infrastructure Private Limited
17	Rapid Metro Rail Gurgaon Limited (w.e.f. May 27, 2010)

(iii) Key Management Personnel (of the Parent Company)			
	Name	Designation	Relatives (Relation)*
a)	Dr. K.P. Singh	Chairman	Ms. Renuka Talwar (Daughter)

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

b)	Mr. Rajiv Singh	Vice Chairman	Ms. Kavita Singh (Wife), Ms. Savitri Devi Singh (Daughter) Ms. Anushka Singh (Daughter)
c)	Mr. T.C. Goyal	Managing Director	Ms. Sharda Goyal (Wife)
d)	Ms. Pia Singh	Whole Time Director	Mr. Dhiraj Sarna (Husband)
e)	Mr. K. Swarup	Sr. Executive Director	Ms Veena Swaroop (Wife) Mr Manish Swarup (Son)
	* Relatives of key management personnel (other than key management personnel themselves) with whom there were transactions during the year		

(iv) Other enterprises under the control of the key management personnel (of the Parent company) and their relatives :

Sl No	Name of the company
1	A.S.G. Realcon Private Limited
2	Adampur Agricultural Farm
3	Adept Real Estate Developers Private Limited
4	AGS Buildtech Private Limited
5	Altamount Real Estate Developers Private Limited #
6	Angus Builders & Developers Private Limited
7	Antriksh Properties Private Limited
8	Anubhav Apartments Private Limited
9	Aquarius Builders & Developers Private Limited #
10	Arihant Housing Company*
11	Atria Partners
12	Bansal Development Company Private Limited
13	Belicia Builders & Developers Private Limited
14	Beryl Builders & Constructions Private Limited
15	Beverly Park Operation and Maintenance Services Private Limited
16	Buland Consultants & Investments Private Limited
17	Carreen Builders & Developers Private Limited (w.e.f. November 01, 2010)
18	Centre Point Property Management Services Private Limited
19	Ch.Lal Chand Memorial Charitable Trust
20	Cian Builders & Developers Private Limited
21	Desent Promoters & Developers Private Limited
22	Diana Retail Private Limited
23	Digital Talkies Private Limited (till October 28 , 2010)
24	Dilly Builders & Developers Private Limited
25	Dinky Builders & Developers Private Limited
26	DLF Brands Limited (w.e.f. November 01, 2010)
27	DLF Building & Services Private Limited
28	DLF Commercial Enterprises
29	DLF Foundation
30	DLF Investments Private Limited
31	DLF M.T.FBD Medical and Community Facility Charitable Trust
32	DLF Q.E.C. Educational Charitable Trust
33	DLF Q.E.C. Medical Charitable Trust
34	DLF Raghvendra Temple Trust
35	Elanor Builders & Developers Private Limited
36	Elephanta Estates Private Limited
37	Enki Retail Private Limited (w.e.f. November 01, 2010)

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

38	Eros Retail Private Limited (w.e.f. November 01, 2010)
39	Excel Housing Construction Private Limited
40	Exe. of The Estate of Lt. Ch. Raghvendra Singh
41	Exe. of The Estate of Lt. Smt. Prem Mohini
42	Family Idol Shri Radha Krishan Ji
43	Family Idol Shri Shiv Ji
44	Ferragamo Retail India Private Limited
45	Galena Builders & Constructions Private Limited
46	Gangrol Agricultural Farm & Orchard
47	General Marketing Corporation
48	Giorgio Armani India Private Limited
49	Glaze Builders & Developers Private Limited #
50	Haryana Electrical Udyog Private Limited
51	Herminda Builders & Developers Private Limited
52	Hitech Property Developers Private Limited
53	Indira Trust
54	Ishtar Retail Private Limited
55	Jhandewalan Ancillaries and Investments Private Limited
56	Juno Retail Private Limited (w.e.f. November 01, 2010)
57	K. P. Singh HUF
58	Kapo Retail Private Limited (w.e.f. November 01, 2010)
59	Kohinoor Real Estates Company *
60	Krishna Public Charitable Trust
61	Lal Chand Public Charitable Trust
62	Lion Brand Poultries
63	Maaji Properties and Development Company *
64	Madhukar Housing and Development Company *
65	Madhur Housing and Development Company *
66	Magna Real Estate Developers Private Limited
67	Mallika Housing Company *
68	Megha Estates Private Limited
69	Nachiketa Family Trust
70	Northern India Theatres Private Limited
71	P & S Exports Corporation
72	Pace Financial Services
73	Panchsheel Investment Company *
74	Panchvati Estates Private Limited
75	Parvati Estates Private Limited
76	Pia Pariwar Trust
77	Plaza Partners
78	Power Overseas Private Limited
79	Prem Traders & Investments Private Limited
80	Prem's Will Trust
81	Pushpak Builders and Developers Private Limited
82	R.R Family Trust
83	Raghvendra Public Charitable Trust
84	Raisina Agencies & Investments Private Limited
85	Rajdhani Investments & Agencies Private Limited
86	Realest Builders and Services Private Limited
87	Renkon Partners
88	Renuka Pariwar Trust

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

89	Rhea Retail Private Limited (w.e.f. November 01, 2010)
90	Rod Retail Private Limited (w.e.f. November 01, 2010)
91	S & S Towel Private Limited
92	Sabre Investment Advisor India Private Limited
93	Sabre Investment Consultants LLP
94	Sagarika Real Estate Developers Private Limited #
95	Sambhav Housing and Development Company *
96	Sanidhya Constructions Private Limited #
97	Sarna Export International
98	Sarna Exports Limited
99	Sarna Property and Industry Private Limited
100	Sidhant Housing and Development Company *
101	Singh Family Trust
102	Sketch Investment Private Limited
103	Smt.Savitri Devi Memorial Charitable Trust
104	Solace Housing and Construction Private Limited
105	Solange Retail Private Limited
106	Sudarshan Estates Private Limited
107	Sukh Sansar Housing Private Limited
108	Sukomal Builders & Developers Private Limited #
109	Sulekha Builders & Developers Private Limited #
110	Super Mart One Property Management Services Private Limited
111	Super Mart Two Property Management Services Private Limited
112	Trinity Elastomers Private Limited
113	Trinity Housing and Construction Company *
114	Udyan Housing and Development Company *
115	Ultima Real Estate Developers Private Limited #
116	Universal Management & Sales Private Limited
117	Upeksha Real Estate Developers Private Limited #
118	Uplift Real Estate Developers Private Limited #
119	Urva Real Estate Developers Private Limited
120	Uttam Builders and Developers Private Limited
121	Uttam Real Estates Company *
122	Vishal Foods and Investments Private Limited
123	Yashika Properties and Development Company *

* A private company with unlimited liability.
# Subsequent to the year end these entities were merged (effective from 03 November 2010) in Adept Real Estate Developer Private Limited as per the order of the Hon'ble Court of Delhi dated 27th September, 2010.

(₹ in lacs)

b)	The following transactions were carried out with related parties in the ordinary course of business (net of Service tax, if any)						
	Description	Joint Ventures and Associates #		Key Management Personnel (KMP) and their relatives		Enterprises over which KMP is able to exercise significant influence	
		2011	2010	2011	2010	2011	2010
	Sale of assets	-	7,500.00	0.66	-	-	-
	Sale of land and material	323.15	-	-	-	-	-
	Interest received	2256.48	456.08	-	-	60.50	-

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	Rent and licence fee received	462.33	-	-	-	653.10	586.38
	Directors remuneration	-	-	2,166.72	2,591.26	-	-
	Salary	-	-	289.31	263.84	-	-
	Expenses recovered	0.50	288.45	-	-	3.63	49.43
	Expenses paid	-	166.75	29.74	-	2,653.63	984.24
	Payment for construction work	1,220.69	6,250.71	-	-	-	-
	Rent paid	-	-	26.64	21.63	311.11	208.22
	Loan taken	174.85	10,261.14	-	-	-	-
	Loan refunded	1,581.00	10,037.00	-	-	-	-
	Interest paid	225.11	1,096.72	-	-	153.86	-
	Miscllaneous receipts (Income)	1053.50	2.60	12.64	-	1,201.74	260.37
	Loans and advances given	1,459.84	773.78	-	-	313.51	-
	Loans refunded back	2,423.08	249.50	-	-	141.93	-
	Advances given	4,300.00	3,731.00	-	-	-	-
	Advances received	750.00	-	-	-	-	-
	Advance received under agreement to sell	-	10,800.00	2177.72	1,181.73	12.28	-
	Guarantees given	-	7,050.05	-	-	-	-
	Sale of constructed properties	-	-	-	-	-	100,656.74
	Purchase of land and material	184.64	-	-	-	1.73	34.34
	Purchase of development rights	-	-	-	-	-	40,575.10
	Purchase of investments	-	-	-	-	-	159,700.00
	Cancellation of sale of properties	-	-	-	-	187.75	-

(₹ in lacs)

c)	Balance at the end of the year						
	Description	**Joint Ventures and Associates #**		**Key Management Personnel (KMP) and their relatives**		**Enterprises over which KMP is able to exercise significant influence**	
		2011	**2010**	**2011**	**2010**	**2011**	**2010**
	Investments*	7,934.06	8,914.31	-	-	818.85	174.30
	Earnest money and part payments under agreement to purchase land/ constructed properties	-	-	-	-	261.50	235.44
	Advance received under agreement to sell	-	-	5,382.16	3,201.07	-	-
	Creditors/payables	13,227.11	11,485.98	231.86	175.00	106.41	5.02
	Managerial commission payable	-	-	800.00	1,322.35	-	-
	Loans (liability)-Unsecured loan	-	2,206.08	-	-	-	-
	Security deposit given	-	-	-	-	-	0.06
	Security deposit received	-	-	-	-	1,305.95	
	Advances/Amount	25,963.88	17,660.08	-	-	-	-

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	recoverable						
	Guarantees given	7,050.05	7,050.05	-	-	-	-
	Loans and interest receivable	1,047.19	3,090.26	-	-	2,515.91	-
	Sundry debtors	323.40	-	0.82	-	745.39	-

Complete transactions have been reported before inter group elimination.
* Excluding profit.

Above includes the following material transactions:

(₹ in lacs)

Description	Joint Ventures/ Associates		
Transactions during the year	**Name of the entity**	**2011**	**2010**
Sale of fixed assets	Saket Courtyard Hospitality	-	7,500.00
Sale of land and material	Star Alubuild Private Limited	323.15	-
Interest received	Delanco Real Estate Private Limited	124.23	165.40
	Kujjal Builders Private Limited	94.54	83.70
	Joyous Housing Limited	697.53	91.37
	Ferragamo Retail India Private Limited	36.55	111.11
	Saket Courtyard Hospitality	1,201.10	-
Rent and licence fee received	Ferragamo Retail India Private Limited	159.62	-
	Girogio Armani India Private Limited	302.71	-
Expenses recovered	DLF Limitless Developers Private Limited	-	244.99
	DLF Projects Limited (formerly DT Projects Limited)	-	26.18
	Prowess Buildcon Private Limited	0.50	
Expenses paid	Delanco Real Estate Private Limited	-	165.00
Payment for construction work	DLF Projects Limited (formerly DT Projects Limited)	-	4,755.43
	Star Alubuild Private Limited	1220.69	1,495.28
Loan taken	Delanco Real Estate Private Limited	174.85	261.14
	DLF Limitless Developers Private Limited	-	10,000.00
Loan refunded	Delanco Real Estate Private Limited	1,581.00	37.00
	DLF Limitless Developers Private Limited	-	10,000.00
Interest paid	Delanco Real Estate Private Limited	225.11	286.44
	DLF Limitless Developers Private Limited	-	810.28
Miscellaneous receipts (income)	DLF Limitless Developers Private Limited	-	2.10
	Girogio Armani India Private Limited	935.36	-
Loans and advances given	Kujjal Builders Private Limited	-	253.50
	Delanco Real Estate Private Limited	89.33	316.50
	DLF Gayatri Home Developers Private Limited	70.38	203.50
	Prowess Buildcon Private Limited	1,300.00	-
Loans refunded back	Delanco Real Estate Private Limited	1,413.01	249.50
	Ferragamo Retail India Private Limited	887.07	-
Advances given	Joyous Housing Limited	4,300.00	3,731.00
Advances received	Prowess Buildcon Private Limited	750	-

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Advance received under agreement to sell	DLF Limitless Developers Private Limited	-	10,800.00
Guarantees given	Kujjal Builders Private Limited	-	5,950.00
	Giorgio Armani India Private Limited	-	1,100.05
Purchase of land and materials	Star Alubuild Private Limited	184.64	-

(₹ in lacs)

Balance at the end of the year	Name of the entity	2011	2010
Sundry Debtors	Star Alubuild Private Limited	323.15	-
Investments	Surin Bay Co. Limited	4,257.73	4,130.01
	Revlys SA	984.81	977.72
	Seven Seas Resort & Leisure Inc	1,724.02	1,711.60
Creditors/payables	DLF Limitless Developers Private Limited	10,800.00	10,800.00
Loans (liability)-unsecured loan	Delanco Real Estate Private Limited	-	2,206.08
Advances/amount recoverable	Joyous Housing Limited	16,032.18	11,022.24
	Saket Courtyard Hospitality	7,078.15	6,041.60
Guarantees given	Kujjal Builders Private Limited	5,950.00	5,950.00
	Giorgio Armani India Private Limited	1,100.05	1,100.05
Loans and interest receivable	Delanco Real Estate Private Limited	-	1,323.69
	Kujjal Builders Private Limited	835.08	825.40
	Ferragamo Retail India Private Limited	-	854.18

(₹ in lacs)

Description	Enterprises over which KMP is able to exercise significant influence		
Transactions during the year	**Name of the entity**	**2011**	**2010**
Interest received	DLF Brands Limited	55.36	-
Rent and licence fee received	DLF Assets Private Limited	-	586.38
	DLF Brands Limited	125.03	-
	Ferragamo Retail India Private Limited	144.99	-
	Giorgio Armani India Private Limited	228.27	-
	Reha Retail Private Limited	67.52	-
Expenses recovered	DLF Assets Private Limited	-	0.08
	Caraf Builders & Constructions Private Limited	-	43.18
	DLF Brands Limited	1.63	-
	DLF Building & Services Private Limited	1.97	-
Expenses paid	DLF Assets Private Limited	-	190.78
	DLF Brands Limited	1,149.70	-
	Pace Financial Services	4.56	4.56
	DLF Foundation	1,017.00	787.49
Rent paid	DLF Q.E.C. Medical Charitable Trust	39.87	14.20
	DLF Q.E.C. Educational Charitable Trust	79.23	18.93
	Realest Builders and Services Private Limited	0.50	5.39
	DLF Info City Developers (Chandigarh) Limited	-	168.81

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	DLF Commercial Enterprises	58.99	-
	Renkon Partners	71.62	-
Interest paid	Lal Chand Public School	44.87	-
	DLF Q.E.C. Educational Charitable Trust	94.64	-
Miscellaneous receipts (income)	Atria Partners	260.03	-
	DLF Commercial Enterprises	271.07	-
	Renkon Partners	366.18	-
	DLF Assets Private Limited	-	227.78
	Caraf Builders & Construction Private Limited	-	31.08
Cancellation of sales of properties	DLF Q.E.C. Educational Charitable Trust	119.50	-
	Lal Chand Public School	50.75	-
Investments made	Caraf Builders & Construction Private Limited	-	1,59,700.00
Loans and advances given	Lal Chand Public School	25.00	-
	Solange Retail Private Limited	288.51	-
Loans refunded back	Lal Chand Public School	25.00	-
	Solange Retail Private Limited	116.93	-
Sale of constructed properties	DLF Assets Private Limited	-	100,656.74
Purchase of land and material	DLF Building & Services Private Limited	14.01	34.34
Purchase of development rights	DLF Assets Private Limited	-	40,575.10

(₹ in lacs)

Description	**Enterprises over which KMP is able to exercise significant influence**		
Balance at the end of the year	**Name of the entity**	**2011**	**2010**
Sundry Debtors	DLF Brands Limited	92.46	-
	Ferragamo Retail India Private Limited	106.05	-
	Giorgio Armani India Private Limited	156.06	-
	DLF Commercial Enterprises	81.19	-
Investments	Digital Talkies Private Limited	-	169.18
	DLF Brands Limited	800.00	-
Earnest money and part payments under agreement to purchase land/ constructed properties	DLF Building & Services Private Limited	227.23	201.17
Creditors/payables	DLF Brands Limited	84.81	-
	DLF Q.E.C. Educational Charitable Trust	7.17	0.77
	DLF Building & Services Private Limited	0.49	0.94
	DLF Q.E.C.Medical Charitable Trust	3.42	-
	Plaza Partners	2.84	2.84
Security deposit received	DLF Brands Limited	400.86	-
	Ferragamo Retail India Private Limited	147.56	-
	Giorgio Armani India Private Limited	259.46	-
	Solange Retail Private Limited	157.03	-
	Reha Retail Private Limited	146.06	-
Loans and interest receivable	DLF Brands Limited	2,486.33	-

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

Description	Key Management Personnel (KMP) and their relatives		
Transactions during the year	**Name of the KMP and their relatives**	**2011**	**2010**
Sale of fixed asstes	Mr. T.C. Goyal	0.66	-
Miscellaneous receipts (income)	Dr. K.P. Singh	7.70	-
	Ms. Pia Singh	4.94	-
Directors remuneration paid	Dr. K.P. Singh	372.36	500.66
	Mr. Rajiv Singh	544.01	543.17
	Mr. K Swarup	289.57	393.19
	Mr. T.C. Goyal	631.73	831.70
	Ms. Pia Singh	329.08	322.54
Salary	Ms. Renuka Talwar	201.00	230.00
	Ms. Savitri Devi Singh	73.31	-
Rent paid	Mrs. Veena Swarup	26.64	21.63
Expenses paid	Mr. Dhiraj Sarna	29.74	-
Advance received under agreement to sell	Mr. T.C. Goyal	-	302.76
	Mrs. Sharda Goyal	14.37	437.08
	Mr. Dhiraj Sarna	-	244.17
	Mr. K. Swarup	12.17	144.47
	Mr Rajiv Singh	936.60	-
	Mr Manish Swarrop	191.48	-
	Ms. Pia Singh	937.02	-
Balance at the end of the year		**2011**	**2010**
Creditors/ amounts payable	Mr. Rajiv Singh	25.62	-
	Mr. K Swarup	91.14	175.00
	Ms. Renuka Talwar	100.00	-
Managerial commission payable	Dr. K.P. Singh	250.00	398.59
	Mr. Rajiv Singh	250.00	398.76
	Mr. T.C. Goyal	200.00	400.00
	Ms. Pia Singh	100.00	125.00
Advance received under agreement to sell	Mr. T.C. Goyal	302.77	302.76
	Mrs. Sharda Goyal	455.23	437.08
	Mr. Dhiraj Sarna	2,184.21	2,184.21
	Mr Rajiv Singh	936.60	-
	Ms. Pia Singh	937.02	-
Sundry debtors	Ms. Pia Singh	0.82	-

8. The Group is primarily engaged in the business of colonisation and real estate development, which as per Accounting Standard 17 on 'Segment Reporting' is considered to be the only reportable business segment. The Group is primarily operating in India which is considered as a single geographical segment.

9. Information to be disclosed in accordance with AS 19 on 'Leases'

A. Assets given on lease *

(₹ in lacs)

Class of assets	Gross block as on March 31, 2011	Depreciation for the year 2010-11	Accumulated depreciation as on March 31, 2011

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

i)	**Fixed assets**			
	Land and building including interiors	1,117,065.99	26,937.37	74,613.53
ii)	**Current assets**			
	(Constructed buildings including land and related equipments)			
	Lease hold	3054.27	52.12	1,001.96
	Free hold	12,345.09	241.62	812.22

* *includes partly self occupied*

i) Operating lease

The Company has leased facilities under non- cancelable operating leases. The future minimum lease payment receivables in respect of these leases as at March 31, 2011 are:

(₹ in lacs)

Particulars	2011	2010
Upto one year	107,200.77	96,871.96
Two to five years	92,693.19	86,159.57
More than five years	2,666.20	3,693.07
	202,560.16	**186,724.60**

Figures disclosed above are gross of eliminations

ii) Finance lease

The minimum finance lease payments for the initial lease period are as under: **(₹ in lacs)**

Particulars	2011	2010
Principal		
Not later than one year	311.59	274.88
Later than one year but not later than five years	1,908.15	2,197.55
Later than five years	656.58	672.33
Interest		
Not later than one year	399.55	442.70
Later than one year but not later than five years	1,010.10	1,409.65
Later than five years	54.56	54.56

B. Assets taken on lease

i) Operating lease

The minimum operating lease payments for the initial lease period are as under: **(₹ in lacs)**

Particulars	2011	2010
Not later than one year	5,804.43	5,393.13
Later than one year but not later than five years	14,847.61	10,093.43
Later than five years	16,600.54	8,709.90

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Lease payment made during the year recognised in the statement of profit and loss account	7,439.49	6,591.72
Sub-lease payment received recognized in the statement of profit and loss account	1,000.07	682.53

Figures disclosed above are gross of eliminations

In respect of DT Cinemas Ltd (now merged with DLF Utilities Limited , a subsidiary of DLF Limited), the buildings for 'Multiplex Theatres' are taken on lease with the initial lease terms ranging from 3 to 4.5 years. These leases are further renewable subject to enhancement of rent by 10% on the expiry of the lease period. There are no restrictions imposed for sub-leasing as per the lease arrangement. The Company sub leases the areas in the multiplexes for food courts.

ii) Finance lease

The minimum finance lease payments for the initial lease period are as under: **(₹ in lacs)**

Particulars	2011	2010
Principal		
Not later than one year	79.04	26.89
Later than one year but not later than five years	70.80	18.87
Interest		
Not later than one year	(1.36)	5.05
Later than one year but not later than five years	-	0.35

10. Employees Stock Option Scheme, 2006 (ESOP)

a) During the year ended March 31, 2007, the Company had announced an Employee Stock Option Scheme (the "Scheme") for all eligible employees of the Company, its subsidiaries, joint ventures and associates. Under the Scheme, 17,000,000 equity shares have been earmarked to be granted under the Scheme and the same will vest as follows:

Block I	Block II	Block III
Year 2	Year 4	Year 6
10% of the total grant	30% of the total grant	60% of the total grant

Pursuant to the above Scheme, the employee will have the option to exercise the right within three years from the date of vesting of shares at ₹ 2 per share, being its exercise price.

b) As per the Scheme, the Remuneration Committee has granted options as per details below :-

Grant No.	Date of grant	Number of options granted	Outstanding options as on March 31, 2011 (Net of options exercised/forfeited)
I	June 27, 2007	3,734,057	2,206,250

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

		(3,734,057)	(2,461,680)
II	October 10, 2007	308,077 (308,077)	106,183 (129,883)
III	July 01, 2008	1,645,520 (1,645,520)	1,083,272 (1,321,860)
IV	October 10, 2008	160,059 (160,059)	77,954 (87,620)
V	July 01, 2009	3,355,404 (3,355,404)	2,976,654 (3,300,441)
VI	October 10, 2009	588,819 (588,819)	511,212 (520,860)

According to the Guidance Note 18 on "Share Based Payments" issued by ICAI, ₹ 5,039.89 lacs have been provided during the year as proportionate cost of ESOPs.

c) Outstanding stock options for equity shares of the company under the "Employees Stock Option Scheme":

		Particulars		2011	
Grant No	Date of grant	Exercise price ₹	Numbers outstanding	Number of options committed to be granted in the future	Total
I	July 1, 2007	2	2,206,250 (2,461,680)	--- (---)	2,206,250 (2,461,680)
II	October 10, 2007	2	106,183 (129,883)	--- (---)	106,183 (129,883)
III	July 01, 2008	2	1,083,272 (1,321,860)	--- (---)	1,083,272 (1,321,860)
IV	October 10, 2008	2	77,954 (87,620)	--- (---)	77,954 (87,620)
V	July 01, 2009	2	2,976,654 (3,300,441)	--- (---)	2,976,654 (3,300,441)
VI	October 10, 2009	2	511,212 (520,860)	--- (---)	511,212 (520,860)

d) In accordance with the guidance note - 18 "Share based payments" issued by ICAI the following information relates to the stock options granted by the Company.

	2011			
Particulars	Stock options (numbers)	Range of exercise prices (₹)	Weighted-average exercise prices (₹)	Weighted-average remaining contractual life (years)
Outstanding, beginning of the year	7,822,344 (5,529,335)	2 (2)	- (-)	- (-)

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Add: Granted during the year	- (3,944,223)	2 (2)	2 (2)	- (-)
Less: Forfeited during the year	709,035 (1,311,546)	2 (2)	2 (2)	- (-)
Less: Exercised during the year	151,784 (270,637)	2 (-)	2 (-)	- (-)
Less: Lapsed during the year	- (-)	- (-)	- (-)	- (-)
Outstanding, end of the year	6,961,525 (7,822,344)	2 (2)	2 (2)	4.13 (5.05)
Exercisable at the end of the year	57,825 (69,031)	2 (2)	2 (2)	- (-)

e) The following table summarizes information about stock options outstanding as at March 31, 2011:

Range of exercise price (₹)	Options outstanding			Options exercisable	
	Numbers	Weighted average remaining contractual life	Weighted average exercise price (₹)	Numbers	Weighted average exercise price (₹)
2 (2)	6,961,525 (7,822,344)	4.13 (5.05)	2 (2)	57,825 (69,031)	2 (2)

(Figures in brackets pertain to previous year)

The Company has calculated the employee compensation cost using the intrinsic value of the stock options measured by a difference between the fair value of the underline equity shares at the grant date and the exercise price. Had compensation cost been determined in a manner consistent with the fair value method, based on Black – Scholes model, the employees compensation cost would have been lower by ₹ 485.75 lacs and proforma profit after tax would have been ₹ 164,285.27 lacs (higher by ₹ 324.39 lacs). On a proforma basis, the basic and diluted earnings per share would have been ₹ 9.68 and ₹ 9.66 respectively.

The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions:

Particulars	Grant 1	Grant ll	Grant lll	Grant IV	Grant V	Grant VI
Dividend yield (%)	0.28	0.28	0.57	0.73	0.86	0.64
Expected life (no of years)	6.50	6.50	5.50	5.50	5.50	5.50
Risk free interest rate (%)	8.37	8.09	9.46	8.17	6.75	7.26
Volatility (%)	82.30	82.30	52.16	59.70	86.16	81.87

11. Cash Settled Options

a) Under the Employee shadow option scheme, employees are entitled to get cash compensation based on the average market price of equity share of the Company, upon exercise of shadow option on a future date. As per the scheme, Shadow options will vest as follows:-

Trench	Date of Grant	Vesting at the end	Vesting at the end	Vesting at the end	Vesting at the end

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

		of year 2	of year 3	of year 4	of year 7
I	July 1, 2007*	50%	-	50%	-
II	September 1, 2007*	50%	-	50%	-
III	May 01, 2008*	50%	-	50%	-
IV	July 01, 2008*	50%	50%	-	-
V	October 10,2008*	50%	50%	-	-
VI	July 01, 2009	100%	-	-	-
VII	August 01, 2010	-	-	-	100%

b) Details of outstanding options and the expenses recognized under the employee shadow option scheme /employee phantom options scheme is as under:-

No of Shadow options outstanding as on March 31, 2011	Exercise price	Average market price	Fair value of shadow option	Total expenses charged to Profit and Loss Account (Included in Schedule-17 – Employee benefits)	Liability as on March 31, 2011 (Included in Schedule 14- Provision – Employee Benefits)
(No.)	₹/Option	₹/Option	₹/Option	₹ in lacs	₹ in lacs
1,552,498	2	232.08	230.08	428.03	1,998.25
(1,460,740)	(2)	(307.15)	(305.15)	(2,290.29)	(2,443.61)

(Figures in brackets pertain to previous year)

* For trench I, II, III, IV and V, 50% options have already been vested, hence remaining 50% are disclosed above.

12. Investment in Joint Ventures

The interest of the Group in major Joint Ventures is listed below:

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

S. No	Joint venture	Location	Principal activities	Ownership interest
1	Kujjal Builders Private Limited	New Delhi	Construction and development of hotels	50%
2	Delanco Real Estate Private Limited (till December 15, 2010)	New Delhi	Real estate consulting and brokerage	50%
3	Mount Mary Residential Projects	Mumbai	Development and construction of residential projects	50%
4	DLF Limitless Developers Private Limited	New Delhi	Construction and development of townships	50%
5	GSG DRDL Consortium	Hyderabad	Development and construction of shopping Malls	50%
6	DLF Gayatri Home Developers Private Limited	Hyderabad	Development and construction of residential projects	50%
7	DLF SBPL Developers Private Limited	New Delhi	Construction and development of townships	50%
8	Banjara Hills Hyderabad Complex	Hyderabad	Development and construction of shopping mall	50%
9	Star Alubuild Private Limited	Gurgaon	Construction and manufacturer of construction material	36.40%
10	Y.G. Realty Private Limited	Gurgaon	Development and construction of commercial projects	50%
11	Domus Reat Estate Private Limited (till December 15, 2010)	New Delhi	Development and construction of residential projects	50%
12	Cleva Builders and Developers Private Limited	New Delhi	Real estate business	50%
13	Prowess Buildcon Private Limited	New Delhi	Development and construction of residential projects	50%
14	Saket Courtyard Hospitality	Gurgaon	Hotel operations	50%
15	Design Plus Architecture Private Limited (w.e.f. December 15, 2010)	New Delhi	Architecture of projects	50%
16	DLF Green Valley (w.e.f December 31, 2010)	New Delhi	Development and construction of residential projects	50%

13. Contingent liabilities not provided for

(₹ in lacs)

Particulars	2011	2010
a) Guarantees on behalf of third parties	9,919.23	14,527.08
b) Claims against the Group (including unasserted claims) not acknowledged as debts *	23,288.71	19,534.15
c) Demand in excess of provisions (pending in appeals):		
Income-tax	201,426.11	58,924.54
Other taxes	22,769.40	25,723.82
d) Letter of credit issued on behalf of the group	60.57	-
e) Liabilities under export obligations in EPCG scheme	3,333.69	1,097.61
f) Miscellaneous	18.57	-

* Interest on certain claims may be payable as and when the outcome of the related claim is determined and has not been included above.

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in lacs)

14.

	2011	2010
Capital expenditure commitments	46,191.73	584,006.14

15. Silverlink Resorts Limited (formerly Silverlink Holding Limited) ("Silverlink"), had certain previous shareholders who had claims against Silverlink which include repurchase of shares held by the shareholders in exchange for secured convertible notes to be issued by Silverlink. These claims originated in the years prior to acquisition of Silverlink by the Company. Following the judgments of the High Court of Singapore dated 26 April 2010 and 26 August 2010 in Suit No. 834 of 2005/W, the Company preferred to challenge the judgment and initiated legal proceedings. The claims of the plaintiffs had been fully provided for as at December 31, 2010. However, subsequently the parties to the Suit resolved all outstanding matters as a full and final settlement between them pertaining to the said suit and connected legal proceedings and executed a settlement agreement dated 28 February 2011. In terms of the settlement agreement, the Company paid the plaintiffs to the Suit the aggregate sum of USD 33.80 mn (inclusive of pre-judgment and post-judgment interest) in full and final satisfaction of the judgment sum in the said suit and simultaneously completed the transfer of shares as agreed in the share repurchase agreement with plaintiffs.

16. Auditors of Silverlink Resorts Limited (formerly Silverlink Holding Limited) ("Silverlink") have qualified their report in respect of the balances in translation reserve and accumulated losses brought forward from the financial year ended 31 December 2004 as these are yet to be fully reconciled. These reconciliations pertain to prior to acquisition of Silverlink by the Company. The management of Silverlink is of the opinion that these reconciliation, if any, will not have any impact on the net worth of the Company. Further, the difference, if any, in reconciliation will interalia, change only the balance in translation reserve and accumulated brought forward losses pertaining to pre acquisition of Silverlink.

17. Income tax and other matters

a) On March 25, 2011, the Company received an Appellate order from CIT (Appeals) in respect of the AY 2006-07. As per this appeal order, the Appellate Authority has given significant relief under the various items resulting reducing the demand from ₹ 48,274.34 lacs to ₹ 7,314.24 lacs.

The Company has further filed an appeal before the Income Tax Appellate Tribunal (ITAT), Delhi against the appellate's order for the remaining demand of ₹ 7,314.24 lacs.

Based on the advice from the independent tax experts, the Group is confident that this balance demand of tax will also not be sustained by the Appellate Authorities. Pending the order of ITAT, this balance demand of ₹ 7,314.24 lacs have been disclosed as contingent liability.

b) During the year ended March 31, 2011, the Company and two of its subsidiaries received two judgements from the Hon'ble High Court of Punjab and Haryana cancelling the release / sale deed of land relating to two / IT SEZ / IT Park projects in Gurgaon. The Company and its subsidiaries have filed Special Leave Petitions challenging the order in the Hon'ble Supreme Court of India.

Based on the advice of the independent legal counsel, the Company and its subsidiaries have a reasonably strong likelihood of succeeding before the Hon'ble Supreme Court, Pending the final decision on the matter, no adjustment has been done in these consolidated financial statements.

c) Subsequent to the year ended March 31, 2011, the Company received an assessment order for AY 2008-09 from the Income Tax Authorities, creating an additional demand of ₹ 54,684.97 lacs out of which, ₹ 48,723 lacs pertains to demand on account of disallowance of SEZ profit u/s 80IAB of Income Tax Act. During the year, the Group had also received similar demands on account of

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

disallowance of SEZ profits in two of its subsidiaries totaling ₹ 115,618.78 lacs. The respective companies have challenged / are challenging these orders with the appropriate authorities.

Based on the advice from the independent tax experts, the Group is confident that the additional demand so created will not be sustained. Pending the order of the Appellate Authorities, no provision has been made in current year financial statements for the additional tax so demanded and same has been disclosed as a contingent liability.

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18. Consolidated financial statements comprise the financial statements of DLF Limited and its subsidiaries, Joint ventures and associates during the year ended March 31, 2011 listed below:

A) Subsidiaries

i) Subsidiaries having accounting year ended March 31, 2011 with the percentage of ownership of DLF Group**.**

Sl. No	Name of entity	Country of Incorporation	Proportion of ownership(%) as at March 31, 2011
1	Aadarshini Real Estate Developers Private Limited	India	100.00
2	Abhigyan Builders & Developers Private Limited (w.e.f November 10,2010)	India	94.43
3	Abhiraj Real Estate Private Limited	India	100.00
4	Adelie Builders & Developers Private Limited	India	100.00
5	Adeline Builders & Developers Private Limited (w.e.f December 7,2010)	India	90.10
6	Adrienne Builders & Constructions Private Limited ##	India	100.00
7	Alastair Builders & Developers Private Limited ##	India	100.00
8	Alta Builders & Developers Private Limited	India	100.00
9	Alvernia Limited	Cyprus	100.00
10	Alvita Builders and Developers Private Limited	India	100.00
11	Americus Real Estate Private Limited	India	100.00
12	Amishi Builders & Developers Private Limited	India	100.00
13	Amoda Builders & Developers Private Limited ##	India	100.00
14	Amon Builders & Developers Private Limited (till December 3 , 2010) *	India	100.00
15	Anjuli Builders And Developers Private Limited ####	India	100.00
16	Annabel Builders & Developers Private Limited	India	51.00
17	Argent Holdings Limited	British Virgin Islands	100.00
18	Ariadne Builders & Developers Private Limited (w.e.f September 9,2010)	India	99.99
19	Armand Builders & Constructions Private Limited (w.e.f December 7,2010)	India	90.10
20	Baakir Real Estates Private Limited (w.e.f September 6,2010)	India	100.00
21	Balaji Highways Holding Private Limited (w.e.f May 15, 2010)	India	51.00
22	Bedelia Builders & Constructions Private Limited	India	100.00
23	Benedict Estates Developers Private Limited (w.e.f November 10,2010)	India	94.43
24	Berenice Real Estate Private Limited	India	100.00
25	Beverly Park Maintenance Services Limited	India	100.00
26	Bhamini Real Estate Developers Private Limited	India	100.00
27	Bhoruka Financial Services Limited	India	99.68
28	Breeze Constructions Private Limited	India	100.00
29	Cachet Real Estates Private Limited (w.e.f December 7,2010)	India	90.10

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

30	Calantha Builders & Developersd Private Limited ####	India	100.00
31	Callista Builders & Constructions Private Limited ##	India	100.00
32	Calvine Builders & Constructions Private Limited (w.e.f December 7,2010)	India	90.10
33	Caraf Builders & Constructions Private Limited	India	100.00
34	Careen Builders & Developers Private Limited (till October 31, 2010) *	India	100.00
35	Caressa Builders & Const Private Limited ####	India	100.00
36	Catriona Builders & Constructions Private Limited	India	100.00
37	Cee Pee Maintenance Services Limited	India	100.00
38	Chakradharee Estates Developers Private Limited (w.e.f November 10,2010)	India	94.43
39	Chandrajyoti Estate Developers Private Limited	India	100.00
40	City Icon Limited (till April 27, 2010) *	Cyprus	100.00
41	Comfort Buildcon Private Limited	India	100.00
42	Cyrilla Builders & Constructions Limited	India	100.00
43	Dae Real Estates Private Limited (w.e.f November 10,2010)	India	94.43
44	Dalmia Promoters and Developers Private Limited	India	100.00
45	Dankuni World City Limited	India	100.00
46	Delanco Home & Resorts Private Limited	India	100.00
47	Delanco Real Estate Private Limited (w.e.f. December 16, 2010) (Note 1)	India	100.00
48	Delanco Realtors Private Limited	India	100.00
49	Deltaland Buildcon Private Limited	India	100.00
50	Deltaland Real Estate Private Limited (w.e.f. December 7,2010)	India	90.10
51	DHDL Wind Power Private Limited	India	100.00
52	Dhoomketu Builders & Developers Private Limited	India	100.00
53	Digital Talkies Private Limited (w.e.f. October 29,2010)	India	61.20
54	Diwakar Estates Limited	India	100.00
55	DLF Ackruti Info Parks (Pune) Limited	India	67.00
56	DLF Aspinwal Hotels Private Limited	India	90.00
57	DLF Assets Private Limited	India	100.00
58	DLF Brands Limited (till October 31, 2010) *	India	100.00
59	DLF Business Hotels Ventures Private Limited (till September 29 , 2010) *	India	100.00
60	DLF City Centre Limited	India	100.00
61	DLF City Centre Limited (till April 27, 2010) *	Cyprus	100.00
62	DLF Cochin Hotels Private Limited	India	100.00
63	DLF Comfort Hotels Private Limited	India	100.00
64	DLF Commercial Complexes Limited ##	India	100.00
65	DLF Commercial Developers Limited	India	100.00
66	DLF Construction Limited (formely DLF Projects Limited)	India	100.00
67	DLF Cyber City Developers Limited.	India	100.00
68	DLF Developers Limited	India	100.00
69	DLF Emporio Restaurants Limited	India	100.00
70	DLF Estate Developers Limited	India	100.00
71	DLF Exotica Hotels Private Limited	India	100.00
72	DLF Financial Services Limited	India	100.00
73	DLF Finvest Limited	India	100.00
74	DLF Food Courts Private Limited ##	India	100.00
75	DLF Garden City Indore Private Limited	India	51.00
76	DLF Global Hospitality Limited	Cyprus	100.00
77	DLF Golf Resort Limited	India	100.00
78	DLF Gurgaon Developers Limited	India	100.00
79	DLF Haryana SEZ (Ambala) Limited	India	100.00
80	DLF Haryana SEZ (Gurgaon) Limited	India	100.00

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

81	DLF Hilton Hotels (Mysore) Private Limited	India	74.00
82	DLF Home Developers Limited	India	100.00
83	DLF Homes Ambala Private Limited	India	100.00
84	DLF Homes Durgapur Private Limited ####	India	100.00
85	DLF Homes Goa Private Limited	India	100.00
86	DLF Homes Kokapet Private Limited	India	100.00
87	DLF Homes Panchkula Private Limited	India	51.00
88	DLF Homes Pune Private Limited	India	100.00
89	DLF Homes Rajapura Private Limited	India	51.00
90	DLF Homes Services Private Limited	India	100.00
91	DLF Hospitality and Recreational Limited	India	100.00
92	DLF Hotel Holdings Limited	India	100.00
93	DLF Hotels & Apartments Private Limited	India	100.00
94	DLF Hotels & Hospitality Limited (formerly DLF Hilton Hotels Limited)	India	74.00
95	DLF Housing & Construction Limited ####	India	100.00
96	DLF India Limited (formerly DLF Universal Limited)	India	90.10
97	DLF Info City Developers (Chandigarh) Limited	India	100.00
98	DLF Info City Developers (Chennai) Limited	India	100.00
99	DLF Info City Developers (Kolkata) Limited	India	100.00
100	DLF Info Park Developers (Chennai) Limited	India	100.00
101	DLF Infra Holding Limited ####	India	100.00
102	DLF Inns Limited	India	100.00
103	DLF International Holdings Pte Limited	Singapore	100.00
104	DLF International Hospitality Corp	British Virgin Islands	100.00
105	DLF Jaipur Convention Center Private Limited (till September 29 , 2010) *	India	100.00
106	DLF Land Limited ####	India	100.00
107	DLF Luxury Hotels Limited	India	100.00
108	DLF Metro Limited	India	100.00
109	DLF New Delhi Convention Center Limited	India	100.00
110	DLF New Gurgaon Homes Developers Private Limited	India	94.43
111	DLF New Gurgaon Offices Developers Private Limited	India	100.00
112	DLF New Gurgaon Retail Developers Private Limited	India	100.00
113	DLF Phase-IV Commercial Developers Limited	India	100.00
114	DLF Pramerica Life Insurance Company Limited	India	74.00
115	DLF Premium Homes Private Limited ####	India	100.00
116	DLF Projects Limited (formerly DT Projects Limited)	India	100.00
117	DLF Property Developers Limited	India	100.00
118	DLF Real Estates Builders Limited	India	100.00
119	DLF Recreational Foundation Limited	India	85.00
120	DLF Residential Builders Limited	India	100.00
121	DLF Residential Developers Limited	India	100.00
122	DLF Residential Partners Limited	India	100.00
123	DLF Retail Services Limited ##	India	100.00
124	DLF Service Apartments Limited	India	100.00
125	DLF Services Limited ###	India	100.00
126	DLF SEZ Developers Limited ####	India	100.00
127	DLF Southcourt Hotels Private Limited (till September 29, 2010) *	India	100.00
128	DLF Southern Homes Private Limited	India	51.00
129	DLF Southern Towns Private Limited	India	51.00
130	DLF Telecom Limited	India	100.00
131	DLF Trust Management Pte Limited	Singapore	100.00
132	DLF Universal Limited (formerly DLF Retail Developers Limited)	India	100.00
133	DLF Utilities Limited	India	99.99

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

134	DLF Wind Power Private Limited (formerly Bestvalue Housing & Constrctions Private Limited)	India	100.00
135	Domus Real Estates Private Limited (w.e.f. December 16,2010)	India	100.00
136	Domus Realtors Private Limited (w.e.f. December 7,2010)	India	90.10
137	DT Cinemas Limited ###	India	100.00
138	Eastern India Powertech Limited	India	100.00
139	Edward Keventer (Successors) Private Limited	India	100.00
140	Eila Builders & Developers Private Limited	India	100.00
141	Elvira Builders & Constructions Private Limited (w.e.f. December 7,2010)	India	90.10
142	Enki Retail Private Limited (till October 31, 2010) *	India	100.00
143	Eros Retail Private Limited (till October 31, 2010) *	India	100.00
144	Falguni Builders Private Limited	India	100.00
145	Faye Builders & Constructions Private Limited (w.e.f. December 7,2010)	India	90.10
146	First City Real Estate Private Limited (w.e.f. December 7,2010)	India	90.10
147	Flora Real Estate Private Limited (w.e.f. December 7,2010)	India	90.10
148	Fonton Limited	British Virgin Islands	100.00
149	Galaxy Mercantiles Limited	India	71.00
150	Galleria Property Management Services Private Limited	India	72.24
151	Ganika Builders Private Limited	India	100.00
152	Gavin Builders & Developers Private Limited ##	India	100.00
153	Geocities Airport Infrastructures Private Limited	India	100.00
154	Gulika Home Developers Private Limited	India	100.00
155	Gyan Real Estate Developers Private Limited	India	100.00
156	Hansel Builders & Developers Private Limited (w.e.f. December 7,2010)	India	90.10
157	Hiemo Builders & Developers Private Limited	India	100.00
158	Highvalue Builders Private Limited	India	100.00
159	Hyacintia Real Estate Developers Private Limited (w.e.f. September 9,2010)	India	99.99
160	Irving Builders & Developers Private Limited (w.e.f. December 7,2010)	India	90.10
161	Isabel Builders & Developers Private Limited	India	100.00
162	Ishayu Builders & Developers Private Limited (till December 3, 2010) *	India	100.00
163	Jai Luxmi Real Estate Private Limited	India	92.50
164	Janya Estate Developers Private Limited ####	India	100.00
165	Jawala Real Estate Private Limited	India	100.00
166	Juno Retail Private Limited (till October 31, 2010) *	India	100.00
167	K G Infrastructure Private Limited	India	100.00
168	Kairav Real Estate Private Limited ####	India	100.00
169	Kapo Retail Private Limited (till October 31 , 2010) *	India	70.00
170	Khem Buildcon Private Limited	India	100.00
171	Lada Estates Private Limited (w.e.f. December 7,2010)	India	90.10
172	Laman Real Estates Private Limited	India	94.43
173	Lawanda Builders & Developers Private Limited	India	100.00
174	Leandra Builders & Developers Private Limited ##	India	100.00
175	Lear Builders & Developers Private Limited (w.e.f. December 7,2010)	India	90.10
176	Lempo Buildwell Private Limited (w.e.f. December 7,2010)	India	90.10
177	Liber Buildwell Private Limited (w.e.f. December 7,2010)	India	90.10
178	Lizebeth Builders & Developers Private Limited (w.e.f November 10,2010)	India	94.43
179	Mariposa Builders & Developers Private Limited (w.e.f. December 7,2010)	India	90.10

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

180	Melosa Builders & Developers Private Limited (w.e.f. December 7,2010)	India	90.10
181	Mens Buildcon Private Limited	India	100.00
182	Mhaya Buildcon Private Limited	India	100.00
183	Monroe Builders & Developers Private Limited	India	100.00
184	Nambi Buildwell Private Limited	India	100.00
185	Necia Builders & Developers Private Limited ##	India	100.00
186	Nellis Builders & Developers Private Limited	India	100.00
187	NewGen MedWorld Hospitals Limited	India	100.00
188	Nilayam Builders & Developers Limited	India	100.00
189	Overseas Hotels Limited	British Virgin Islands	100.00
190	Paliwal Developers Limited	India	100.00
191	Paliwal Real Estate Private Limited	India	100.00
192	PAT Infrastructures Private Limited ##	India	100.00
193	Pee Tee Property Management Services Limited	India	100.00
194	Penthea Builders & Developers Private Limited (w.e.f November 10,2010)	India	94.43
195	Philana Builders & Developers Private Limited (w.e.f November 10,2010)	India	94.43
196	Phoena Builders & Developers Private Limited (w.e.f November 10,2010)	India	94.43
197	Prompt Real Estate Private Limited	India	100.00
198	Pyrite Builders & Constructions Private Limited (w.e.f. December 7,2010)	India	90.10
199	Qabil Builders & Constructions Private Limited (w.e.f. December 7,2010)	India	90.10
200	Rachelle Builders & Constructions Private Limited (w.e.f. December 7,2010)	India	90.10
201	Rati Infratech Private Limited	India	100.00
202	Red Acres Development Limited	British Virgin Islands	100.00
203	Regency Park Property Management Services Private Limited	India	99.93
204	Reha Retail Private Limited (till October 31, 2010) *	India	70.00
205	Richmond Park Property Management Services Limited	India	100.00
206	Riveria Commercial Developers Limited	India	100.00
207	Rochelle Builders & Constructions Private Limited (w.e.f. December 7,2010)	India	90.10
208	Rod Retail Private Limited (till October 31, 2010) *	India	100.00
209	Royalton Builders & Developers Private Limited (w.e.f. December 7,2010)	India	90.10
210	Saguna Builders & Developers Private Limited (w.e.f. December 7,2010)	India	90.10
211	Saket Holiday Resorts Private Limited (formerly Saket Courtyard Hospitality Private Limited)	India	100.00
212	Samali Builders & Developers Private Limited ####	India	100.00
213	Shakirah Real Estates Private Limited (fomerly DLF Pleasure Hotels Private Limited)	India	100.00
214	Shivajimarg Properties Limited	India	100.00
215	Silver Oaks Property Management Services Limited	India	100.00
216	Sinonet Holding Limited	British Virgin Islands	100.00
217	Solid Buildcon Private Limited ####	India	100.00
218	Springhills Infratech Private Limited	India	100.00
219	Sunlight Promoters Private Limited	India	100.00
220	Triumph Electronics Private Limited	India	100.00
221	Universal Hospitality Limited	British Virgin	100.00

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

		Islands	
222	Urvasi Infratech Private Limited	India	100.00
223	Valini Builders & Developers Private Limited	India	65.00
224	Vibodh Developers Private Limited (w.e.f November 10,2010)	India	94.43
225	Vilina Estate Developers Private Limited (w.e.f. December 7,2010)	India	90.10
226	Vinanti Builders & Developers Private Limited (w.e.f. December 7,2010)	India	90.10
227	Vkarma Capital Investment Management Company Private Limited	India	100.00
228	Vkarma Capital Trustee Company Private Limited	India	100.00
229	VSK Investment & Finance Limited #	India	100.00
230	Wagishhwari Estates Private Limited (till December 3 , 2010) *	India	90.00
231	Webcity Builders & Developers Private Limited (w.e.f November 10,2010)	India	94.43
232	Zola Real Estates Private Limited	India	100.00
233	Zoria Infratech Private Limited	India	100.00

** Proportion of ownership (%) as at the date till it was subsidiary*

Pursuant to the Order of the Honourable High Court of Delhi by virtue of scheme of arrangement, the said entity has been merged with DLF Real Estate Builders Limited. Accordingly , transactions with the said entity during the year ended March 31, 2011 and balance outstanding thereto on that date have been disclosed as transactions with and balances outstanding to as the case may be, DLF Real Estate Builders Limited during the year ended and as of March 31, 2011.

Pursuant to the Order of the Honourable High Court of Delhi by virtue of scheme of arrangement, the said entities have been merged with DLF Universal Limited (formerly DLF Retail Developers Limited). Accordingly , transactions with the said entities during the year ended March 31, 2011 and balance outstanding thereto on that date have been disclosed as transactions with and balances outstanding to as the case may be, DLF Universal Limited (formerly DLF Retail Developers Limited) during the year ended and as of March 31, 2011.

Pursuant to the Order of the Honourable High Court of Punjab and Haryana at Chandigarh by virtue of scheme of arrangement, the said entities have been merged with DLF Utilities Limited. Accordingly , transactions with the said entities during the year ended March 31, 2011 and balance outstanding thereto on that date have been disclosed as transactions with and balances outstanding to as the case may be, DLF Utilities Limited during the year ended and as of March 31, 2011.

Pursuant to the Order of the Honourable High Court of Delhi by virtue of scheme of arrangement, the said entities have been merged with DLF Home Developers Limited. Accordingly , transactions with the said entities during the year ended March 31, 2011 and balance outstanding thereto on that date have been disclosed as transactions with and balances outstanding to as the case may be, DLF Home Developers Limited during the year ended and as of March 31, 2011.

ii) The accounting year for the below entities being the calendar year, their financial statements as at December 31, 2010 have been considered for consolidation in these Consolidated Financial Statements. Further, no adjustment is considered necessary in the Consolidated Financial Statements for the period from January 1 to March 31, 2011, as the management believes that no material event, affecting the financial position of the subsidiary and its constituents, has occurred during this period.

Sl No	Name of entity	Country of Incorporation	Proportion of ownership (%)
1	Amanresorts Limited	British Virgin Islands	94.78
2	Aman Gocek Insatt Taahhut Turizm Sanayive Ticaret AS	Turkey	94.78

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

3	Amancruises (2006) Company Limited	Thailand	94.78
4	Amancruises Company Limited	Thailand	94.78
5	Amankila Resorts Limited	British Virgin Islands	94.78
6	Amanproducts Limited	British Virgin Islands	94.78
7	Amanresorts B.V.	Netherlands	94.78
8	Amanresorts International Pte Limited	Singapore	94.78
9	Amanresorts IPR B.V.	Netherlands	94.78
10	Amanresorts Limited	Hong Kong	94.78
11	Amanresorts Management B.V.	Netherlands	94.78
12	Amanresorts Services Limited	British Virgin Islands	94.78
13	Amanresorts Technical Services B.V.	Netherlands	94.78
14	Anbest Holdings Limited	British Virgin Islands	94.78
15	Andaman Development Company Limited	Thailand	94.78
16	Andaman Holdings Limited	British Virgin Islands	94.78
17	Andaman Resorts Company Limited	Thailand	94.78
18	Andaman Thai Holding Company Limited	Thailand	94.78
19	Andes Resort Limited SAC	Peru	94.78
20	Aradal Company N.V.	Netherlands Antilles	94.78
21	ARL Marketing Inc.	USA	94.78
22	ARL Marketing Limited	British Virgin Islands	94.78
23	ASL Management (Palau) Limited	Palau	94.78
24	Balina Pansea Company Limited	British Virgin Islands	94.78
25	Barbados Holdings Limited	British Virgin Islands	94.78
26	Bhosphorus Investments Limited	British Virgin Islands	94.78
27	Bhutan Hotels Limited	British Virgin Islands	94.78
28	Bhutan Resorts Private Limited	Bhutan	56.87
29	Bodrum Development Limited	British Virgin Islands	94.78
30	Ceylon Holdings B.V.	Netherlands	94.78
31	Colombo Resorts Holdings N.V.	Netherlands Antilles	94.78
32	Current Finance Limited	British Virgin Islands	94.78
33	Forerun Group Limited	British Virgin Islands	94.78
34	Goyo Services Limited	British Virgin Islands	56.87
35	Guardian International Private Limited	India	94.78
36	Gulliver Enterprises Limited	British Virgin Islands	94.78
37	Heritage Resorts Private Limited	India	48.34
38	Hospitality Trading Limited	British Virgin Islands	94.78
39	Hotel Finance International Limited	British Virgin Islands	94.78
40	Hotel Sales Services Limited	British Virgin Islands	94.78
41	Hotel Sales Services Private Limited	Sri Lanka	94.78
42	Incan Valley Holdings Limited	British Virgin Islands	94.78
43	Jackson Hole Holdings Limited	British Virgin Islands	94.78
44	Jalisco Holdings Pte Limited	Singapore	94.78
45	Lao Holdings Limited	British Virgin Islands	94.78
46	Le Savoy Limited	British Virgin Islands	76.77
47	Lodhi Property Company Limited	India	94.78
48	LP Hospitality Company Limited	Laos	94.78
49	Marrakech Investments Limited	British Virgin Islands	94.78
50	Mulvey B.V.	Netherlands	94.78
51	Mulvey Venice S.R.L	Italy	94.78
52	Naman Consultants Limited	British Virgin Islands	48.34
53	Norman Cay's Holdings Limited	Bahamas	94.78

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

54	NOH (Hotel) Private Limited	Sri Lanka	48.34
55	Nusantara Island Resorts Limited	British Virgin Islands	56.87
56	Otemachi Tower Resorts Co. Limited	Japan	94.78
57	P.T. Amanresorts Indonesia	Indonesia	94.78
58	P.T. Amanusa Resort Indonesia	Indonesia	56.87
59	P.T. Indrakila Villatama Development	Indonesia	56.87
60	P.T. Moyo Safari Abadi	Indonesia	49.95
61	P.T. Nusantara Island Resorts	Indonesia	56.87
62	P.T. Tirta Villa Ayu	Indonesia	94.78
63	P.T. Villa Ayu	Indonesia	56.87
64	Palawan Holdings Limited	British Virgin Islands	94.78
65	Phraya Riverside (Bangkok) Company Limited	Thailand	94.78
66	Princiere Resorts Limited	Cambodia	94.78
67	Puri Limited	British Virgin Islands	94.78
68	Queensdale Management Limited	British Virgin Islands	48.34
69	Regent Asset Finance Limited	British Virgin Islands	94.78
70	Regent Land Limited	Cambodia	94.78
71	Regional Design & Research B.V.	Netherlands	56.87
72	Regional Design & Research N.V.	Netherlands Antilles	56.87
73	Serendib Holdings B.V.	Netherlands	94.78
74	Silverlink (Mauritius) Limited	Mauritius	94.78
75	Silverlink (Thailand) Company Limited	Thailand	94.78
76	Silverlink Holdings Limited	British Virgin Islands	94.78
77	Silver-Two (Bangkok) Company Limited	Thailand	94.78
78	Societe Nouvelle de L'Hotel Bora Bora	French Polynesia	94.78
79	Tahitian Resorts Limited	British Virgin Islands	94.78
80	Tangalle Property (Private) Limited	Sri Lanka	48.34
81	Toscano Holding Limited	British Virgin Islands	94.78
82	Villajena Development Company Limited	British Virgin Islands	94.78
83	Yucatan Holdings Pte Limited (w.e.f. May19, 2009)	Singapore	94.78
84	Zeugma Limited	British Virgin Islands	75.82

B) Partnership Firms

Sl No	Name of Partnership firm	Country of Incorporation	Proportion of ownership(%) as at March 31,2011
1	DLF Commercial Projects Corporation	India	100.00
2	DLF Office Developers	India	85.00
3	DLF South Point	India	100.00
4	Kavicon Partners	India	100.00
5	Rational Builders and Developers	India	90.00
6	DLF GK Residency	India	100.00
7	Saket Courtyard Hospitality	India	50.00
8	DLF Green Valley (w.e.f. December 31, 2010)	India	50.00

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

C) Joint Ventures

Sl No	Name of Joint Venture	Country of Incorporation	Proportion of ownership (%) as at March 31, 2011
1	Delanco Real Estates Private Limited *(till December 15, 2010) (Note 1)	India	50.00
2	DLF Limitless Developers Private Limited	India	50.00
3	DLF SBPL Developers Private Limited	India	50.00
4	Kujjal Builders Private Limited	India	50.00
5	Star Alubuild Private Limited	India	36.40
6	Mount Mary Residential Projects	India	50.00
7	GSG DRDL Consortium	India	50.00
8	DLF Gayatri Home Developers Private Limited	India	50.00
9	Banjara Hills Hyderabad Complex	India	50.00
10	Y.G. Realty Private Limited	India	50.00
11	Domus Real Estate Private Limited* (till December 15, 2010)	India	50.00
12	Cleva Builders and Developers Private Limited	India	50.00
13	Prowess Buildcon Private Limited	India	50.00
14	Saket Courtyard Hospitality	India	50.00
15	Design Plus Architechture Private Limited (w.e.f December 15, 2010) (Note 2)	India	50.00
16	DLF Green Valley (w.e.f December 31, 2010)	India	50.00

** Proportion of ownership (%) as at the date till it was joint venture*

D) Associates

Sl No	Name of Associates	Country of Incorporation	Proportion of ownership (%) as at March 31, 2011
1	Joyous Housing Limited	India	37.50
2	Ferragamo Retail India Private Limited (till October 31, 2010)*	India	49.00
3	Giorgio Armani India Private Limited (till October 31, 2010)*	India	49.00
4	Regional D & R Limited	U.K	50.00
5	Seven Seas Resorts and Leisure Inc	Phillippines	21.00
6	Islan Aviation Limited	Phillippines	21.00
7	Revlys SA	Moracco	50.00
8	Villajena	Moracco	50.00
9	Surin Bay Co. Limited	Thailand	25.00
10	P.T Jawa Express Amanda Indah	Indonesia	50.00
11	Zeus Infrastructure Private Limited	India	33.33
12	Australian Resort Limited	British Virgin Islands	50.00
13	Kyoto Resorts YK	Japan	33.30
14	Pamalican Island Holdings Inc	Philippines	21.00
15	Pandis (Thailand) Co. Limited	Thailand	50.00

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

16	Pansea Tourism Co. Limited	Thailand	50.00
17	Rapid Metro Rail Gurgaon Limited (w.e.f. May 27, 2010)	India	26.00

** Proportion of ownership (%) as at the date till it was associate*

Note:

1) During the year, DLF Home Developers Limited, a wholly owned subsidiary company acquired additional 50% shareholding of Delanco Real Estate Private Limited and accordingly Delanco Real Estate Private Limited became a wholly owned subsidiary company of the Group.

2) During the year, DLF Home Developers Limited, a wholly owned subsidiary company acquired 50% shareholding of Design Plus Architechture Private Limited and accordingly Design Plus Architechture Private Limited became a 50:50 JV company.

19. Amalgamation / Merger of subsidiaries

A. Petitions for amalgamation were filed before the Hon'ble High Court of Delhi by various subsidiary companies as details given below. As mentioned against each, the Hon'ble High Court has approved/sanctioned the scheme of amalgamation, which has filed with Registrar of Company ("ROC"), NCT of Delhi & Haryana thereby making the scheme of amalgamation effective from the appointed date. Accordingly, financial statements of these companies are merged to give effect of the merger. All transferor companies and transferee companies are subsidiaries of the Company.

Sl No	Name of transferee company	Name of transferor companies	Date of filing of Order with ROC i.e. effective date
1	DLF Real Estate Builders Limited (indirect wholly owned subsidiary of DLF Limited)	VSK Investment & Finance Limited	Merger Order filed with ROC on May 11, 2010
2	DLF Retail Developers Limited (wholly owned subsidiary of DLF Limited)	1. Necia Builders and Developers Private Limited 2. Pat Infrastructures Private Limited 3. Adrienne Builders and Constructions Private Limited 4. DLF Food Courts Private Limited 5. DLF Retail Services Limited 6. DLF Commercial Complexes Limited 7. Callista Builders and Construction Private Limited 8. Gavin Builders and Developers Private Limited 9. Alastair Builders and Developers Private Limited 10. Leandra Builders and Developers Private Limited 11. Amoda Builders and Developers Private Limited	Merger Order filed with ROC on May 19, 2010
3	DLF Utilities Limited (indirect subsidiary of	**Before the Punjab and Haryana**	Merger Order filed with ROC on October 18, 2010

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	DLF Limited)	**High Court** 1. DLF Services Limited 2. DT Cinemas Limited	
4	DLF Home Developers Limited (wholly owned subsidiary of DLF Limited)	**Before the Punjab and Haryana High Court** 1. DLF Housing and Construction Limited 2. DLF Infra Holdings Limited 3. DLF Land Limited **Before the Delhi High Court** 4. Caressa Builders & Constructions Private Limited 5. DLF Homes Durgapur Private Limited 6. Anjuli Builders and Developers Private Limited 7. Calantha Builders and Developers Private Limited 8. DLF Premium Homes Private Limited 9. DLF SEZ Developers Limited 10. Janya Estate Developers Private Limited 11. Kairav Real Estate Private Limited 12. Samali Builders and Developers Private Limited 13. Solid Buildcon Private Limited 14. DLF Commercial Developers Limited (Non-SEZ undertaking)-Demerger	Merger Order filed with ROC on February 28, 2011

B. Petitions for Amalgamation were filed before the Hon'ble High Court Delhi by various subsidiary companies as details given below. Subsequent to the balance sheet date, the Hon'ble High Court has approved the scheme of amalgamation of all these subsidiary companies. Since the order of Hon'ble High Court of Delhi was received subsequent to the year end, no effect of the amalgamation has been given in these financial statements in accordance with Accounting Standard-14 of Companies (Accounting Standard) Rules-2006 on accounting for amalgamation. The transferor company and all transferee companies are subsidiaries of DLF Limited.

Sl No	Name of transferee company	Name of transferor companies	Date of filing of Order with ROC i.e. effective date
1	Aadarshini Real Estate Developers Private Limited (Indirect wholly owned subsidiary of DLF Limited)	1. Falguni Builders Private Limited 2. Ganika Builders Private Limited 3. Gulika Home Developers Private Limited	Merger Order filed with ROC on April 13, 2011 to make amalgamation effective.

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

C. In addition to above, the following subsidiary companies have also filed amalgamation petitions as per details below before the Hon'ble High Court of Delhi at New Delhi and Hon'ble High Court of Punjab and Haryana at Chandigarh as per the respective jurisdictions. The orders for sanction from the respective High Courts are awaited and hence, no effect thereto has been given in the consolidated financial statements:

S.No.	Name of transferee company	Name of transferor companies	Date of Board meeting approving the Scheme of Amalgamation	Appointed / Transfer Date as per the Scheme of Amalgamation
1.	DLF Universal Limited (formerly DLF Retail Developers Limited) Wholly owned subsidiary of DLF Limited.	1. Bhoruka Financial Services Limited 2. DLF Metro Limited 3. Shakirah Real Estates Private Limited	November 4, 2010	April 1, 2009

(This space has been intentionally left blank)

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

20. Details of preference shares issued by subsidiary companies:

(₹ in lacs)

Sl No	Name of subsidiary company	2011	2010
1	**Shivaji Marg Properties Limited (See note 1)**		
	Nil (previous year 4,80,00,000) 0.01% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up	-	48,000.00
2	**DLF Southern Homes Private Limited (See note 2)**		
	Nil (previous year 4,57,50,000) 0.01% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up	-	45,750.00
3	**DLF New Gurgaon Home Developers Private Limited (See note 3)**		
	Nil (previous year 2,232,000) 0.05% Cumulative Redeemable 'A' Preference Shares of ₹ 100 each fully paid	-	2,232.00
	Nil (previous year 42,408,000) 0.5% Cumulative Redeemable 'B' Preference Shares of ₹ 100 each fully paid	-	42,408.00
4	**DLF Assets Private Limited (See Note 4)**		
	20,208,743 (previous year 20,208,743) 9 % Cumulative Compulsorily Convertible Preference Shares – Series I of ₹ 100 each fully paid up (Each CCPS convertible into 10 equity shares of ₹ 10/- each on December 23, 2019)	20,208.74	20,208.74
	Nil (previous year 272,479,230) 14.75 % Cumulative Compulsorily Convertible Preference Shares of ₹ 100 each fully paid up (Each CCPS converted into 9.71 equity shares of ₹ 10/- each)	-	272,479.23
5	**Galaxy Mercantiles Limited (See Note 5)**		
	1,106,200 0.50% (previous year 12,00,000) 0.50% Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up *Preference shares shall be redeemed at a premium of ₹ 450 per preference share out of the profits of the company from the end of the 3rd year of the development completion date.	1106.20	1,200.00
6	**DLF Cyber City Developers Limited**		
	159,699,999 (previous year 159,699,999) 9% Compulsory Convertible preference share of ₹ 100/- each fully paid up.	159,700.00	159,700.00
7	**Regency Park Property Management Services Limited**		
	100 (previous year 100) 12% Non Cumulative Redeemable Preference shares of ₹ 100 each fully paid up (Redeemable on or before December 11, 2022)	0.10	0.10
	4,000 (previous year 4,000) 9% Non Cumulative Redeemable Preference shares of ₹ 100 each fully paid up (Redeemable on or before January 22, 2023)	4.00	4.00

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

8	**Galleria Property Management Services Limited** 100 (previous year 100) 12% Non Cumulative Redeemable Preference shares of ₹ 100 each fully paid (Redeemable on or before December 11, 2022)	0.10	0.10
	4,000 (previous year 4,000) 9% Non Cumulative Redeemable Preference shares of ₹ 100 each fully paid (Redeemable on or before January 22, 2023)	4.00	4.00
9	**Digital Talkies Private Limited** 3,000 12% Non Cumulative Redeemable Preference shares of ₹ 100 each fully paid	3.00	-
		181,026.14	**591,986.17**

Notes:

1) Shivaji Marg Properties Limited ("Shivaji Marg") has entered into a Redemption and Share Purchase Agreement on June 29, 2010 with LB India Holdings Mauritius II Limited, the subscriber of 48,000,000 non-convertible non-cumulative redeemable preference shares of Shivaji Marg ("RPS"). Pursuant to the terms and conditions of the agreement, the redemption of the RPS happened on August 05, 2010 at ₹ 58,650 lacs.
2) DLF Southern Homes Private Limited ("DLF Southern Homes") has entered into a Redemption and Share Purchase Agreement on June 29, 2010 with LB India Holdings Mauritius II Limited, the subscriber of 45,750,000 non-convertible non-cumulative redeemable preference shares of DLF Southern Homes ("RPS"). Pursuant to the terms and conditions of the agreement, the redemption of the RPS happened during the period July 1, 2010 and September 1, 2010 at ₹ 55,890 lacs.
3) DLF New Gurgaon Home Developers Private Limited has issued 44,640,000 Cumulative Redeemable Preference shares of ₹ 100 each at a premium of ₹ 47 each to DLF Home Developers Limited on May 5, 2010. The preference shares mentioned above has been redeemed out of the proceeds from the fresh issue of preference shares.
4) During the year, the company converted 14.75% 27,247,230 compulsorily convertible preference shares of ₹ 100 each into 264,536,214 equity shares of ₹ 10 each at a premium of ₹ 0.30 per share.
5) During the year, 93,800 0.5% Cumulative Redeemable Preference shares of ₹ 100 each fully paid up shares have been redeemed at a premium of ₹ 450/- per share. Cumulative dividend of ₹ 45.91 lacs (previous year ₹ 47.79 lacs) is provided as at March 31, 2011.

21. a) The Group uses forward contracts and swaps to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of forward contracts and swaps is covered by Group's overall strategy. The Group does not use forward covers and swaps for speculative purposes.

As per the strategy of the Group, foreign currency loans are covered by comprehensive hedge, considering the risks associated with the hedging of such loans, which effectively fixes the principal and interest liability of such loans and further there is no additional risk involved post hedging of these loans.

The following are the outstanding Forward Contracts and Swaps as at March 31, 2011:

(₹ in lacs)

For hedging any risks	2011	2010
Secured loans*	238,519.41	353,123.93
Interest on secured loans	627.12	1,452.16
Unsecured loans*	2,120.88	1,240.35
Interest on unsecured loans	0 .11	39.12

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Creditors for goods		
Number of contracts	-	Five
Type	-	Buy
Foreign currency		
EURO	-	7.00
GBP	-	10.25
INR equivalent	-	1,007.69
Current liabilities and provisions	-	35.73

* Stated at forward rates

b) The detail of foreign currency exposure that are not hedged by derivative instrument or other wise included in the creditors is as mentioned below:-

(₹ In lacs)

	2011		2010	
	Foreign currency	INR (₹)	Foreign currency	INR (₹)
Secured loan				
USD	338.68	15,122.15	359.16	16212.39
Interest on secured loan				
USD	0.80	35.60	1.34	60.58
Unsecured loan				
USD	503.18	22,467.19	281.43	12,703.56
EURO	39.36	2,488.91	39.36	2,383.43
JPY	31,666.85	17,106.43	29,320.96	14,203.07
Interest on unsecured loan				
USD	0.79	35.55	1.30	58.72
EURO	0.05	3.16	1.31	79.18
JPY	28.10	15.18	487.88	236.33
Creditors for goods				
USD	1.20	53.36	1.19	53.58
EURO	-	-	3.60	218.03
GBP	-	-	0.90	60.98
SGD	0.01	0.43	-	-
Creditors for expenses				
EURO	-	-	0.22	13.28
GBP	-	-	0.45	30.45
Other advances				
USD	-	-	0.03	1.53
EURO	-	-	0.29	17.51
Current liabilities & provisions				
USD	-	-	95.00	4288.30

* Conversion rate applied 1 USD = ₹ 44.65, 1 EURO = ₹ 63.24, 1 JPY = ₹ 0.5402, 1 GBP = ₹ 71.9289
(previous year 1 USD = ₹ 45.14, 1 JPY = ₹ 0.4844, 1 EURO = ₹ 60.56 , 1 GBP = ₹ 68.032)

SCHEDULE: 24 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

22. Previous year figures have been regrouped/ recast wherever considered necessary to make them comparable with those for the current year.

For and on behalf of the Board of Directors

Ashok Kumar Tyagi	**Subhash Setia**	**T.C. Goyal**	**Rajiv Singh**
Group Chief Financial Officer	Company Secretary	Managing Director	Vice Chairman

Place : New Delhi
Date : May 24, 2011

DECLARATION

We hereby declare that all the relevant provisions of the Companies Act, 1956, and guidelines issued by the Government of India or the guidelines and regulations issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines and regulations issued, as the case may be.

SIGNED BY THE DIRECTORS OF THE COMPANY

Dr. Kushal Pal Singh
Chairman and Whole-time Director

Mr. Rajiv Singh
Vice-chairman and Whole-time Director

Mr. Trilok Chand Goyal
Managing Director

Ms. Pia Singh
Whole-time Director

Mr. Gurvirendra Singh Talwar
Director

Dr. Dharam Vir Kapur
Director

Mr. Kashi Nath Nemani
Director

Mr. Brijender Bhushan
Director

Brig. (Retd.) Narendra Pal Singh
Director

Place: New Delhi

Date: April 29, 2013

Registered Office of the Company	Corporate Office of the Company
DLF Limited Shopping Mall, 3rd Floor, Arjun Marg Phase-I, DLF City, Gurgaon 122 002, Haryana	**DLF Limited** DLF Centre, Sansad Marg New Delhi 110 001

Statutory Auditor to the Company

M/s. Walker, Chandiok & Co
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122 002

Managers

Standard Chartered Securities (India) Limited	Deutsche Equities India Private Limited	DSP Merrill Lynch Limited	J. P. Morgan India Private Limited	CLSA India Limited	HSBC Securities and Capital Markets (India) Private Limited	Kotak Mahindra Capital Company Limited	UBS Securities India Private Limited	India Infoline Limited
1st Floor, Standard Chartered Tower 201B/1, Western Express Highway Goregaon (E), Mumbai 400 063	Hazarimal Somani Marg, Fort Mumbai 400 001	8th Floor, Mafatlal Center, Nariman Point Mumbai 400 021	J. P. Morgan Tower, Kalina, Off C. S. T. Road, Santacruz (East), Mumbai 400 098	8/F, Dalamal House, Nariman Point, Mumbai 400 021	52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001	1st Floor, Bakhtawar 229, Nariman Point, Mumbai 400 021	2/F, 2 North Avenue, Maker Maxity Bandra-Kurla Complex, Bandra East Mumbai 400 051	IIFL Centre, Kamala City Senapati Bapat Marg Lower Parel (West) Mumbai 400 013

Syndicate Member

Kotak Securities Limited
1st Floor, Bakhtawar
229, Nariman Point
Mumbai 400 021

Registrar to the Issue	Public Issue Account Bank
Karvy Computershare Private Limited Plot No. 17 to 24, Vithal Rao Nagar Madhapur, Hyderabad 500 081	**ICICI Bank Limited*** Capital Market Division Rajabahadur Mansion, 30 Mumbai Samachar Marg Fort, Mumbai 400 001 * *SEBI registration certificate of ICICI Bank Limited had expired on October 31, 2012 and an application dated July 12, 2012 has been made to SEBI. The approval of SEBI is currently awaited.*

Legal Counsel to the Company as to Indian Law	Legal Counsel to the Managers as to Indian Law	International Legal Counsel to the Managers
Luthra & Luthra Law Offices 103, Ashoka Estate, Barakhamba Road, New Delhi 110 001	**Amarchand & Mangaldas & Suresh A. Shroff & Co.** Amarchand Towers 216, Okhla Industrial Estate Phase III, New Delhi 110 020	**Linklaters Singapore Pte. Ltd.** One George Street #17-01 Singapore 049145