

## **DLF says new accounting policy affected profits**

India's largest real estate firm DLF Ltd posted a loss of Rs.4.19 crore for the quarter ended March 31, compared to a net profit of Rs.211.70 crore in the year-ago quarter. Its net profit, before prior period adjustment, stood at Rs.17.14 crore.

In an investor presentation, DLF said that earnings have taken a hit due to a change in accounting policies wherein revenues are recognized only after 25% of budgeted construction spend has been incurred.

The Gurgaon-based developer also saw a 14.9% slump in its revenues to Rs.2,225.5 crore during the same period.

New accounting policy will result in lag of recognition of revenue and profits by 12-18 months. "Cash shall precede earnings," DLF said.

Under the old accounting policy, revenue recognition started when project cost incurred exceeds 30% of the budgeted project cost.

It has also taken into account an exceptional one-time loss of Rs.33 crore on account of sale of investments.

DLF said it has divested assets of Rs.3,160 crore in FY13 compared with Rs.1,774 crore in FY12. However, it has completed projects adding up to 12.4 million sq. ft during FY13 against 13 million sq. ft in FY12.

Its net debt as of March 2013 is Rs.21,731 crore. The company says it is targetting to bring net debt for 2013-14 down to Rs.17,121 crore.

DLF shares fell as much as 2.8% early in session and were down 1.6% at 9:21am on Friday.

*(Livemint.com)*