

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
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Gurgaon 122002
India

Independent Auditor's Report

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To the Members of DLF Projects Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of DLF Projects Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in annexure, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 23 May 2016 as per annexure B expressed unqualified opinion; and

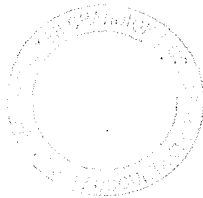


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- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. as detailed in Note 29 to the financial statements, the Company has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Walker Chandiok & Co LLP
For **Walker Chandiok & Co LLP**
(formerly *Walker, Chandiok & Co*)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish
per **Manish Agrawal**
Partner
Membership No.: 507000



Place : Gurgaon
Date : 23 May 2016

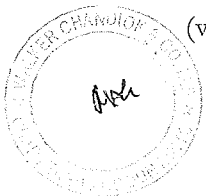
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Annexure A to the Independent Auditor's Report of even date to the members of DLF Projects limited on the financial statements for the year ended 31 March 2016

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company generally has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted unsecured loan to a company covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, *prima facie*, prejudicial to the Company's interest;
 - (b) the principal amount are repayable on demand in accordance with such terms and conditions, the receipt of principal amount and interest is regular in accordance with such terms and conditions; and
 - (c) there is no overdue amount in respect of loans granted to such company
- (iv) In our opinion, Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.



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- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of disputed dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh Value Added tax, 2008	Value added tax	4,733,963	-	Financial year 2006-07	Hon'ble Allahabad High Court
Uttar Pradesh Value Added tax, 2008	Value added tax	88,522,037	4,392,344	Financial year 2007-08 to 2008-09	Tribunal, Noida
Uttar Pradesh Value Added tax, 2008	Value added tax	23,278,053	47,027,412	Financial year 2009-10 to 2010-11	Additional Commissioner (Appeals)
West Bengal Value Added tax, 2003	Value added tax	40,918,207	-	Financial year 2009-10	Apellate Tribunal
West Bengal Value Added tax, 2003	Value added tax	16,436,612	-	Financial year 2011-12 and 2012-13	Joint Commissioner (Appeals)
Tamil Nadu Value Added Tax, 1990	Entry tax	679,065	101,860	Financial year 2008-09	Tamil Nadu High Court
Tamil Nadu Value Added Tax, 1990	Value added tax	17,165,593	-	Financial year 2007-08 to 2011-12	Joint Commissioner (South), Chennai
Tamil Nadu Value Added Tax, 1990	Value added tax	191,054,058	-	Financial year 2007-08, 2008-09 and 2009-10	Tamil Nadu High Court
Kerela Value Added Tax, 2003	Value added tax	456,520	-	Financial year 2011-12	Asst. Commissioner (Appeals) Ernakulam
Kerela Value Added Tax, 2003	Value added tax	199,410	199,410	Financial year 2009-10	CTO Walayar Check Post
Kerela Value Added Tax, 2003	Value added tax	2,262,154	-	Financial year 2007-08	Deputy Commissioner (Appeals) Ernakulam
Haryana Value Added Tax, 2003	Value added tax	131,470,903	-	Financial year 2011-12	Joint Excise and Taxation Commissioner (Appeals), Faridabad



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Annexure A to the Independent Auditor's Report of even date to the members of DLF Projects limited on the financial statements for the year ended 31 March 2016

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Haryana Value Added Tax, 2003	Value added tax	143,682,124	-	Financial year 2011-12 and 2012-13	Joint Excise and Taxation Commissioner (Appeals), Faridabad
Haryana Value Added Tax, 2003	Value added tax	467,184	-	Financial year 2006-07	Joint Commissioner (Appeals), Gurgaon
Maharashtra Value Added Tax, 2002	Value added tax	12,753,670	-	Financial year 2009-10	Joint Commissioner (Appeals) Mumbai
Income Tax Act, 1961	Income Tax	3,410,536	-	Assessment year 2008-09	Income Tax Appellate Tribunal.
Income Tax Act, 1961	Income Tax	35,387,050	-	Assessment year 2009-10	Income Tax Appellate Tribunal.
Income Tax Act, 1961	Income Tax	25,099,840	-	Assessment year 2010-11	Income Tax Appellate Tribunal.
Income Tax Act, 1961	Income Tax	4,267,440	-	Assessment year 2011-12	Income Tax Appellate Tribunal.
Finance Act, 1994	Service Tax	41,564,326	-	March 2009 to May 2009	CESTAT, New Delhi
Finance Act, 1994	Service Tax	8,620,042	-	March 2011 to May 2012	Additional Director General, Directorate General Of Central Excise Intelligence, New Delhi
Finance Act, 1994	Service Tax	9,985,648	-	Financial year 2011-12	Commissioner, Service Tax, Delhi
Finance Act, 1994	Service Tax	44,601,545	-	March 2009 to May 2009	CESTAT, New Delhi
Finance Act, 1994	Service Tax	179,903,970	-	Financial year 2011-12	CESTAT, New Delhi



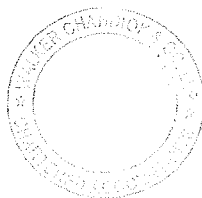
Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of DLF Projects limited on the financial statements for the year ended 31 March 2016

- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiook & Co LLP
For **Walker Chandiook & Co LLP**
(formerly *Walker, Chandiook & Co*)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Manish Agarwal**
Partner
Membership No.: 507000



Place : Gurgaon
Date : 23 May 2016

Annexure B to the Independent Auditor's Report of even date to the members of DLJ Projects Limited on the financial statements for the year ended 31 March 2016

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of DLJ Projects Limited (the 'Company') as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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Annexure B to the Independent Auditor's Report of even date to the members of DLF Projects Limited on the financial statements for the year ended 31 March 2016

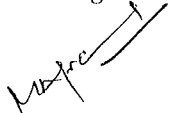
Inherent Limitations of Internal Financial Controls over Financial Reporting

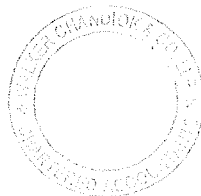
7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Walker Chandiook & Co LLP
For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013


per **Manish Agrawal**
Partner
Membership No.: 507000



Place: Gurgaon
Date: 23 May 2016

DLF PROJECTS LIMITED
Balance Sheet as at 31 March 2016

	Note	31 March 2016 (₹)	31 March 2015 (₹)
Equity and liabilities			
Shareholders' funds			
Share capital	4	707,025,000	707,025,000
Reserves and surplus	5	(29,755,854)	(42,926,932)
		<u>677,269,146</u>	<u>664,098,068</u>
Current liabilities			
Trade payables			
Payable to micro enterprise and small enterprise	6(a)	-	-
Other payables	6(b)	342,438,240	655,077,868
Other current liabilities	7	129,882,254	169,107,313
		<u>472,320,494</u>	<u>824,185,181</u>
		<u>1,149,589,640</u>	<u>1,488,283,249</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	121,342,536	157,449,514
Intangible assets	8	77,838	111,902
Long-term loans and advances	9	413,410,324	586,641,522
		<u>534,830,698</u>	<u>744,202,938</u>
Current assets			
Inventories	10	40,594,122	46,258,579
Trade receivables	11	116,611,382	187,686,370
Cash and bank balances	12	169,227,342	75,695,731
Short-term loans and advances	13	218,730,573	279,845,156
Other current assets	14	69,595,523	154,594,475
		<u>614,758,942</u>	<u>744,080,311</u>
		<u>1,149,589,640</u>	<u>1,488,283,249</u>

Summary of significant accounting policies 3
The accompanying notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)
Chartered Accountants

Manish Agrawal
per Manish Agrawal
Partner



Raj Paul
Raj Paul
Company Secretary

K.K. Sharma
K.K. Sharma
Chief Financial Officer

C.P. Poonacha
C.P. Poonacha
Director
DIN: 00074337

Ravi S Kachru
Ravi S Kachru
Chairman cum
Managing Director
DIN: 00005608

Place: Gurgaon
Date: 23 May 2016

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DLF PROJECTS LIMITED

Statement of Profit and Loss for the year ended 31 March 2016

	Note	31 March 2016 (₹)	31 March 2015 (₹)
Income			
Revenue from operations	15	208,281,250	699,793,223
Sale of construction material		3,439,365	6,139,413
Other income	16	82,433,696	84,820,191
		<u>294,154,311</u>	<u>790,752,827</u>
Expenses			
Cost of construction	17	202,357,407	745,207,431
Cost of construction material		3,439,365	6,139,413
Employee benefits expense	18	-	4,519,170
Finance costs	19	3,137,452	28,048,737
Depreciation and amortisation expense	8	20,455,589	36,222,821
Other expenses	20	51,593,420	49,960,302
		<u>280,983,233</u>	<u>870,097,874</u>
Profit / (loss) after tax		<u><u>13,171,078</u></u>	<u><u>(79,345,047)</u></u>
Earnings / (loss) per share (Basic and Diluted)	21	0.30	(1.79)

Summary of significant accounting policies

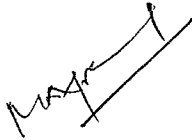
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The accompanying notes are an integral part of these financial statements

This is the Statement of profit and loss referred to in our report of even date.

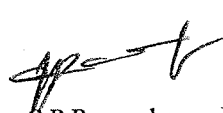
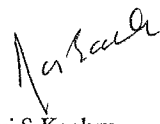
Walker Chandioh & Co LLP
For Walker Chandioh & Co LLP
(formerly Walker, Chandioh & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
DLF Projects Limited


per Manish Agrawal
Partner


Raju Paul
Company
Secretary


K.K. Sharma
Chief Financial
Officer

 
C.P. Poonacha Ravi S Kachru
Director Chairman cum
DIN: 00074337 Managing Director
DIN: 00005608



Place: Gurgaon
Date: 23 May 2016

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