(23)

S.R. BATLIBOI & CO. LLP

Chartered Accountants

Golf View Corporate Tower B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

INDEPENDENT AUDITOR'S REPORT

To the Members of DLF Garden City Indore Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of DLF Garden City Indore Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and Companies (Indian Accounting Standards) (Amendment) Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. 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. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 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 Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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 March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 book;

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and Companies (Indian Accounting Standards) (Amendment) Rules, 2016;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(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. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 38 to the Ind AS financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 35 to the Ind AS financial statements;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in Note 45 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Amit Gupta
Partner
Membership Number: 501396

Place: Gurgaon
Date: May 16, 2017

Annexure 1 referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our report of even date

Re: DLF Garden City Indore Private Limited ("the Company")

i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deed/development rights of immovable properties included in fixed assets is held in the name of the Company.

ii) The Company does not hold any inventories of finished goods, stores, spare parts and raw materials. With regard to land and development rights in land held for the Real Estate Projects, included under the head 'Inventories', the Company is maintaining proper records of inventory. Accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

iii) (a) The Company has granted loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the loan is not prejudicial to the company's interest.

(b) The Company has granted loan that is re-payable on demand, to a party covered in the register maintained under section 189 of the Companies Act, 2013. The loan granted is re-payable on demand. We are informed that the party has made repayment of loan during the year to the extent as demanded by the Company and thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular.

(c) There is no amounts of loan granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are outstanding for more than ninety days.

iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

v) The Company has not accepted any deposits from the public during the year.

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 Companies Act, 2013 related to the Company's real estate projects and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii) (a) Undisputed dues including provident fund, income-tax, sales-tax, service tax, duty of custom, value added tax, cess and other material statutory dues have generally been regularly deposited with appropriate authorities though there has been slight delay in a few cases. The provisions relating to duty of excise and employees' state insurance are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, sales-tax, duty of custom, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to duty of excise and employees' state insurance are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, value added tax and cess which have not been deposited on account of any dispute.

viii) In our opinion and according to the information and explanations given by the management, the Company has defaulted in repayment of dues related to Interest on compulsorily convertible debentures. The Company did not have any outstanding dues in respect of bank, financial institution or government during the year. The details of delay in repayment of dues related to Interest on compulsorily convertible debentures are tabulated as under:

Name of lender	Period	Amount (in Rs.)	Delay in days
DLF Home Developers Limited	November 1, 2012 to October 31, 2013	11,586,526	Unpaid as at March 31, 2017
Clogs Holdings B.V.	November 1, 2012 to October 31 2013	53,933,344	1,237 days
DLF Home Developers Limited	November 1, 2013 to March 31, 2014	6,108,229	Unpaid as at March 31, 2017
Clogs Holdings B.V.	November 1, 2013 to March 31, 2014	28,037,581	871 days
		99,665,680	

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm Registration Number: 301003E/E300005

per Amit Gupta
Partner

Membership Number: 501396
Place: Gurgaon
Date: May 16, 2017

Annexure -2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of DLF Garden City Indore Private Limited

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

To the Members of DLF Garden City Indore Private Limited

We have audited the internal financial controls over financial reporting of DLF Garden City Indore Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management 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 issued by the Institute of Chartered Accountants of India. 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 its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 internal financial control over financial reporting 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Amit Gupta
Partner
Membership Number: 501396

Place: Gurgaon
Date: May 16, 2017

DLF Garden City Indore Private Limited
Balance sheet as at March 31, 2017

Particulars	Notes	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
Assets				
Non-current assets				
Property, plant and equipment	3	168,677,765	175,332,361	181,976,128
Deferred tax assets (net)	4	21,543,650	28,155,501	58,495,913
Other non-current assets	9	11,316,169	10,674,150	10,620,876
		201,336,964	214,162,012	251,092,917
Current assets				
Inventories	5	1,399,074,224	1,417,346,196	1,295,439,691
Financial Assets				
Trade receivables	6	83,813,040	50,416,424	54,007,038
Cash and bank balances	7	47,688,411	28,815,766	44,649,477
Loans	8	-	14,300,000	20,000,000
Other financial assets	9	2,780,423	2,940,022	2,445,130
Other current assets	10	88,505,543	193,092,281	158,577,880
		1,622,261,641	1,706,910,749	1,585,119,215
Total assets		1,823,598,604	1,921,072,761	1,836,212,132
Equity and liabilities				
Equity				
Equity Share Capital	11	478,720	478,720	268,120
Other Equity				
Equity component of Compulsory Convertible Debentures		-	-	266,156,613
Securities premium account	12	1,003,660,956	1,003,660,956	424,721,556
Retained earnings		422,736,154	437,593,935	390,181,297
Total equity		1,426,875,830	1,441,733,611	1,081,327,586
Liabilities				
Non-current liabilities				
Provisions	13	870,197	870,197	824188
		870,197	870,197	824,188
Current liabilities				
Financial Liabilities				
Borrowings	13	85,365,680	99,665,680	104,966,720
Trade payables	15			
-Total outstanding dues of micro enterprises and small enterprises		-	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		91,917,066	121,868,266	146,609,868
Other financial liabilities	16	34,209,410	35,572,580	32,320,114
Other current liabilities	17	157,224,675	206,586,445	447,024,476
Provisions	12	460,736	611,002	651,624
Current tax liabilities (net)		15,674,990	14,164,981	22,487,556
Total liabilities		396,722,774	478,468,953	754,060,357
Total equity and liabilities		1,823,598,604	1,921,072,761	1,836,212,132
Summary of significant accounting policies	2.2			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration Number : 301003E/ E300005

per Amit Gupta
Partner
Membership Number : 501396

Place: Gurgaon
Date: May 16, 2017

S.R. BATLIBOI & CO. LLP GURGAON

For and on behalf of the Board of Directors of
DLF Garden City Indore Private Limited

Surojit Basak
Director
DIN: 00017826

Atul Goyal
Director
DIN : 0047991

Place: Gurgaon
Date: May 16, 2017

DLF Garden City Indore Private Limited
Statement of profit and loss for the year ended March 31, 2017

	Notes	March 31, 2017 Rs.	March 31, 2016 Rs.
Income			
Income from real estate operations	18	99,507,042	412,820,316
Finance income	19	10,911,048	8,322,622
Total		110,418,090	421,142,938
Expenses			
Cost of sales	20	54,899,716	271,623,765
Club and maintenance cost	21	31,464,259	36,091,526
Employee benefits expense	22	7,412,503	8,500,986
Finance cost	23	1,045,090	2,449,193
Other expenses	24	17,098,318	17,939,110
Depreciation expense	3	6,651,597	6,665,099
Total		118,571,483	343,269,679
Profit/ (loss) from operations before tax		(8,153,393)	77,873,259
Current tax expense		-	-
Adjustment of tax relating to earlier periods		-	182,777
Deferred tax expense	4	6,612,452	30,340,412
Income tax expense		6,612,452	30,523,189
Profit/ (loss) for the year		(14,765,845)	47,350,070
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	25	(91,936)	62,568
Total Comprehensive Income for the year		(14,857,781)	47,412,638
Earnings/(loss) per equity share [nominal value of share : Rs. 10 (March 31, 2016: Rs. 10)]			
Basic and diluted			
Computed on the basis of profit from operations		(308.44)	989.10
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration Number : 301003E/ E300005

For and on behalf of the Board of Directors of
DLF Garden City Indore Private Limited

per Amit Gupta
Partner
Membership Number : 501396

Place: Gurgaon
Date: May 16, 2017

Surojit Basak
Director
DIN: 00017826

Atul Goyal
Director
DIN: 00007991

Place: Gurgaon
Date: May 16, 2017

DLF Garden City Indore Private Limited
Statement of Changes in Equity for the year ended March 31, 2017

A. Equity Share Capital

	Number	Amount (in Rs.)
Equity shares of Rs. 10 each issued, subscribed and fully paid		
At April 1, 2015	26,812	268,120
Issue of share capital	21,060	210,600
At March 31, 2016	47,872	478,720
At March 31, 2017	47,872	478,720

B. Other Equity

For the year ended March 31, 2017

	Equity Component of compulsory convertible debentures	Reserves and Surplus		Total equity
		Securities Premium Reserve (refer note 11)	Retained earnings	
As at April 1, 2016	-	1,003,660,956	437,593,935	1,441,254,891
Profit for the year	-	-	(14,765,845)	(14,765,845)
Other Comprehensive Income	-	-	(91,936)	(91,936)
Total comprehensive income	-	-	(14,857,781)	(14,857,781)
As at March 31, 2017	-	1,003,660,956	422,736,154	1,426,397,110

For the year ended March 31, 2016

	Equity Component of compulsory convertible debentures (refer note 11)	Reserves and Surplus		Total equity
		Securities Premium Reserve (refer note 11)	Retained earnings	
As at April 1, 2015	266,156,613	424,721,556	390,181,297	1,081,059,466
Profit for the year	-	-	47,350,070	47,350,070
Other Comprehensive Income	-	-	62,568	62,568
Total comprehensive income	-	-	47,412,638	47,412,638
Conversion of compulsory convertible debentures into equity shares	(266,156,613)	578,939,400	-	312,782,787
As at March 31, 2016	-	1,003,660,956	437,593,935	1,441,254,891

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration Number : 301003E/E300005

per Amit Gupta
Partner
Membership Number : 501396

Place: Gurgaon
Date: May 16, 2017

For and on behalf of the Board of Directors of
DLF Garden City Indore Private Limited

Surojit Basak
Director
DIN: 00017826

Place: Gurgaon
Date: May 16, 2017

Atul Goyal
Director
DIN: 000[illegible]991

DLF Garden City Indore Private Limited
Cash flow statement for the year ended March 31, 2017

	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
Operating activities		
Profit/ (loss) before tax	(8,153,393)	77,873,259
Depreciation expense	6,651,597	6,665,099
Interest income	(10,911,048)	(8,322,622)
Finance costs	1,005,131	2,434,903
Operating profit before working capital adjustments	(11,407,713)	78,650,639
(Increase)/ Decrease in inventories	18,271,973	185,785,843
Decrease/ (Increase) in trade and other receivables and other payments	48,197,065	7,184,494
Decrease in trade payables and other payables	(69,138,334)	(270,956,998)
Movement in provisions	(242,202)	67,955
Net income tax (paid) / refunds	(6,612,452)	(182,777)
Net cash flows from operating activities (A)	(20,931,663)	549,157
Investing activities		
Purchase of property, plant and equipment	-	(21,332)
Sale of property, plant and equipment	3,000	-
Interest income (Finance Income)	11,210,648	7,211,108
Net cash flows from investing activities(B)	11,213,648	7,189,776
Financing activities		
Interest paid	(32,908)	(1,727,650)
Loan taken from related parties	(14,300,000)	
Net cash flows from/(used in) financing activities (C)	(14,332,908)	(1,727,650)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(24,050,923)	6,011,282
Cash and cash equivalents at the beginning of the year	28,605,766	22,594,483
Cash and cash equivalents at end of the year	4,554,842	28,605,766

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration Number : 301003E/ E300005

per Amit Gupta
Partner
Membership Number : 501396

Place: Gurgaon
Date: May 16, 2017

S.R. BATLIBOI & CO. LLP * GURGAON *

For and on behalf of the Board of Directors of
DLF Garden City Indore Private Limited

Surojit Basak
Director
DIN: 00017826

Atul Kesal
Director
DIN: 00007991

Place: Gurgaon
Date: May 16, 2017

1. Corporate information

DLF Garden City Indore Private Limited ("the Company") is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located in 1-E, Jhandewalan Extension, Naaz cinema complex New Delhi- 110055. The Company is primarily engaged in the business of construction, development and sale of integrated townships and residential houses and apartments. These financial statements were authorised for issue in accordance with a resolution of the directors on May 16, 2017.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard specified under section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015, as amended and Companies (Indian Accounting Standards) (Amendment) Rules, 2016. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer note no. 43 for information on how the Company adopted Ind AS. These financial statements have been prepared on a historical cost basis and are presented in Indian Rupees ('Rs.'), except when otherwise stated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

b. Foreign currencies

The financial statements are presented in Indian Rupees ('Rs.'), which is the Company's functional currency.

Transactions and balances:-

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that form part of reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue from real estate projects

1. Sale of real estate property

Revenue is recognized in accordance with Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the Institute of Chartered Accountants of India ('ICAI'). As per this Guidance Note, Revenue is recognized, in relation to the sold areas only, upon transfer of all significant risks and rewards of ownership of such property as per the terms of the contracts entered into with buyers, which generally coincides with firming up of the buyers' agreement (application forms with salient terms and conditions of sale and identified property address are treated as buyer's agreement), on the basis of percentage of completion as and when all of the following conditions are met:

a) All critical approvals necessary for commencement of the project have been obtained;

b) The actual construction and development cost incurred on the project under execution, is 25% or more of the total estimated construction and development cost of the project;

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 is realized at the reporting date in respect of each of the contracts, it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts and there are no outstanding defaults of the payment terms in such contracts (defaults in payment terms is considered when a customer has defaulted in payment of more than 2 instalments and amount realized is less than 75% of demand made as at the reporting date).

The estimates of the projected revenue, projected profits, projected costs, cost to completion and the foreseeable loss are reviewed periodically by the management and any effect of changes in estimates is recognized 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 recognized immediately. Revenue recognized during the period is net of cancellations accepted.

Project revenues are measured at fair value of the consideration received or receivable. The measurement of project revenues is affected by a variety of uncertainties that depend on the outcome of future events. The management recognizes project revenue based on best estimates of these uncertainties (including those related to compensation payable to customers as per regulatory changes, past trends, market practices, buyers agreements etc.) and these estimates often need revision as events occur and uncertainties are resolved. Therefore, the amount of project revenue may increase or decrease from one reporting period to the next.

2. Income from transfer charges received from customers on transfer of ownership of property during the construction period is accounted for on accrual basis.

3. Income from forfeiture charges received from customers on cancellation of bookings is accounted for on accrual basis except when ultimate collection is considered doubtful.

4. Interest due on delayed payments by customers is accounted on accrual basis to the extent certainty of payments is established in relation to such income.

Rendering of services

Revenues from maintenance contract are recognized on an accrual basis in accordance with the terms of respective contracts.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses . Interest income is included in finance income in the statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

e. Taxes

a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

- Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Under the previous GAAP (Indian GAAP), Freehold land and buildings (property) were carried in the balance sheet at cost less accumulated depreciation and accumulated impairment, if any. The Company has elected to regard those values of property as deemed cost at the date of the transition since they were broadly comparable to fair value. Accordingly, the Company has not revalued the property at April 01, 2015 again. Similarly, the plant and equipment have been measured at their carrying value as at the date of transition to Ind AS. Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The Company, based on technical assessment made by technical expert and management estimate, depreciates the items of property, plant and equipment on straight line basis over estimated useful lives as mentioned below:

	Useful Life estimated by the management (years)	Useful Life as per Schedule II (years)
Furniture and fixtures	10	10
Computers	3	3
Plant and Machinery	15	15
Buildings	60	60

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Inventories

Inventories are valued as under

Projects in progress

Projects in progress are valued at lower of cost and net realizable value. Cost includes cost of land, development rights, materials, services and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h. Impairment of non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss. For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

i. Provisions

General

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

S.R. B... GURGAON

Contingent liabilities

A contingent liability recognised for

I. possible obligations which will be confirmed only by future events not wholly within the control of the Company

II.Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

j. Retirement and other employee benefits

i.) Employee benefits are accrued in accordance with terms of appointment. Accrued bonus is computed at each year-end on management estimates on the basis of expected bonus payouts on current salary levels.

ii.) A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit & loss of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the respective fund.

iii.) Gratuity liability is a defined benefit plan and is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year. Re-measurements comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

All other expenses related to defined benefit plans are recognized in Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

iv.) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided based on actuarial valuation.

k. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i.) Debt instruments at amortised cost - The Company has cash & cash equivalents, other bank balances, loans, trade and other receivables, and bank deposits for more than 12 months which are classified within this category.

ii.) Debt instruments at fair value through other comprehensive income (FVTOCI) - The Company does not have any financial asset classified in this category.

iii.) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL) - The Company does not have any financial asset classified in this category.

iv.) Equity instruments measured at fair value through other comprehensive income (FVTOCI) - The Company does not have any financial asset classified in this category.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

GURGAON

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets, that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivable, lease receivables and bank balance.

The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

The Company's financial liabilities include trade and other payables, security deposit received.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

l. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

m. Compulsorily Convertible Debentures

Compulsorily Convertible Debentures are separated into liability and equity components based on the terms of the contract

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years

Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

----------------------*This space has been intentionally left blank*----------

S.R. BATLIBOI & CO. LLP * GURGAON

DLF Garden City Indore Private Limited

Notes to financial statements for the year ended March 31, 2017

3. Fixed Assets:

Amount in Rs.

Cost	Plant & Machinery	Furniture & Fittings	Computers	Land	Building	Total
At April 1, 2015	30,920,756	4,292,176	419,562	25,264,178	121,079,456	181,976,128
Additions	-	21,332	-	-	-	21,332
Disposals	-	-	-	-	-	-
At March 31, 2016	34,765,406	5,118,842	715,848	25,264,178	122,960,356	188,824,630
Additions	-	-	-	-	-	-
Disposals	-	-	3,000	-	-	3,000
At March 31, 2017	**34,765,406**	**5,118,842**	**712,848**	**25,264,178**	**122,960,356**	**188,821,630**
Depreciation						
Charge for the year	3,851,155	586,042	178,563	-	2,049,339	6,665,099
Disposals	-	-	-	-	-	-
At March 31, 2016	7,695,805	1,391,376	474,849	-	3,930,239	13,492,269
Charge for the year	3,845,653	584,979	171,626	-	2,049,339	6,651,597
Disposals	-	-	-	-	-	-
At March 31, 2017	**11,541,458**	**1,976,355**	**646,475**	-	**5,979,579**	**20,143,866**
Net block						
At March 31, 2016	27,069,601	3,727,466	241,000	25,264,178	122,960,356	175,332,361
At March 31, 2017	**23,223,948**	**3,142,487**	**66,372**	**25,264,177**	**116,980,777**	**168,677,765**

DLF Garden City Indore Private Limited
Notes to financial statements for the year ended March 31, 2017

	March 31, 2017 Rs.	March 31, 2016 Rs.
4. Income Tax		
The major components of income tax expense for the year ended March 31, 2017 are:		
Profit and loss section		
Current income tax:		
Current income tax charge	-	-
Adjustment of tax relating to earlier periods	-	182,777
Deferred tax:		
Relating to origination and reversal of temporary differences	6,612,452	30,340,412
Income tax expense reported in the statement of profit and loss	6,612,452	30,523,189

Reconciliation of tax expense and accounting profit

	March 31, 2017 Rs.	March 31, 2016 Rs.
Accounting profit before tax from continuing operations before income tax	(8,153,393)	77,873,259
At India's statutory income tax rate	(2,519,398)	25,265,979
Adjustment of tax relating to earlier periods	-	182,777
Non deductible expenses for tax purposes		
Interest on income tax	289	189,244
Stamp Duty on Conversion of CCDs Into Equity Shares	-	187,905
At the effective income tax rate	(2,519,110)	25,825,905
Reversal of deferred tax asset created in earlier years on Compulsory Convertible Debentures reversed in the current year	-	1,719,922
Creation of deferred tax liability on timimg differences	-	2,977,360
Deferred tax asset not created since it is not probable that there will be sufficient taxable profits in future years against which this defererd tax asset can be utilised	2,519,110	-
Reversal of deferred tax asset created in earlier years on carry forward of losses since it is not probable that there will be sufficient taxable profits in future years against which this deferred tax asset can be utilised	(6,612,452)	-
Net expense	(6,612,452)	30,523,188

Deferred tax

Deferred tax relates to the following:

	Balance Sheet		
	March 31, 2017 Rs.	March 31, 2016 Rs	April 1, 2015 Rs.
Accelerated depreciation for tax purposes	(9,022,505)	(7,189,590)	(4,068,769)
Gratuity	314,828	366,556	329,683
Leave Encashment	96,431	123,173	149,144
Impairment of trade allowance	6,627,979	7,091,938	6,959,378
Anticipated losses*	1,983,267	-	1,719,922
Carry forward of losses*	-	-	-
Revenue from real estate operations taxed in the earlier years, to be allowed as deduction in the future years	21,543,050	27,763,425	53,406,554
Deferred tax asset	21,543,050	28,155,501	58,495,913

Deferred tax expense

	Statement of profit and loss	
	March 31, 2017 Rs.	March 31, 2016
Accelerated depreciation for tax purposes	(1,832,915)	(3,120,821)
Gratuity	(51,728)	36,873
Leave Encashment	(26,742)	(25,972)
Impairment of trade receivables	(463,959)	132,559
Compulsory Convertible Debentures	-	(1,719,922)
Anticipated losses	1,983,267	-
Revenue from real estate operations taxed in the earlier years, allowed as deduction in the current year	(6,220,374)	(25,643,129)
Deferred tax (expense)/ income	(6,612,452)	(30,340,412)

Refected in the balance sheet as follows:	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
Deferred tax asset	30,565,555	35,345,091	62,564,682
Deferred tax liabilities	(9,022,505)	(7,189,590)	(4,068,769)
Deferred tax asset (net)	21,543,050	28,155,501	58,495,913

*Deferred tax asset on anticipated losses and carry forward of losses has been created only to the extent of deferred tax liability since it is not probable that future taxable profits will flow to the entity against which this deferred tax asset can be utilised.

5. Inventories

	March 31, 2017 Rs	March 31, 2016 Rs	April 1, 2015 Rs
Project for which revenue has been recognized	878,326,342	897,827,589	825,062,268
Project for which revenue has not been recognized			
Land cost	217,376,716	217,376,716	217,376,716
Development cost	411,458,836	408,667,907	399,452,549
Construction cost	71,061,487	71,010,964	64,263,670
Other cost	35,652,887	35,330,170	35,330,170
Borrowing cost	50,250,079	50,250,079	15,789,690
	785,800,005	782,635,836	732,212,795
Less:			
Transferred to fixed assets- capital work in progress (refer note 33)	184,749,525	184,694,791	184,694,791
Anticipated Loss (refer note 35)	80,302,598	78,422,438	77,140,580
	520,747,882	519,518,607	470,377,424
Total inventories at lower of cost and net realisable value	1,399,074,224	1,417,346,196	1,295,439,691

6. Trade receivables (other than from related parties)

	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
Trade receivables			
Unsecured, considered good	83,813,040	50,416,484	64,007,038
Unsecured, considered doubtful	20,689,795	20,689,795	20,689,795
	104,502,835	71,106,279	84,696,833
Allowance for bad and doubtful debts	(20,689,795)	(20,689,795)	(20,689,795)
Total Trade receivables	83,813,040	50,416,484	64,007,038

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member

7. Cash and bank balances

	March 31, 2017 Rs.	March 31, 2016 Rs	April 1, 2015 Rs.
Cash and cash equivalents			
Balances with banks			
- On current accounts	4,554,842	28,554,592	22,576,590
Cash on hand	-	51,174	17,893
Other bank balances			
- Deposits with original maturity more than 3 months but less than 12 months	43,133,569	210,000	22,054,994
	47,688,411	28,815,766	44,649,477

8. Loans to related parties (refer note 28)

Unsecured, considered good	-	14,300,000	20,000,000
(Repayable on demand, carries interest @ 12.5% p.a and has been given for general business purpose)			
	-	14,300,000	20,000,000

9. Other financial assets

	March 31, 2017 Rs.	March 31, 2016 Rs	April 1, 2015 Rs.
Security deposits (Unsecured, considered good)	1,205,692	1,065,692	1,682,314
Interest receivable on delayed payment by customer	-	-	130,460
Interest accrued on loan given to related parties	1,560,267	1,871,619	215,753
Interest accured on fixed deposits	14,463	2,711	416,602
	2,780,423	2,940,022	2,445,130

10. Other assets

	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
Non current			
Balance with government authorities paid under protest (refer note 38(a))	11,116,149	10,674,150	10,620,876
	11,116,149	10,674,150	10,620,876
Current			
Unbilled revenue	78,879,982	170,440,302	130,153,232
Advances recoverable in cash or in kind or for value to be received			
Unsecured, considered good	9,619,998	21,683,986	26,046,655
Unsecured, considered doubtful	759,976	759,976	759,976
	10,379,974	22,443,962	26,806,631
Allowance for bad and doubtful advances	(759,976)	(759,976)	(759,976)
	9,619,998	21,683,986	26,046,655
Others			
Balances with statutory/government authorities	405,562	967,992	2,377,992
	88,905,543	193,092,281	158,577,880
	100,021,692	203,766,431	169,198,756

11. Share Capital

A. Authorised Share Capital

	Equity Shares Number	Amount
At April 1, 2015	48,000	480,000
Increase/ decrease during the year	-	-
At March 31, 2016	48,000	480,000
Increase/ decrease during the year	-	-
At March 31, 2017	48,000	480,000

B. Issued, subscribed and paid-up equity share capital

	Equity Shares Number	Amount
At April 1, 2015	26,812	268,120
Increase/ decrease during the year	21,060	210,600
At March 31, 2016	47,872	478,720
Increase/ decrease during the year	-	-
At March 31, 2017	47,872	478,720

C. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 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 approval of the shareholders in the ensuing Annual General Meeting

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. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company (refer note 36 and 37)

Equity shares of Rs. 10 each fully paid up
Name of Shareholder

	March 31, 2017 Number	% of Holding
DLF Home Developers Limited, the holding company	47,872	100%
Resimmo PCC	-	0%
Clogs Holding BV	-	0%

	March 31, 2016 Number	% of Holding
DLF Home Developers Limited, the holding company	17,301	36%
Resimmo PCC	13,138	28%
Clogs Holding BV	17,433	36%

	April 1, 2015 Number	% of Holding
DLF Home Developers Limited, the holding company	13,674	51%
Resimmo PCC	13,138	49%
Clogs Holding BV		-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares

GURGAON

12. Other Equity

	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
Equity component of Compulsory Convertible Debentures (refer note2 (vi))	-		266,156,613

Securities Premium Reserve	March 31, 2017 Rs.	March 31, 2016 Rs.
Opening Balance	1,003,660,956	424,721,556
Add: Premium on conversion of Compulsorily convertible debentures into equity shares*	-	578,939,400
Closing balance	1,003,660,956	1,003,660,956

* 21,060 Compulsory convertible debentures of Rs.27,500 each were converted into 21,060 equity shares of Rs.10 each at a premium of Rs. 27,490.

	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
13. Provisions			
Non Current			
Provision for employee benefits			
Gratuity	870,197	870,197	824,188
	870,197	870,197	824,188
Provision for employee benefits			
Gratuity	148,663	238,462	191,940
Compensated absences	312,073	372,540	459,684
	460,736	611,002	651,624
	1,330,933	1,481,199	1,475,812

	Effective rate	Maturity	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
14. Borrowings					
Loans from related parties *					
DLF Home Developers Private Limited (refer note 28)			67,670,925	-	-
Liability component of compulsory convertible debentures	13.80%	2015-16	17,694,755	99,665,680	104,966,720
			85,365,680	99,665,680	104,966,720

*Loans from related parties are repayable on demand, carries interest @ 13.5% p.a and has been taken for general business purpose.

15. Trade payable	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
Trade payables (refer note 29 for details of dues to micro and small enterprises)			
-Total outstanding dues of micro enterprises and small enterprises	-	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	98,917,086	121,868,266	146,609,868
	98,917,086	121,868,266	146,609,868

16. Other financial liabilities	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
Security deposits	34,681,585	33,016,979	30,471,766
Interest accrued on borrowings	3,527,824	2,555,601	1,848,348
	38,209,410	35,572,580	32,320,114

17. Other current liabilities	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
Deferred revenue	156,071,943	204,988,289	444,369,015
TDS payable	1,103,019	1,500,908	2,581,438
Other statutory dues	49,714	97,248	74,023
	157,224,675	206,586,445	447,024,476

S.R. BATLIBOI & CO. LLP * GURGAON *