

Walker Chandiook & Co LLP

Independent Auditor's Report

To the Members of DLF Projects Limited

Report on the Financial Statements

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

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1. We have audited the accompanying financial statements of DLF Projects Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 these 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



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker ChandioK & Co LLP

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 these 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 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) on which we issued auditor's reports to the shareholders of the Company dated 23 May 2016 and 18 May 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

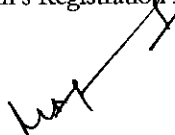
10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure A, 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 Ind AS specified under Section 133 of the Act;
 - 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 2017 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 on 31 March 2017 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 2017 as per Annexure B expressed an unqualified opinion; and
 - 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



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- i. as detailed in note 30 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;
- iv. the Company, as detailed in Note 13 (ii) to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


per Manish Agrawal
Partner
Membership No.: 507000



Place: Gurugram
Date: 23 May 2017

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 2017

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 comprising of property, plant and equipment.
 - (b) The fixed assets comprising of property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets comprising of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
 - (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 schedule of repayment of principal and payment of interest has been stipulated and the repayment principal amount and the interest are regular;
 - (c) there is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (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) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) 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, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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 became payable.



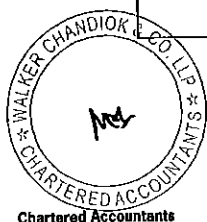
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Annexure A to the Independent Auditor's Report of even date to the members of DLF Projects Limited, on the financial statements for the year ended 31 March 2017

(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 statue | Nature of dues | Amount (₹in lakhs) | Amount paid under protest (₹in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|-------------------------------------|-----------------|--------------------|---------------------------------------|---|---|
| Uttar Pradesh Value Added tax, 2008 | Value added tax | 47.33 | - | Financial year 2006-07 | Hon'ble Allahabad High Court |
| Uttar Pradesh Value Added tax, 2008 | Value added tax | 136.94 | 43.92 | Financial year 2009-10 to 2011-12 | Additional Commissioner (Appeals) |
| West Bengal Value Added tax, 2003 | Value added tax | 164.36 | - | Financial year 2011-12 and 2012-13 | Appellate Tribunal Government of West Bengal |
| West Bengal Value Added tax, 2003 | Value added tax | 63.41 | 9.46 | Financial year 2013-14 | Joint Commissioner (Appeals) |
| Tamil Nadu Value Added tax, 1990 | Entry Tax | 6.79 | 1.01 | Financial year 2008-09 | Tamil Nadu High Court |
| Tamil Nadu Value Added tax, 1990 | Value added tax | 171.65 | - | Financial year 2007-08 to 2011-12 | Joint Commissioner (South), Chennai |
| Tamil Nadu Value Added tax, 1990 | Value added tax | 1,922.18 | - | Financial year 2007-08, 2008-09 and 2009-10 | Tamil Nadu High Court |
| Kerela Value Added tax, 2003 | Value added tax | 0.38 | 0.38 | Financial year 2009-10 | CTO Walayar Check Post |
| Haryana Value Added tax, 2003 | Value added tax | 1,314.70 | - | Financial year 2011-12 | Joint Excise and Taxation Commissioner (Appeals), Faridabad |
| Haryana Value Added tax, 2003 | Value added tax | 1,436.82 | - | Financial year 2011-12 and 2012-13 | Joint Excise and Taxation Commissioner (Appeals), Faridabad |
| Haryana Value Added tax, 2003 | Value added tax | 418.74 | - | Financial year 2006-07 | High Court Delhi |
| Income Tax Act, 1961 | Income Tax | 34.10 | - | Assessment year 2008-09 | Income Tax Appellate Tribunal |



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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 2017

| Name of the statute | Nature of dues | Amount (₹ in lakhs) | Amount paid under protest (₹ in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|---------------------|--|------------------------------------|--|
| Income Tax Act, 1961 | Income Tax | 310.67 | - | Assessment year 2009-10 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Income Tax | 250.99 | - | Assessment year 2010-11 | Income Tax Appellate Tribunal |
| Finance Act, 1994 | Service Tax | 415.64 | - | March 2009 to May 2009 | CESTAT, New Delhi |
| Finance Act, 1994 | Service Tax | 172.40 | - | March 2011 to May 2012 | Additional Director General, Directorate General of Central Excise Intelligence, New Delhi |
| Finance Act, 1994 | Service Tax | 99.85 | - | Financial year 2011-12 | Commissioner, Service Tax, Delhi |
| Finance Act, 1994 | Service Tax | 861.65 | - | March 2009 to May 2009 | CESTAT, New Delhi |
| Finance Act, 1994 | Service Tax | 1,799.03 | - | Financial year 2011-12 | CESTAT, New Delhi |

- (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 Ind AS.



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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 2017

- (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 ChandioK & Co
For Walker ChandioK & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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



Place: Gurugram
Date: 23 May 2017

Walker ChandioK & Co LLP

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 2017

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 DLF Projects Limited ("the Company") as of and for the year ended 31 March 2017, 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

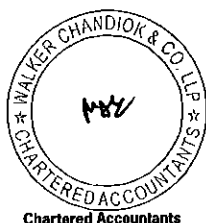
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal 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 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 on Audit of Internal Financial Controls Over Financial Reporting 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



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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 2017

unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 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 issued by ICAI.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
per Manish Agrawal
Partner
Membership No.: 507000



Place: Gurugram
Date: 23 May 2017

DLF Projects Limited
Balance Sheet as at 31 March 2017

| | Note | As at 31 March 2017 (₹ in Lakhs) | As at 31 March 2016 (₹ in Lakhs) | As at 1 April 2015 (₹ in Lakhs) |
|----------------------------------|------|--|--|---------------------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 6 | 847.20 | 1,213.43 | 1,574.50 |
| Other intangible assets | 7 | 0.68 | 0.78 | 1.12 |
| Financial assets | | | | |
| Loans | 8A | 117.37 | 117.37 | 117.37 |
| Non-current tax asset (net) | 9 | 1,726.15 | 2,084.82 | 3,759.80 |
| Other non current assets | 10 | 1,329.80 | 1,568.54 | 1,625.87 |
| | | <u>4,021.20</u> | <u>4,984.94</u> | <u>7,078.66</u> |
| Current assets | | | | |
| Inventories | 11 | 391.79 | 405.94 | 462.58 |
| Financial assets | | | | |
| Trade receivables | 12 | 1,249.50 | 1,819.28 | 3,326.34 |
| Cash and cash equivalents | 13 | 2,070.15 | 1,690.79 | 755.61 |
| Other bank balances | 14 | 1.60 | 1.49 | 1.35 |
| Loans | 8B | 88.95 | 119.29 | 421.47 |
| Other financial assets | 15 | 363.37 | 363.37 | 363.37 |
| Other current assets | 16 | 2,022.24 | 2,110.80 | 2,473.45 |
| | | <u>6,187.60</u> | <u>6,510.96</u> | <u>7,804.17</u> |
| | | <u>10,208.80</u> | <u>11,495.90</u> | <u>14,882.83</u> |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 17A | 4,440.25 | 4,440.25 | 4,440.25 |
| Other equity | | (701.91) | (297.57) | (429.27) |
| | | <u>3,738.34</u> | <u>4,142.68</u> | <u>4,010.98</u> |
| Non - current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 18 | 2,630.00 | 2,630.00 | 2,630.00 |
| | | <u>2,630.00</u> | <u>2,630.00</u> | <u>2,630.00</u> |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Trade payables | 19 | 2,526.73 | 3,424.40 | 6,550.78 |
| Other financial liabilities | 20 | 19.49 | 21.42 | 45.03 |
| Other current liabilities | 21 | 1,294.23 | 1,277.40 | 1,646.04 |
| | | <u>3,840.46</u> | <u>4,723.22</u> | <u>8,241.85</u> |
| | | <u>10,208.80</u> | <u>11,495.90</u> | <u>14,882.83</u> |

Summary of significant accounting policies 5

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

This is the balance sheet referred to in our report of even date.

Walker Chandiole & Co
For Walker Chandiole & Co LLP
Chartered Accountants

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

per Manish Agrawal
Partner



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

Raj Paul
Raj Paul
Company Secretary

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

Alok Kumar
Alok Kumar
Director
DIN: 06412803

Place: Gurgaon
Date: 23 May 2017

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DLF Projects Limited
Statement of Profit and Loss for the year ended 31 March 2017

| | Note | Year ended 31 March 2017 (₹ in Lakhs) | Year ended 31 March 2016 (₹ in Lakhs) |
|---|------|---|---|
| Revenue | | | |
| Revenue from operations | 22 | 90.30 | 2,117.20 |
| Other income | 23 | 188.47 | 824.34 |
| | | <u>278.77</u> | <u>2,941.54</u> |
| Expenses | | | |
| Cost of construction | 24 | 102.00 | 2,057.96 |
| Finance costs | 25 | - | 0.05 |
| Depreciation and amortisation expense | 26 | 164.59 | 204.56 |
| Other expenses | 27 | 416.51 | 547.27 |
| | | <u>683.11</u> | <u>2,809.84</u> |
| (Loss)/profit before tax | | <u>(404.34)</u> | <u>131.70</u> |
| Tax expenses | 28 | - | - |
| (Loss)/profit after tax and for the year | | <u>(404.34)</u> | <u>131.70</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u>(404.34)</u> | <u>131.70</u> |
| (Loss)/profit per equity share | | | |
| Basic | 29 | (0.91) | 0.30 |
| Diluted | | (0.91) | 0.30 |

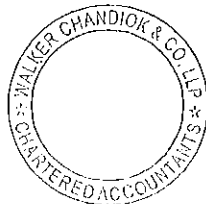
Summary of significant accounting policies 5

The accompanying notes form an integral part of the financial statement.

This is the Statement of Profit and Loss referred to in our report of even date.

Walker Chandio & Co LLP
For Walker Chandio & Co LLP
Chartered Accountants

Manish Agrawal



per Manish Agrawal
Partner

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

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

Alok Kumar
Alok Kumar
Director
DIN: 06412803

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

Ravi Paul
Ravi Paul
Company Secretary

Place: Gurugram
Date: 23 May 2017

SM

DLF Projects Limited
Cash flow statement for the year ended 31 March 2017

| | As at 31 March 2017 (₹ in Lakhs) | As at 31 March 2016 (₹ in Lakhs) |
|--|--|--|
| A. Cash flow from operating activities | | |
| Net (loss)/profit before tax | (404.34) | 131.71 |
| Adjustments for non cash transactions: | | |
| Depreciation and amortisation expense | 164.59 | 204.56 |
| Interest expense | - | 0.05 |
| Interest income | (121.53) | (123.76) |
| Interest on Income Tax refund | (35.62) | (70.64) |
| Bad debts written off | 29.33 | - |
| Loss on foreign exchange fluctuations (net) | - | 1.17 |
| Provision against balances with government authorities | 64.25 | 142.53 |
| Unclaimed balances and excess provisions written back | - | 471.01 |
| Loss/(profit) on disposal of property, plant and equipment (net) | 70.55 | (3.73) |
| Operating (loss)/profit before working capital changes | (232.75) | 752.90 |
| Adjustments for: | | |
| Decrease in inventories | 14.15 | 56.64 |
| Decrease in trade receivables | 539.84 | 710.75 |
| Decrease in loans and advances | 30.34 | 266.95 |
| Decrease in other current assets | 18.56 | 806.82 |
| Increase/(decrease) in other current liabilities | 16.84 | (863.26) |
| Decrease in trade payables | (897.64) | (3,127.57) |
| Cash flow used in operations | (510.67) | (1,396.77) |
| Taxes refund received (net) | 606.51 | 1,745.61 |
| Net cash generated from/ (used in) operating activities (A) | 95.84 | 348.84 |
| B Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and equipment | 131.18 | 160.59 |
| Interest received | 151.87 | 166.94 |
| Refund of loans to related party | - | 259.00 |
| Net cash generated from investing activities (B) | 283.05 | 586.53 |
| C Cash flows from financing activities | | |
| Interest paid | - | (0.05) |
| Net cash used in financing activities (C) | - | (0.05) |
| Net increase in cash and cash equivalents (A+B+C) | 378.88 | 935.32 |
| Cash and cash equivalents at the beginning of the year | 1,691.27 | 755.96 |
| Cash and cash equivalents at the end of the year | 2,070.15 | 1,691.27 |
| Components of cash and cash equivalents (Refer note no 13) | | |
| Balance with banks : | | |
| In current accounts with scheduled banks | 338.81 | 437.05 |
| Bank deposits with original maturity less than 3 months | 1,731.34 | 1,253.74 |
| | 2,070.15 | 1,690.78 |

This is the cash flow statement referred to in our report of even date.

Walker Chandio & Co LLP
For Walker Chandio & Co LLP
Chartered Accountants

Manish
per Manish Agarwal
Partner



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

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

Alok Kumar
Alok Kumar
Director
DIN: 06412803

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

Rajiv Paul
Rajiv Paul
Company Secretary

Place: Gurgaon
Date: 23 May 2017

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DLF Projects Limited
Statement of changes in equity as at 31 March 2017

A Equity share capital*

(₹ in Lakhs)

| Particulars | Opening balance as at 1 April 2015 | Balance as at 31 March 2016 | Balance as at 31 March 2017 |
|----------------------|------------------------------------|-----------------------------|-----------------------------|
| Equity share capital | 4,440.25 | 4,440.25 | 4,440.25 |

B Other equity

(₹ in Lakhs)

| Description | Equity component of compound financial instruments | Reserves and Surplus | Total |
|-----------------------------|--|----------------------|----------|
| | | Retained earnings | |
| Balance as at 1 April 2015 | 452.76 | (882.03) | (429.27) |
| Profit for the year | - | 131.70 | 131.70 |
| Balance as at 31 March 2016 | 452.76 | (750.33) | (297.57) |
| Loss for the year | - | (404.34) | (404.34) |
| Balance as at 31 March 2017 | 452.76 | (1,154.67) | (701.91) |

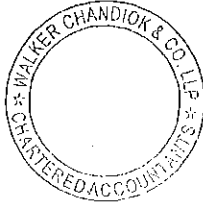
*Refer note 17 for details.

This is the Statement of Changes in Equity referred to in our report of even date

Walker Chandok & Co LLP
For Walker Chandok & Co LLP
Chartered Accountants

For and on behalf of the board of directors
DLF Projects Limited

Manish
per Manish Agrawal
Partner



[Signature]
P. Poonacha
Director
DIN : 00074337

[Signature]
Alok Kumar
Director
DIN: 06412803

Place: Gurugram
Date: 23 May 2017

[Signature]
K.K. Sharma
Chief Financial
Officer

[Signature]
Company Secretary

[Signature]

6 Property, plant and equipment

| Description | Plant and machinery | Furniture and fixtures | Vehicles | Office equipments | Computers | Total |
|------------------------------------|---------------------|------------------------|-----------------|-------------------|-------------|-----------------|
| Gross carrying amount | | | | | | |
| Balance as at 1 April 2015* | 1,557.16 | 3.67 | 3.12 | 0.63 | 9.91 | 1,574.50 |
| Additions | - | - | - | - | - | - |
| Disposals/ adjustment | 225.36 | - | 0.23 | - | - | 225.59 |
| Balance as at 31 March 2016 | 1,331.80 | 3.67 | 2.89 | 0.63 | 9.91 | 1,348.90 |
| Additions | - | - | - | - | - | - |
| Disposals/ adjustment | 224.72 | - | - | - | - | 224.72 |
| Balance as at 31 March 2017 | 1,107.08 | 3.67 | (147.11) | 0.63 | 9.91 | 1,124.18 |
| Accumulated depreciation | | | | | | |
| Balance as at 1 April 2015* | - | - | - | - | - | - |
| Depreciation charge | 203.07 | 0.51 | - | 0.63 | - | 204.22 |
| Adjusted on disposal of assets | 68.74 | - | - | - | - | 68.74 |
| Balance as at 31 March 2016 | 134.33 | 0.51 | - | 0.63 | - | 135.48 |
| Depreciation charge | 151.18 | 0.51 | 2.89 | - | 9.91 | 164.49 |
| Adjusted on disposal of assets | 22.99 | - | - | - | - | 22.99 |
| Balance as at 31 March 2017 | 262.53 | 1.02 | 3.33 | 0.63 | 9.91 | 276.98 |
| Net block | | | | | | |
| Balance as at 1 April 2015 | 1,557.16 | 3.67 | 3.12 | 0.63 | 9.91 | 1,574.50 |
| Balance as at 31 March 2016 | 1,197.47 | 3.16 | 2.89 | - | 9.91 | 1,213.43 |
| Balance as at 31 March 2017 | 844.56 | 2.65 | - | - | - | 847.20 |

(i) The Company does not have any contractual commitments for the acquisition of property, plant and equipment.

(ii) Capitalised borrowing cost

The Company has not capitalised any borrowing cost during the year ended March 31, 2017 and March 31, 2016.

(iii) Property, plant and equipment pledged as security

There exist no restrictions on the title and no items of property, plant and equipment have been pledged as security for any liabilities.

7 Other intangible assets

| Description | Computer software (₹ in Lakhs) | Total (₹ in Lakhs) |
|------------------------------------|-----------------------------------|-----------------------|
| Gross carrying amount | | |
| Balance as at 1 April 2015* | 1.12 | 1.12 |
| Additions | - | - |
| Disposals | - | - |
| Balance as at 31 March 2016 | 1.12 | 1.12 |
| Additions | - | - |
| Disposals | - | - |
| Balance as at 31 March 2017 | 1.12 | 1.12 |
| Accumulated amortisation | | |
| Balance as at 1 April 2015* | - | - |
| Amortisation charge | 0.34 | 0.34 |
| Adjusted on disposal of assets | - | - |
| Balance as at 31 March 2016 | 0.34 | 0.34 |
| Amortisation charge | 0.10 | 0.10 |
| Adjusted on disposal of assets | - | - |
| Balance as at 31 March 2017 | 0.44 | 0.44 |
| Net block | | |
| Balance as at 1 April 2015 | 1.12 | 1.12 |
| Balance as at 31 March 2016 | 0.78 | 0.78 |
| Balance as at 31 March 2017 | 0.68 | 0.68 |

* Represents deemed cost on the date of transition to Ind AS.

Statement showing deemed cost of fixed assets on the date of transition to Ind AS

| Particulars | Gross Block | Accumulated Depreciation | Net Block/Deemed |
|--------------------------------------|-----------------|--------------------------|------------------|
| Property, plant and equipment | | | |
| Plant and machinery | 6,247.06 | 4,689.90 | 1,557.16 |
| Furniture and fixtures | 177.83 | 174.16 | 3.67 |
| Vehicles | 96.31 | 93.19 | 3.12 |
| Office equipments | 141.11 | 140.48 | 0.63 |
| Computers | 460.37 | 450.45 | 9.91 |
| | 7,122.68 | 5,548.18 | 1,574.49 |
| Other intangible assets | | | |
| Computer Software | 6.04 | 4.92 | 1.12 |
| | 6.04 | 4.92 | 1.12 |



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DLF Projects Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts are ₹ in lakhs, unless otherwise stated)

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|--|------------------------|------------------------|-----------------------|
| Loans | | | |
| 8A Non - current (Unsecured, considered good) | | | |
| Security deposits | 117.37 | 117.37 | 117.37 |
| | <u>117.37</u> | <u>117.37</u> | <u>117.37</u> |
| 8B Current | | | |
| Loans to related parties (refer note 35) | 88.95 | 119.29 | 421.47 |
| | <u>88.95</u> | <u>119.29</u> | <u>421.47</u> |
| 9 Non - current tax asset (net) | | | |
| Prepaid taxes net of provision for tax | 1,726.15 | 2,084.82 | 3,759.80 |
| | <u>1,726.15</u> | <u>2,084.82</u> | <u>3,759.80</u> |
| 10 Other non-current assets (Unsecured, considered good unless otherwise stated) | | | |
| Balance with government authorities | 1,536.58 | 1,711.07 | 1,625.87 |
| less: Provision for doubtful advances | (206.78) | (142.53) | - |
| | <u>1,329.80</u> | <u>1,568.54</u> | <u>1,625.87</u> |
| 11 Inventories (Valued at cost, unless otherwise stated) | | | |
| Raw materials at site | 284.38 | 297.38 | 346.11 |
| Stores, spares and loose tools | 11.51 | 8.43 | 8.84 |
| Consumables and safety items | 95.90 | 100.13 | 107.63 |
| | <u>391.79</u> | <u>405.94</u> | <u>462.58</u> |
| 12 Trade receivables (Unsecured, considered good unless otherwise stated) | | | |
| Due from: | | | |
| Related parties (refer note 35) | 105.14 | 761.84 | 1,633.94 |
| Others | 491.20 | 404.28 | 361.79 |
| Unbilled receivables | 653.16 | 653.16 | 1,330.61 |
| | <u>1,249.50</u> | <u>1,819.28</u> | <u>3,326.34</u> |
| 13 Cash and cash equivalents | | | |
| (i) Cheques on hand | - | - | 4.75 |
| Balance with banks: | | | |
| In current accounts with scheduled banks | 338.81 | 437.05 | 348.51 |
| | <u>338.81</u> | <u>437.05</u> | <u>353.26</u> |
| Bank deposits with original maturity less than 3 months | 1,731.34 | 1,253.74 | 402.35 |
| | <u>2,070.15</u> | <u>1,690.79</u> | <u>755.61</u> |

(ii) Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars | SBNs* | Other denomination notes | Total |
|--|-------|--------------------------|-------|
| Closing cash in hand as on November 8, 2016 | - | - | - |
| Add: Permitted receipts | - | - | - |
| Less: Permitted payments | - | - | - |
| Less: Amount deposited in banks | - | - | - |
| Closing cash in hand as on December 30, 2016 | - | - | - |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

14 Other bank balances

| | | | |
|---|-------------|-------------|-------------|
| Deposits with original maturity more than 3 months but less than 12 months* | 1.60 | 1.49 | 1.35 |
| | <u>1.60</u> | <u>1.49</u> | <u>1.35</u> |

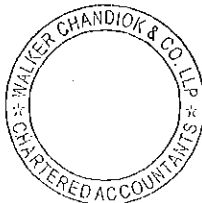
* Pledged with sales tax authority

15 Other financial assets

| | | | |
|---|---------------|---------------|---------------|
| (Unsecured, considered good) | | | |
| Gratuity fund plan assets (refer note 42) | 363.37 | 363.37 | 363.37 |
| | <u>363.37</u> | <u>363.37</u> | <u>363.37</u> |

16 Other current assets

| | | | |
|---|-----------------|-----------------|-----------------|
| (Secured, considered good) | | | |
| Advances recoverable in kind for value to be received | - | 20.38 | 20.38 |
| (Unsecured, considered good) | | | |
| Advances recoverable in kind for value to be received | 18.79 | 195.52 | 226.96 |
| Balance with government authorities | 1,996.83 | 1,886.75 | 2,100.82 |
| Recoverable from customers | - | - | 118.86 |
| Prepaid expenses | 6.62 | 8.15 | 6.43 |
| | <u>2,022.24</u> | <u>2,110.80</u> | <u>2,473.45</u> |



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DLF Projects Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017
(All amounts are ₹ in lakhs, unless otherwise stated)

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|--|------------------------|------------------------|-----------------------|
| 17A Equity share capital | | | |
| Authorised capital | | | |
| 15,000,000 (previous year 15,000,000) equity shares of ₹ 10 each | 4,500.00 | 4,500.00 | 4,500.00 |
| | <u>4,500.00</u> | <u>4,500.00</u> | <u>4,500.00</u> |
| Issued, subscribed and paid up capital | | | |
| 14,102,500 (previous year 14,102,500) equity shares of ₹ 10 each fully paid up | 4,440.25 | 4,440.25 | 4,440.25 |
| | <u>4,440.25</u> | <u>4,440.25</u> | <u>4,440.25</u> |

A Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

| | As at 31 March 2017 | | As at 31 March 2016 | |
|------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
| | No of shares | Amount (₹) | No of shares | Amount (₹) |
| At the beginning of the year | 4,44,02,500 | 4,440.25 | 4,44,02,500 | 4,440.25 |
| Add : Issued during the year | - | - | - | - |
| Outstanding at the end of the year | <u>4,44,02,500.00</u> | <u>4,440.25</u> | <u>4,44,02,500.00</u> | <u>4,440.25</u> |

B Rights, preference and restrictions to equity shares

The Company has only one class of equity shares having a par value of ₹ 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

| | As at 31 March 2017 | | As at 31 March 2016 | | As at 1 April 2015 | |
|---|---------------------|-----------|---------------------|-----------|--------------------|-----------|
| | No of shares | % holding | No of shares | % holding | No of shares | % holding |
| Equity shares of ₹ 10 each fully paid up | | | | | | |
| DLF Home Developers Limited, holding company* | 4,00,00,000 | 90.08 | 4,00,00,000 | 90.08 | 4,00,00,000 | 90.08 |
| DLF Limited, ultimate holding company | 42,88,500 | 9.66 | 42,88,500 | 9.66 | 42,88,500 | 9.66 |
| DLF Hotel Holdings Limited | 1,14,000 | 0.26 | 57,000 | 0.13 | 57,000 | 0.13 |
| DLF Realtors Private Limited | | | 57,000 | 0.13 | 57,000 | 0.13 |

6 equity shares being held by nominees of DLF Home Developers Limited.

D Shares held by holding and ultimate holding company

Out of the shares issued by the Company, shares held by its holding company and ultimate holding company are as follow:

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|--|---------------------|---------------------|--------------------|
| | No. of shares | No. of shares | No. of shares |
| Class of shares | | | |
| Equity shares of ₹ 10 each fully paid up | 4,42,88,500 | 4,42,88,500 | 4,42,88,500 |

E There are no shares reserved for issue under options and there are no contracts or commitments for the sale of shares or disinvestment.

F Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the date March 31, 2017

During the year ended 31 March 2014 the Company has issued following equity shares pursuant to a scheme of amalgamation without payment being received in cash. No such issue has taken place in any of the immediately preceding five years except aforementioned. The company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

| | Allotted to | No. of shares |
|----------------------------|----------------------------|---------------|
| | Class of shares | |
| Equity shares of ₹ 10 each | DLF Limited | 42,88,500 |
| Equity shares of ₹ 10 each | DLF Hotel Holdings Limited | 1,14,000 |

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|--|------------------------|------------------------|-----------------------|
| 17A Preference share capital | | | |
| Authorised capital | | | |
| 30,000,000 (31 March 2016:30,000,000 and 1 April 2015: 30,000,000) 6% non-cumulative redeemable preference shares of ₹ 10 each | 3,000.00 | 3,000.00 | 3,000.00 |
| | <u>3,000.00</u> | <u>3,000.00</u> | <u>3,000.00</u> |

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DLF Projects Limited

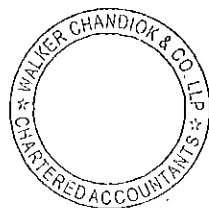
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts are ₹ in lakhs, unless otherwise stated)

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|--|------------------------|------------------------|-----------------------|
| 18 | | | |
| Liability component of compound financial instrument | | | |
| <i>(Unsecured)</i> | | | |
| 6% non-cumulative redeemable preference shares of ₹10 each | 2,630.00 | 2,630.00 | 2,630.00 |
| | <u>2,630.00</u> | <u>2,630.00</u> | <u>2,630.00</u> |
| | | | |
| 6% Non Cumulative Redeemable Preference Shares of (₹) 10 each | | | |
| The preference shares shall carry a fixed non-cumulative dividend of 6% p.a. and for the purpose of redemption have a right of put and call option, exercisable by the investor w.e.f 1 April 2014 i.e. three years from the date of allotment 01 April, 2011 and if the said rights are not exercised, shall be redeemed by the Company at any time after seven years from the date of allotment. | | | |
| | | | |
| 19 | | | |
| Trade payables | | | |
| A. Payable to micro enterprises and small enterprises (refer note 33) | - | - | - |
| B. Other payables | | | |
| - Due to related parties (refer note 35) | 362.96 | 817.47 | 136.13 |
| - Due to others | 2,163.77 | 2,606.93 | 6,414.65 |
| | <u>2,526.73</u> | <u>3,424.40</u> | <u>6,550.78</u> |
| | | | |
| 20 | | | |
| Other financial liabilities | | | |
| Deposits received towards earnest money | 19.49 | 21.42 | 45.03 |
| | <u>19.49</u> | <u>21.42</u> | <u>45.03</u> |
| | | | |
| 21 | | | |
| Other current liabilities | | | |
| Advance against construction contracts | 572.36 | 534.59 | 580.75 |
| Employees related payables | 0.25 | 0.25 | 20.45 |
| Statutory dues | 9.29 | 30.23 | 345.31 |
| Payable to related parties (refer note 35) | 656.48 | 699.53 | 686.73 |
| Others | 55.85 | 12.80 | 12.80 |
| | <u>1,294.23</u> | <u>1,277.40</u> | <u>1,646.04</u> |

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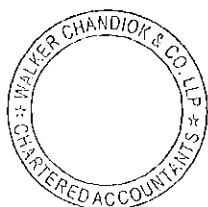


DLF Projects Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts are ₹ in lakhs, unless otherwise stated)

| | Year ended 31 March 2017 | Year ended 31 March 2016 |
|---|-----------------------------|-----------------------------|
| 22 Revenue from operations | | |
| Operating Revenue | | |
| Revenue from construction projects | 60.27 | 2,063.01 |
| | <u>60.27</u> | <u>2,063.01</u> |
| Other operating revenue | | |
| Business support service | 19.80 | 19.80 |
| Sale of construction material | 10.23 | 34.39 |
| | <u>30.03</u> | <u>54.19</u> |
| | <u>90.30</u> | <u>2,117.20</u> |
| 23 Other income | | |
| Interest income: | | |
| - from bank deposits | 110.80 | 94.87 |
| - on loans to holding company (refer note 35) | 10.72 | 28.90 |
| - on income-tax refunds | 35.62 | 70.64 |
| Profit on disposal of property, plant and equipment (net) | - | 3.73 |
| Scrap sales | 6.50 | 142.31 |
| Unclaimed balances and excess provisions written back | - | 471.01 |
| Miscellaneous income | 24.83 | 12.88 |
| | <u>188.47</u> | <u>824.34</u> |
| 24 Cost of construction | | |
| Materials consumed | 9.01 | 29.28 |
| Sub contractors expenses | 69.71 | 1,954.93 |
| Power and fuel | 11.06 | 31.39 |
| Hire charges - plant and machinery and others | 1.99 | 7.97 |
| Cost of construction material | 10.23 | 34.39 |
| | <u>102.00</u> | <u>2,057.96</u> |
| 25 Finance costs | | |
| Interest expense | | |
| - other loans | - | 0.05 |
| | <u>-</u> | <u>0.05</u> |
| 26 Depreciation and amortisation expense | | |
| Depreciation expense (refer note 6) | 164.49 | 204.22 |
| Amortisation expense (refer note 7) | 0.10 | 0.34 |
| | <u>164.59</u> | <u>204.56</u> |
| 27 Other expenses | | |
| Rent (refer note 37) | - | 4.22 |
| Rates and taxes | 15.88 | 123.62 |
| Repair and maintenance: | | |
| Machinery | - | 0.18 |
| Computers | 0.28 | 0.25 |
| Others | - | 1.85 |
| Insurance | 10.89 | 16.71 |
| Health and safety expenses | 0.23 | 2.69 |
| Travelling and conveyance | 0.18 | 0.86 |
| Vehicles running and maintenance | 1.17 | 0.21 |
| Security expenses | 46.81 | 80.13 |
| Loss on disposal of property, plant and equipment (net) | 70.55 | - |
| Printing and stationery | 0.44 | 1.58 |
| Communication | 6.76 | 6.39 |
| Legal and professional fees (refer note 34) | 138.56 | 125.99 |
| Directors fees | 2.20 | 2.60 |
| Bank charges | 28.87 | 31.32 |
| Loss on foreign exchange fluctuations (net) | - | 1.17 |
| Bad debts written off | 29.33 | - |
| Provision against balance with government authorities | 64.25 | 142.53 |
| Miscellaneous expenses | 0.11 | 4.97 |
| | <u>416.51</u> | <u>547.27</u> |



28 Tax expenses

| | | |
|---|----------|----------|
| Current tax | - | - |
| Deferred tax charge | - | - |
| Income tax expense as reported in the statement of profit and loss | - | - |

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 28.84% and the reported tax expense in statement of profit or loss are as follows:

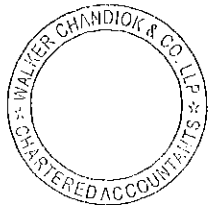
Reconciliation of tax expense and the accounting loss multiplied by tax rate

| | | |
|---|----------|----------|
| Accounting (loss)/profit before income tax | (404.34) | 131.70 |
| At income tax rate of 28.84% (for the year ended 31 March 2016: 33.45%) | (116.61) | 44.05 |
| Tax impact of profit/loss on disposal of property, plant and equipment disallowed during the current year | 20.35 | (1.25) |
| Tax impact of provision for amount recoverable from government authority disallowed during the current year | 18.53 | 47.68 |
| Unabsorbed losses adjusted against profit for the year | - | (90.48) |
| Deferred tax asset not created in respect of unabsorbed losses * | 77.74 | - |
| Income tax expense | - | - |

* The Company follows Indian Accounting Standard (IndAS) 12 "Income taxes" as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). Due to the losses incurred by the Company, the Company has deferred tax assets on loss under the tax laws as a major component. However, due to lack sufficient taxable temporary differences and convincing evidence regarding availability of sufficient future taxable profit, the company has prudently decided not to recognise any deferred tax assets.

29 (Loss)/Profit per share

| | | |
|--|------------|------------|
| Profit/(Loss) for the year | (404.34) | 131.70 |
| Weighted average number of equity shares | 44,402,500 | 44,402,500 |
| Nominal value of equity share (₹) | 10 | 10 |
| Profit/(Loss) per share- basic and diluted (₹) | (0.91) | 0.30 |



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DLF Projects Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017
(All amounts are ₹ in lakhs, unless otherwise stated)

30. Contingent liabilities and commitments

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|-------------------------|-------------------------|------------------------|
| Contingent liabilities | | | |
| Other matters for which the Company is contingently liable | | | |
| - Income tax demand (refer note A) | 595.79 | 681.65 | 681.65 |
| - Value added tax demand including penalties (refer note B) | 5,683.37 | 6,740.80 | 6,087.43 |
| - Service tax demand (refer note C) | 3,348.60 | 2,846.76 | 2,847.73 |
| | <u>9,627.76</u> | <u>10,269.21</u> | <u>9,616.81</u> |

Note A

Income tax demand comprises of the following:

| | | | |
|---|---------------|---------------|---------------|
| (i) Income Tax matter in respect of regular assessment for the assessment year 2008-09, pending before Income Tax Appellate Tribunal. | 34.11 | 34.11 | 34.11 |
| (ii) Income Tax matter in respect of regular assessment for the assessment year 2009-10, pending before Income Tax Appellate Tribunal. | 310.68 | 353.87 | 353.87 |
| (iii) Income Tax matter in respect of regular assessment for the assessment year 2010-11, pending before Income Tax Appellate Tribunal. | 251.00 | 251.00 | 251.00 |
| (iv) Income Tax matter in respect of regular assessment for the assessment year 2011-12, pending before Income Tax Appellate Tribunal. | | 42.67 | 42.67 |
| | <u>595.79</u> | <u>681.65</u> | <u>681.65</u> |

Note B

Value added tax demand comprises of the following:

| | | | |
|--|-----------------|-----------------|-----------------|
| (i) Appeal is pending before Appellate Tribunal in respect of demand raised by Government of West Bengal Commercial Taxes Department for the years ended 2009-10 which has been assessed by Deputy Commissioner, Commercial Taxes on account of Value Added Taxes. | | 409.18 | 409.18 |
| (ii) Appeal is pending before Appellate Tribunal in respect of demand raised by Government of West Bengal Commercial Taxes Department for the years ended 2011-12 and 2012-13 which has been assessed by Deputy Commissioner, Commercial Taxes on account of Value Added Taxes. | 164.37 | | |
| (iii) Appeal is pending before Joint Commissioner (Appeals) in respect of demand raised by Government of West Bengal Commercial Taxes Department for the years ended 2011-12 and 2012-13 which has been assessed by Deputy Commissioner, Commercial Taxes on account of Value Added Taxes. | 63.41 | 164.37 | 194.31 |
| (iii) Appeal is pending before Hon'ble Allahabad High Court in respect of demand raised by Government of Uttar Pradesh Commercial Taxes Department for the period from 2006-07 | 47.34 | 47.34 | 47.34 |
| (v) Appeal is pending before Additional Commissioner (Appeals) in respect of demand raised by Government of Uttar Pradesh Commercial Taxes Department for the period from 2009-10 to 2011-12 | 136.95 | 232.78 | 1,118.00 |
| (vi) Appeal is pending before Tribunal, Noida in respect of demand raised by Government of Uttar Pradesh Commercial Taxes Department for the period from 2007-08 to 2008-09 | | 885.22 | |
| (vii) Appeal is pending before Joint Commissioner (South), Chennai in respect of rejection of refund of input tax credit in SEZ projects for the year ended 2007-08 to 2011-12 | 171.66 | 171.66 | 11.13 |
| (viii) Appeal is pending before Tamil Nadu, High court in respect of entry tax demands raised for the year ended 2008-09 | 6.79 | 6.79 | 6.79 |
| (ix) Appeal is pending in respect of tax imposed on SEZ sales for period from 2007-08 to 2009-10 where the company has filed Writ Petition with Tamil Nadu High Court vide WP 5187 to 5189 dt. 5 March 2012 | 1,922.19 | 1,910.54 | 1,910.54 |
| (x) Security deposit collected by CTO walyar check post, Kerala for the year 2009-10 | 0.38 | 1.99 | 1.99 |
| (xi) Asst. Commissioner (Appeals) Ernakulam, Squad No.IV of security for detention of vehicle at check post in Ernakulam, Kochi | | 4.57 | 4.57 |
| (xii) filed writ petition against assessment Order No. 32072053803/2009-10 dated 06-03-2017 and high court has given the 100% stay. Stay Order awaited. For 2009-10 | 418.75 | 4.67 | 4.67 |
| (xiii) Demand raised by Joint Excise and Taxation Commissioner (Appeals), Faridabad on account of disallowance of deductions for the year ended 2011-12 | 1,314.71 | 1,314.71 | 1,314.71 |
| (xiv) Demand raised by Joint Excise and Taxation Commissioner (Appeals), Faridabad on account of assessing all projects (including projects opted composition) under non-composition scheme for the year ended 2011-12 and 2012-13 | 1,436.82 | 1,436.82 | 914.04 |
| (xv) Appeal is pending before the Deputy Commissioner (Appeals) Ernakulam in respect of excess tax and interest levied while finalising assessment for the year 2007-08 by CTO (WCI) Ernakulam. | | 22.62 | 22.62 |
| (xvi) Appeal pending before Joint Commissioner (Appeals) Mumbai in respect of Demand Raised by Government of Maharashtra for Disallowance of ITC due to mismatch of tax payment and less deduction in respect of year 2009-10. | | 127.54 | 127.54 |
| | <u>5,683.37</u> | <u>6,740.80</u> | <u>6,087.43</u> |

Note C

Service tax demand comprises

| | | | |
|---|-----------------|-----------------|-----------------|
| (i) Demand raised by Commissioner, Service tax, Delhi for interest on reversal of wrongly availed credit. | | | 0.97 |
| (ii) Demand raised by Commissioner, Service tax Delhi in respect to services provided to SEZ for the period March 2009 to May 2009 on account of service tax against which appeal is pending before CESTAT, New Delhi. | 415.64 | 415.64 | 415.64 |
| (iii) Demand raised by Additional Director General, Directorate General of Central Excise Intelligence, New Delhi, vide SCN E.No. DGCEI/DZU/INV/RMC/177/2011/4430-4440 dt. 30 September 2013 towards Central Excise Duty on manufacturing of Ready Mix Concrete for the period March 2011 to May 2012 | 172.40 | 86.20 | 86.20 |
| (iv) Demand of differential Service Tax on account of denial of benefit of 12/2003 & switching over based on CBEC Circular No.98/1/2008-ST dt. 4 January 2008 from construction service to works contract service for the period 2011-12 | 99.86 | 99.86 | 99.86 |
| (v) Department has filed appeal vide Appeal No. ST/59419/2013-CU [DB] dt. 27 August 2013 against O-I-O for demand of penalty U/s 78 & service tax on services provided to SEZ between 03 March 2009 to 19 May 2009. | 861.66 | 446.02 | 446.02 |
| (v) Department has filed appeal for re-computation / re-quantification of the demand against O-I-O vide Appeal No. ST/35405/2014-CU[DB] dt. 26 June 2014 for demand of service tax which has been dropped by Commissioner (Adt.) for the period 2011-12. | 1,799.04 | 1,799.04 | 1,799.04 |
| | <u>3,348.60</u> | <u>2,846.76</u> | <u>2,847.73</u> |



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DLF Projects Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017
(All amounts are ₹ in lakhs, unless otherwise stated)

31 Financial risk management

i) Financial instruments by category

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|-------------------------------------|-----------------|-----------------|-----------------|
| | Amortised cost | Amortised cost | Amortised cost |
| Financial assets | | | |
| Trade receivables | 1,249.50 | 1,819.28 | 3,326.34 |
| Loans (excluding security deposits) | 88.95 | 119.29 | 421.47 |
| Security deposit | 117.37 | 117.37 | 117.37 |
| Cash and equivalents | 2,070.15 | 1,690.79 | 755.61 |
| Other bank balance | 1.60 | 1.49 | 1.35 |
| Other financial assets | 363.37 | 363.37 | 363.37 |
| Total financial assets | 3,890.95 | 4,111.60 | 4,985.51 |

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|------------------------------------|-----------------|-----------------|-----------------|
| | Amortised cost | Amortised cost | Amortised cost |
| Financial liabilities | | | |
| Borrowings | 2,630.00 | 2,630.00 | 2,630.00 |
| Trade payables | 2,526.73 | 3,424.40 | 6,550.78 |
| Other financial liabilities | 19.49 | 21.42 | 45.03 |
| Total financial liabilities | 5,176.23 | 6,075.82 | 9,225.81 |

ii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's Board of Directors has the overall responsibility of the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- A: Low credit risk
- B: Moderate credit risk
- C: High credit risk

| Asset group | Basis of categorisation | Provision for expected credit loss/Life time expected credit loss |
|-----------------|---|---|
| Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 12 month expected credit loss/ Lifetime expected credit loss |

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a counter party declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Assets under credit risk –

| Credit rating | Particulars | 31 March 2017 (₹) | 31 March 2016 (₹) | 1 April 2015 (₹) |
|--------------------|---|----------------------|----------------------|---------------------|
| A: Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 3,890.95 | 4,111.60 | 4,985.51 |

Cash & cash equivalents

Credit risk related to cash and cash equivalents is managed by only accepting highly rated banks and diversifying bank accounts in different banks across the country.

ii) Concentration of financial assets

The Company's principal business activities are construction and engineering works for the real estate projects as well as managing and constructing fit-outs in apartments and other related activities. The Company's loans and other financial assets are related to these activities and majorly represent security deposits, loans given to related party and other advances.



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DLF Projects Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017
 (All amounts are ₹ in lakhs, unless otherwise stated)

b) Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets –

As at 31 March 2017

| Particulars | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------|--|---------------------------------|------------------------|---|
| Loans (excluding security deposits) | 88.95 | 0% | - | 88.95 |
| Trade receivables | 1,249.50 | 0% | - | 1,249.50 |
| Cash and cash equivalents | 2,070.15 | 0% | - | 2,070.15 |
| Other bank balance | 1.60 | 0% | - | 1.60 |
| Other financial assets | 363.37 | 0% | - | 363.37 |
| Security deposit | 117.37 | 0% | - | 117.37 |

As at 31 March 2016

| Particulars | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------|--|---------------------------------|------------------------|---|
| Loans (excluding security deposits) | 119.29 | 0% | - | 119.29 |
| Trade receivables | 1,819.28 | 0% | - | 1,819.28 |
| Cash and cash equivalents | 1,690.79 | 0% | - | 1,690.79 |
| Other bank balance | 1.49 | 0% | - | 1.49 |
| Other financial assets | 363.37 | 0% | - | 363.37 |
| Security deposit | 117.37 | 0% | - | 117.37 |

As at 1 April 2015

| Particulars | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------|--|---------------------------------|------------------------|---|
| Loans (excluding security deposits) | 421.47 | 0% | - | 421.47 |
| Trade receivables | 3,326.34 | 0% | - | 3,326.34 |
| Cash and cash equivalents | 755.61 | 0% | - | 755.61 |
| Other bank balance | 1.35 | 0% | - | 1.35 |
| Other financial assets | 363.37 | 0% | - | 363.37 |
| Security deposit | 117.37 | 0% | - | 117.37 |

Expected credit loss for trade receivables under simplified approach

The Company's trade receivables does not have any expected credit loss as registry of properties sold is generally carried out once the Company receives the entire payment. During the periods presented, the Company made no write-offs of trade receivables and no recoveries from receivables previously written off.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

| 31 March 2017 | (₹ in Lakhs) | | | |
|------------------------------------|------------------|-----------------|-------------------|-----------------|
| | Less than 1 year | 1-5 years | More than 5 years | Total |
| Non-derivatives | | | | |
| Borrowing | - | 2,630.00 | - | 2,630.00 |
| Trade payables | 2,526.73 | - | - | 2,526.73 |
| Other financial liabilities | 19.49 | - | - | 19.49 |
| Total financial liabilities | 2,546.23 | 2,630.00 | - | 5,176.23 |

| 31 March 2016 | (₹ in Lakhs) | | | |
|------------------------------------|------------------|-----------------|-------------------|-----------------|
| | Less than 1 year | 1-5 years | More than 5 years | Total |
| Non-derivatives | | | | |
| Borrowing | - | 2,630.00 | - | 2,630.00 |
| Trade payables | 3,424.40 | - | - | 3,424.40 |
| Other financial liabilities | 21.42 | - | - | 21.42 |
| Total financial liabilities | 3,445.82 | 2,630.00 | - | 6,075.82 |

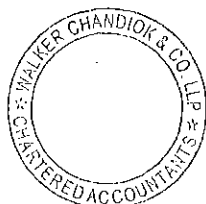
| 1 April 2015 | (₹ in Lakhs) | | | |
|------------------------------------|------------------|-----------------|-------------------|-----------------|
| | Less than 1 year | 1-5 years | More than 5 years | Total |
| Non-derivatives | | | | |
| Borrowing | - | 2,630.00 | - | 2,630.00 |
| Trade payables | 6,550.78 | - | - | 6,550.78 |
| Other financial liabilities | 45.03 | - | - | 45.03 |
| Total financial liabilities | 6,595.81 | 2,630.00 | - | 9,225.81 |

(C) Market Risk

a) Interest rate risk

i) Liabilities

The Company has only fixed rate borrowings in the form of preference shares which are from related parties. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



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32 Capital management**Risk management**

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the balance sheet. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total equity.

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|--------------------------|---------------|---------------|--------------|
| Net debt | 559.85 | 939.21 | 1,874.39 |
| Total equity | 3,738.34 | 4,142.68 | 4,010.98 |
| Net debt to equity ratio | 0.15 | 0.23 | 0.47 |

33 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

| Particulars | 31 March 2017 | 31 March 2016 | 1 April 2015 |
|--|---------------|---------------|--------------|
| i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | Nil | Nil | Nil |
| ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | Nil | Nil | Nil |
| iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006; | Nil | Nil | Nil |
| iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | Nil | Nil |
| v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23. | Nil | Nil | Nil |

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

34 Auditor's remuneration (included in legal and professional – refer note 27)

| Particulars | 31 March 2017 | 31 March 2016 |
|------------------------|---------------|---------------|
| Audit fees | 18.00 | 18.00 |
| Tax audit fees | 2.00 | 2.00 |
| Other services | 4.50 | - |
| Out of pocket expenses | 3.33 | 4.15 |
| Krishikalyan cess | 0.12 | 0.10 |
| Total | 27.95 | 24.25 |



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DLF PROJECTS LIMITED

Summary of significant accounting policies and other explanatory information for the period ended March 31, 2017

(All amounts are ₹ in lakhs, unless otherwise stated)

35. Related party Disclosure

In accordance with Indian Accounting Standard (Ind AS) 24 "Related party disclosure" of the Companies (Accounts) Rules 2014, the names of related parties along with aggregate amount of transactions and year end balances with them are given as follows:

A. List of related party and relationship

a) Holding Company:-

DLF Home Developers Limited*

b) Ultimate holding Company:-

DLF Limited

c) Fellow subsidiary companies, joint ventures and associate company of Ultimate Holding Company/ Holding Company, and association of persons (with whom there transactions during the year and closing balances at year end)

Banjara Hills Hyderabad Complex(AOP)
DLF Home Services Limited
DLF City Centre Limited
DLF Commercial Developers Limited
DLF Cyber City Developers Limited
DLF Golf & Resorts Limited
DLF Homes Panchkula Private Limited
DLF Hotel Holdings Limited
DLF Southern Homes Private Limited (till 20 March 2017)
DLF Southern Towns Private Limited
DLF Utilities Limited
GSG DRDL Consortium

B. Details of transactions with the related party/parties during the previous year in the ordinary course of business.*

| Particulars | Company Name | Ultimate Holding/Holding Company | | Fellow subsidiaries | |
|---|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | For the year ended 31 March 2017 | For the year ended 31 March 2016 | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
| Construction and project revenue | DLF Limited DLF Home Developers Limited | - 60.27 | 533.31 1,373.20 | - - | - - |
| Interest income | DLF Home Developers Limited | 10.72 | 28.90 | - | - |
| Business support expenses | DLF Home Services Private Limited | - | - | - | 2.14 |
| Repayment of loans received including interest | DLF Home Developers Limited | 9.65 | - | - | - |
| Payments made on behalf of the Company by DLF Limited: Bank, LC charges and insurance cost | DLF Limited | 28.68 | 30.68 | - | - |

C. Balances at year end*

| Particulars | Company Name | Ultimate Holding/Holding Company | | | Fellow subsidiaries | | |
|--|---|--|---|--|--|---|--|
| | | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
| Trade payables | DLF Limited DLF Home Developers Limited DLF Utilities Limited DLF Hotel Holdings Limited DLF Cyber City Developers Limited DLF Golf & Resorts Limited DLF Southern Homes Private Limited (till 20 March 2017) DLF Homes Panchkula Private Limited DLF Southern Towns Private Limited DLF Home Services Limited | 81.20 85.96 - - - - - - - - | 51.82 526.79 - - - - - - - - | 19.88 94.57 - - - - - - - - | - - 58.22 0.05 126.27 1.06 - 3.12 6.89 0.20 | - - 58.22 0.05 126.27 1.06 - - 6.89 0.20 | - - 0.22 - 21.46 - - - - - |
| Other payables | DLF Home Developers Limited DLF Limited DLF Cyber City Developers Limited DLF Utilities Limited DLF Southern Homes Private Limited (till 20 March 2017) DLF Homes Panchkula Private Limited DLF Southern Towns Private Limited DLF Golf & Resorts Limited | 316.57 0.44 - - - - - - | 316.57 0.44 - - - - - - | 316.57 0.44 - - - - - - | - - 104.81 58.22 - 3.12 6.89 1.06 | - - 104.81 58.22 - 3.12 6.89 1.06 | - - 104.81 58.22 - 3.12 6.89 1.06 |
| Advance against construction contracts | DLF Limited GSG DRDL Consortium DLF City Centre Limited Banjara Hills Hyderabad Complex(AOP) DLF Hotel Holdings Limited | 200.00 - - - - | 200.00 - - - - | - - - - - | 11.85 86.89 56.31 0.05 | 11.85 86.89 56.31 0.05 | 11.85 86.89 56.31 - |
| Loan given | DLF Home Developers Limited | 81.00 | 81.00 | 340.00 | - | - | - |
| Interest accrued on loan given | DLF Home Developers Limited | 7.95 | 26.01 | 80.94 | - | - | - |
| Trade receivables | DLF Limited DLF Home Developers Limited DLF Cyber City Developers Limited DLF Commercial Developers Limited DLF Southern Homes Private Limited (till 20 March 2017) DLF Southern Towns Private Limited DLF Homes Panchkula Private Limited | 689.03 67.10 - - - - - | 689.03 572.18 - - - - - | 1,861.96 752.44 - - - - - | - 0.20 - - - 1.98 - | - 55.72 - - 95.90 1.98 - | - 0.20 4.28 - 147.63 1.98 196.03 |
| Loans and advances | DLF Utilities Limited | - | - | - | 0.01 | 0.01 | 0.01 |

*Pursuant to the Order of the Hon'ble High Court of Delhi, by virtue of Scheme of arrangement, the said entity has been merged with DLF Home Developers Limited w.e.f. 11 November 2016. Accordingly the transactions with the said entities post the date of merger till March 31, 2017 and balances outstanding there to on that date has been disclosed as transactions with said balances outstanding to as the case may be, DLF Home Developers Limited during the year ended as of 31 March 2017.



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DLF PROJECTS LIMITED

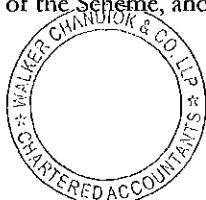
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts are in ₹ lakhs, unless otherwise stated)

36. The Company is primarily engaged in the business of construction and engineering works for the real estate projects as well as managing and constructing fit-outs in apartments, which as per Indian Accounting Standard – 108 on 'Operating Segments' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment
37. The Company had premises for office and residential use for its employees under operating lease agreements till last year. Terms of the lease included terms for renewal, increase in rents in future periods etc. The lease arrangement had been terminated during the previous year, and therefore the total lease rental recognized as an expense during the year under the above lease agreements amounts to ₹nil (Previous year ₹ 4.22 lakhs).
38. Information in accordance with the requirements of Indian Accounting Standards (Ind AS) 11 on 'Construction Contracts' as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 by Ministry of Corporate Affairs('MCA') :

| Particulars | 31 March 2017 | 31 March 2016 |
|--|---------------|---------------|
| Contract revenues recognized as revenue for the year | 60.27 | 2,063.01 |
| Aggregate amount of contract costs incurred and recognized profits (less recognized losses) for contracts in progress up to the reporting date | 88,233.83 | 88,173.56 |
| The amount of customer advances outstanding for contracts in progress | 572.36 | 534.59 |
| The amount of retention due from customers for contracts in progress (included in trade receivables) | Nil | Nil |
| Gross amount due from customers for contract work as an asset. | 653.16 | 653.16 |
| Gross amount due to customers for contract work as a liability | Nil | Nil |

39. All loans as disclosed in respective notes are given for business purposes.
40. During the current year, Company has sold significant amount of property, plant and equipment, on account of completion of its various projects in the previous year. The gross value of the assets disposed off being ₹224.72 lakhs (previous year ₹ 225.59 lakhs), accumulated depreciation as on date of sale being ₹ 22.99 lakhs (previous year ₹ 68.74 lakhs), sold at a loss of ₹ 70.55 lakhs (previous year profit ₹ 3.73 lakhs).
41. In the opinion of the Board of Directors, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provisions for all known/expected liabilities have been made.
42. On 1 July 2014, all the employees of the Company were transferred to group companies along with the provisions for gratuity and compensated absences standing as on that date. Further, the Company has not dissolved the plan asset as on 31 March 2017 and has initiated the process of dissolution of the aforementioned plan asset. An application dated 15 March 2017 for the winding up of DLF Projects Employees Group Gratuity Scheme ('the Scheme') has been submitted to the Principal Commissioner of Income –Tax, Gurgaon, along with a copy of board resolution of the Company duly approving the winding up of the Scheme, and the dissolution deed to this effect.



DLF PROJECTS LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

Its value represents the fair value amounting to ₹ 366.37 lakhs (disclosed under other financial assets) of the plan asset as on 1 July 2014. The Company has prudently not recognised any gain or loss after 1 July 2014 on the aforementioned plan asset.



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DLF Projects Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts are ₹ in lakhs, unless otherwise stated)

43 Explanation of transition to Ind AS

A Reconciliation of total equity as at 31 March 2016 and 1 April 2015

| Particulars | 31 March 2016 | | | 1 April 2015 | | |
|---------------------------------|------------------|--------------------------------|------------------|------------------|--------------------------------|------------------|
| | Previous GAAP* | Effect of transition to Ind AS | Ind AS | Previous GAAP* | Effect of transition to Ind AS | Ind AS |
| Non-current assets | | | | | | |
| Property, plant and equipment | 1,213.43 | - | 1,213.43 | 1,574.50 | - | 1,574.50 |
| Other intangibles assets | 0.78 | - | 0.78 | 1.12 | - | 1.12 |
| Financial assets | | | | | | |
| Loans | 117.37 | - | 117.37 | 117.37 | - | 117.37 |
| Non current tax assets (net) | 2,084.82 | - | 2,084.82 | 3,759.80 | - | 3,759.80 |
| Other non-current assets | 1,568.54 | - | 1,568.54 | 1,625.87 | - | 1,625.87 |
| Total non-current assets | 4,984.94 | - | 4,984.94 | 7,078.66 | - | 7,078.66 |
| Current assets | | | | | | |
| Inventories | 405.94 | - | 405.94 | 462.58 | - | 462.58 |
| Financial assets | | | | | | |
| Trade receivables | 1,819.28 | - | 1,819.28 | 3,326.34 | - | 3,326.34 |
| Cash and cash equivalents | 1,690.79 | - | 1,690.79 | 755.61 | - | 755.61 |
| Other bank balances | 1.49 | - | 1.49 | 1.35 | - | 1.35 |
| Loans | 119.29 | - | 119.29 | 421.47 | - | 421.47 |
| Other financial assets | 363.37 | - | 363.37 | 363.37 | - | 363.37 |
| Other current assets | 2,110.80 | - | 2,110.80 | 2,473.45 | - | 2,473.45 |
| Total current assets | 6,510.96 | - | 6,510.96 | 7,804.17 | - | 7,804.17 |
| Total assets | 11,495.90 | - | 11,495.90 | 14,882.83 | - | 14,882.83 |

| Particulars | 31 March 2016 | | | 1 April 2015 | | |
|-------------------------------------|------------------|--------------------------------|------------------|------------------|--------------------------------|------------------|
| | Previous GAAP* | Effect of transition to Ind AS | Ind AS | Previous GAAP* | Effect of transition to Ind AS | Ind AS |
| Equity | | | | | | |
| Equity share capital | 7,070.25 | (2,630.00) | 4,440.25 | 7,070.25 | (2,630.00) | 4,440.25 |
| Other equity | (297.57) | - | (297.57) | (429.27) | - | (429.27) |
| Total equity | 6,772.68 | (2,630.00) | 4,142.68 | 6,640.98 | (2,630.00) | 4,010.98 |
| Liabilities | | | | | | |
| Non-current liabilities | | | | | | |
| Financial liabilities | | | | | | |
| Borrowings | - | 2,630.00 | 2,630.00 | - | 2,630.00 | 2,630.00 |
| | - | 2,630.00 | 2,630.00 | - | 2,630.00 | 2,630.00 |
| Current liabilities | | | | | | |
| Financial liabilities | | | | | | |
| Trade payables | 3,424.40 | - | 3,424.40 | 6,550.78 | - | 6,550.78 |
| Other financial liabilities | 21.42 | - | 21.42 | 45.03 | - | 45.03 |
| Other current liabilities | 1,277.40 | - | 1,277.40 | 1,646.04 | - | 1,646.04 |
| Total current liabilities | 4,723.22 | - | 4,723.22 | 8,241.85 | - | 8,241.85 |
| Total equity and liabilities | 11,495.90 | - | 11,495.90 | 14,882.83 | - | 14,882.83 |

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



a

DLF Projects Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

(All amounts are ₹ in lakhs, unless otherwise stated)

B Reconciliation of total comprehensive income for the year ended 31 March 2016

| Particulars | Previous GAAP* | Effect of transition to Ind AS | Ind AS |
|--|-----------------|--------------------------------|-----------------|
| Revenue | | | |
| Revenue from operations | 2,082.81 | 34.39 | 2,117.20 |
| Other income | 824.34 | - | 824.34 |
| Total revenue | 2,907.15 | 34.39 | 2,941.54 |
| Expenses | | | |
| Cost of construction | 2,023.57 | 34.39 | 2,057.96 |
| Finance costs | 0.05 | - | 0.05 |
| Depreciation and amortisation expense | 204.56 | - | 204.56 |
| Other expenses | 547.27 | - | 547.27 |
| Total expenses | 2,775.45 | 34.39 | 2,809.84 |
| Profit before tax | 131.70 | (0.00) | 131.70 |
| Tax expense: | | | |
| Current tax | - | - | - |
| Deferred tax | - | - | - |
| Profit for the year | 131.70 | (0.00) | 131.70 |
| Other comprehensive income | - | - | - |
| Total other comprehensive income for the year | 131.70 | (0.00) | 131.70 |

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



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bc

DLF Projects Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017
(All amounts are in ₹ lakhs, unless otherwise stated)

C First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). An explanation of how the transition from the previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

D Ind AS optional exemptions

Deemed cost for property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

E Ind AS mandatory exemptions

Estimates

1 An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 01 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following item in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Impairment of financial assets based on Expected Credit Loss method.

2 Classification and measurement of financial assets and financial liabilities

The classification and measurement of financial assets and financial liabilities will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. fair value at the date of transition shall be the new carrying amount.

F Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March 2016 and 1 April 2015

| | Notes to first time adoption | 31 March 2016 | 1 April 2015 |
|---|------------------------------|---------------|--------------|
| Total equity (shareholder's funds) as per previous GAAP | | 6,772.69 | 6,640.98 |
| Adjustments: | | | |
| Impact on account of change in measurement of non-cumulative redeemable preference shares | Note - 1 | (2,630.00) | (2,630.00) |
| Total adjustments | | (2,630.00) | (2,630.00) |
| Total equity as per Ind AS | | 4,142.69 | 4,010.98 |

2 Reconciliation of total comprehensive income for the year ended 31 March 2016

| | For the year ended 31 March 2016 |
|---|----------------------------------|
| Profit after tax as per previous GAAP | 131.70 |
| Adjustments: | |
| Total adjustments | - |
| Total comprehensive income for the year ended 31 March 2016 | 131.70 |

3 Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31 March 2016

| Particulars | Previous GAAP | Adjustments | Ind AS |
|---|---------------|-------------|----------|
| Net cash from operating activities | 348.84 | - | 348.84 |
| Net cash flow from investing activities | 586.53 | - | 586.53 |
| Net cash used in financing activities | (0.05) | - | (0.05) |
| Net increase in cash and cash equivalents | 935.32 | - | 935.32 |
| Cash and cash equivalents as at 1 April 2015 | 755.61 | - | 755.61 |
| Cash and cash equivalents as at 31 March 2016 | 1,690.92 | - | 1,690.92 |

** The impact is on account of reclassification as per IND AS requirements

Notes to first time adoption

Note - 1

The Company has issued non-cumulative redeemable preference shares. The preference shares carry discretionary dividend. Under the previous GAAP, the preference shares were classified as equity and dividend payable thereto, if any, would have been treated as distribution of profit. Under IndAS preference shares redeemable at the option of the investor are classified as a liability based on the terms of the contract. Interest on the liability component is recognized using the effective interest method. Thus, the preference share capital has been designated as borrowings in the financial statements.

Walker Chandiook & Co LLP
 For Walker Chandiook & Co LLP
 Chartered Accountants

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

Manish Agrawal
 per Manish Agrawal
 Partner



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

Raju
 Raju
 Company
 Secretary

C.P. Poonacha
 C.P. Poonacha
 Director
 or
 DIN:

Alok Kumar
 Alok Kumar
 Director
 DIN: 06412803

Place: Gurgaon
 Date: 23 May 2017

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