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Independent Auditor's Report

To the Members of DLF Universal Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of DLF Universal 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the

Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on 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, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 34 to the financial statements which describe the uncertainty related to the outcome of matter pending in litigation with appellate authorities. Pending the final outcome of the aforesaid matter, which is presently unascertainable, no adjustments have been made in the financial statements. Our opinion is not modified in respect of this matter.

Other Matters

10. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed 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 20 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.

11. As detailed in Note 37, the Company previously had a "Real Estate Undertaking" and a "Food Court Undertaking". During the year, Hon'ble High Court of Punjab & Haryana at Chandigarh and of Delhi at New Delhi, vide their orders dated 29 March 2016 and 11 November 2016 respectively, approved the arrangement as embodied in the Scheme of Amalgamation ("the Scheme") of the merger of the Demerged Real Estate Undertaking of DLF Universal Limited with DLF Home Developers Limited having an appointed date 1 April 2014. In accordance with this Scheme, only the Food Court Undertaking forms part of the Company. The financial statements for the year ended 31 March 2016 and 31 March 2015 have been restated to give the effect of the Scheme, in accordance with the requirements of Ind AS.

Report on Other Legal and Regulatory Requirements

12. 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 statement on the matters specified in paragraphs 3 and 4 of the Order.

13. 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) the litigation matter described in paragraph 9 under the Emphasis of Matter paragraph in case of an unfavourable decision against the Company, in our opinion, may have an adverse effect on the functioning of the Company;

f) 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;

g) 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 19 May 2017 as per Annexure B expresses an unqualified opinion;

h) 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:

   i. as detailed in Note 33 and 34 to the financial statements, the Company has disclosed the impact of pending litigations on its standalone 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; and

   iv. the Company has provided disclosures in Note 15(ii) to the financial statements regarding 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, the total receipts, total payments and total amount deposited in banks are in accordance with the books of account maintained by the Company. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of classification between Specified Bank Notes and other denomination notes of 'Permitted receipts', 'Non-permitted receipts', 'Permitted payments' and 'Amount deposited in banks' as disclosed under such Note.

Walker Chandiok & Co LLP

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

per **Neeraj Sharma**
Partner
Membership No.: 502103

Place: Gurugram
Date: 25 May 2017

Annexure A to the Independent Auditor's Report of even date to the members of DLF Universal 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, capital work-in-progress and other intangible assets.

(b) The Company has a regular program of physical verification of its fixed assets comprising of property, plant and equipment, capital work-in-progress and other intangible assets, under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not hold any immovable property (in the nature of fixed assets comprising of property, plant and equipment, capital work-in-progress and other intangible assets). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(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) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) 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.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

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

(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.

(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 LLP

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

per **Neeraj Sharma**
Partner
Membership No.: 502103

Place: Gurugram
Date: 25 May 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 Universal Limited ("the Company") as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 controls over financial reporting were operating effectively as at 31 March 2017, based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by ICAI.

Walker Chandiok & Co LLP

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

per **Neeraj Sharma**
Partner
Membership No.: 502103

Place: Gurugram
Date: 25 May 2017

DLF Universal Limited
Balance Sheet as at 31 March 2017

	Note	31 March 2017 (₹ in lakhs)	31 March 2016 (₹ in lakhs)	01 April 2015 (₹ in lakhs)
ASSETS				
Non-current assets				
Property, plant and equipment	7	170.16	240.15	575.82
Capital work-in-progress	8	275.58	434.09	597.15
Other intangible assets	9	7.34	11.54	21.96
Financial assets				
Loans	10	229.50	204.42	207.75
Deferred tax assets	11	9.62	9.62	9.62
Non-current tax assets (net)	12	5,577.16	7,379.42	7,313.91
Other non-current assets	13	14.42	35.84	62.44
		6,283.78	**8,315.08**	**8,788.65**
Current assets				
Financial assets				
Trade receivables	14	1,251.72	864.61	923.80
Cash and cash equivalents	15	108.38	168.33	28.76
Other current assets	16	111.82	100.53	95.80
		1,471.92	**1,133.47**	**1,048.36**
		7,755.70	**9,448.55**	**9,837.01**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	17	5.00	5.00	5.00
Other equity		(6,174.45)	(5,383.66)	(4,180.53)
		(6,169.45)	**(5,378.66)**	**(4,175.53)**
Liabilities				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	18	230.48	219.40	198.26
Other non-current liabilities	19	7.40	21.38	22.56
		237.88	**240.78**	**220.82**
Current liabilities				
Financial liabilities				
Borrowings	20	3,369.73	3,169.73	3,169.73
Trade payables	21	120.93	241.95	228.77
Other financial liabilities	22	8,922.70	10,104.11	9,124.03
Other current liabilities	23	1,273.91	1,070.64	1,269.19
		13,687.27	**14,586.43**	**13,791.72**
		7,755.70	**9,448.55**	**9,837.01**

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 Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Neeraj Sharma**
Partner

Place: Gurugram
Date: 25 May 2017

For and on behalf of the Board of Directors

Ramesh Chandra Gupta
Director
(DIN - 07327339)

Rajeev Talwar
Managing Director
(DIN - 01440785)

Place: Gurugram
Date: 19 May 2017

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

	Note	For the year ended 31 March 2017 (₹ in lakhs)	For the year ended 31 March 2016 (₹ in lakhs)
REVENUE			
Revenue from operations	24	1,111.68	1,042.58
Other income	25	119.34	162.19
		1,231.02	1,204.77
EXPENSES			
Finance costs	26	460.08	453.60
Depreciation and amortisation expense	27	74.67	259.35
Other expenses	28	1,487.06	1,694.95
		2,021.81	2,407.90
Loss before and after tax		(790.79)	(1,203.13)
Total comprehensive income for the year		(790.79)	(1,203.13)
Earning/(loss) per equity share (₹ in lakhs)	30		
Basic		(0.02)	(0.02)
Diluted		(0.02)	(0.02)
Summary of significant accounting policies	5		

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

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

Walker Chandiok & Co LLP
For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Neeraj Sharma**
Partner

Place: Gurugram
Date: 25 May 2017

For and on behalf of the Board of Directors

Ramesh Chandra Gupta
Director
(DIN - 07327339)

Rajeev Talwar
Managing Director
(DIN - 01440785)

Place: Gurugram
Date: 19 May 2017

DLF Universal Limited
Cash Flow Statement for the year ended on 31 March 2017

		For the year ended 31 March 2017 (₹ in lakhs)	For the year ended 31 March 2016 (₹ in lakhs)
A	**Cash flow from operating activities:**		
	Loss before tax	(790.79)	(1,203.13)
	Adjustment for :		
	Depreciation and amortisation	74.67	259.35
	Assets written off/transferred	-	249.81
	Finance cost	460.08	453.60
	Interest on financial instruments	(25.08)	(29.27)
	Provision for doubtful advances	-	0.32
	Operating loss before working capital changes and other adjustments	(281.12)	(269.32)
	Adjustments for changes in working capital:		
	- Decrease in others current and non-current assets	10.14	21.87
	- (Increase)/decrease in trade receivables	(387.13)	59.21
	- Decrease in other financial assets	-	32.28
	- (Decrease)/increase in trade payables	(121.01)	13.18
	- (Decrease)/increase in other financial liabilities	(1,586.75)	590.47
	- Increase/(decrease) in other current and non-current liabilities	189.30	(199.73)
	Cash (used in)/flow from operations	(2,176.57)	247.96
	Income tax refund/(paid)	1,802.25	(65.51)
	Net cash (used in)/flow from operating activities	(374.32)	182.45
B.	**Cash flow from investing activities:**		
	Acquisition of fixed assets	(0.49)	-
	Proceeds from disposal of fixed assets (including capital work in progress)	158.51	-
	Net cash flow from investing activities	158.02	-
C.	**Cash flow from financing activities:**		
	Loan received from related parties	200.00	-
	Interest paid	(43.65)	(42.88)
	Net cash flow from/(used in) financing activities	156.35	(42.88)
D.	**Net (decrease)/increase in cash and cash equivalents (A+B+C)**	(59.95)	139.57
	Cash and cash equivalents at the beginning of the year	168.33	28.76
	Cash and cash equivalents at the end of the year	108.38	168.33
	Net (decrease)/increase in cash and cash equivalents	(59.95)	139.57

Notes

		As at 31 March 2017	As at 31 March 2016
a)	**Cash and cash equivalents includes (Refer note 15(i)):**		
	Cash on hand	10.92	11.61
	Balances with banks		
	In current accounts	97.46	156.72
	Total of cash and cash equivalents	108.38	168.33

This is the Cash Flow Statement referred to in our report of even date

Walker Chandiok & Co LLP
For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Neeraj Sharma**
Partner

Place: Gurugram
Date: 25 May 2017

For and on behalf of board of directors

Ramesh Chandra Gupta
Director
(DIN - 07327339)

Rajeev Talwar
Managing Director
(DIN - 01440785)

Place: Gurugram
Date: 19 May 2017

DLF Universal Limited
Statement of Changes in Equity for the year ended 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	5.00	5.00	5.00

B Other equity **(₹ in lakhs)**

Description	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1 April 2015	**(4,180.53)**	**(4,180.53)**
Loss for the year	(1,203.13)	(1,203.13)
Balance as at 31 March 2016	**(5,383.66)**	**(5,383.66)**
Loss for the year	(790.79)	(790.79)
Balance as at 31 March 2017	**(6,174.45)**	**(6,174.45)**

**Refer note 17*

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

Walker Chandiok

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Neeraj Sharma**
Partner

Place: Gurugram
Date: 25 May 2017

For and on behalf of the board of directors

Ramesh Chandra Gupta
Director
(DIN - 07327339)

Rajeev Talwar
Managing Director
(DIN - 01440785)

Place: Gurugram
Date: 19 May 2017

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

1. Nature of principal activities

DLF Universal Limited ("the Company" or "the Assessee") was incorporated originally on 29 December 1995 as 'Jai Yatayat Limited'. The name of this entity was changed to 'DLF Universal Limited' on 23 July 2010. The Company is engaged in the business of colonization and real estate development and leasing. The Company is domiciled in India and its registered office is situated at Shopping Mall, 3rd Floor, Arjun Marg, DLF City Phase -1, Gurgaon, Haryana.

2. General information and statement of compliance with Ind AS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards 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')). The Company has uniformly applied the accounting policies during the periods presented.

For all periods up to and including the year ended 31 March 2016, the Company has prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These financial statements for the year ended 31 March 2017 are the first which the Company has prepared in accordance with Ind AS (see note 42 for explanation for transition to Ind AS). For the purpose of comparatives, financial statements for the year ended 31 March 2016 and opening balance sheet as at 1 April 2015 are prepared under Ind AS.

The Company previously had a "Real Estate Undertaking" ("transferor undertaking") and "Food Court Undertaking". The Hon'ble High Court of Punjab & Haryana at Chandigarh and of Delhi at New Delhi, vide their orders dated 29 March 2016 and 11 November 2016 respectively, approved the arrangement as embodied in the Scheme of Amalgamation ("the Scheme") of the merger of the Demerged Real Estate Undertaking of DLF Universal Limited with DLF Home Developers Limited having an appointed date 1 April 2014. In accordance with this Scheme, only the Food Court Undertaking forms the remaining part of the Company. Accordingly, these financial statements including comparatives, have been prepared post effect of the Scheme (refer note 37).

The financial statements for the year ended 31 March 2017 were authorized and approved for issue by the Board of Directors on 19 May 2017.

3. Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies.

4. Recent accounting pronouncement

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the Company from 1 April 2017.

Amendment to Ind AS 7
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

5. Summary of significant accounting policies

5.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

5.2 Revenue recognition

Revenue arises from the sale of goods and the rendering of services. Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

Rental income

Rental income is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises and where scheduled increase in rent compensates the lessor for expected inflationary costs.

Service and maintenance income

- Revenue in respect of maintenance services is recognised on an accrual basis, in accordance with the terms of the respective contract.
- Service receipts are accounted for on an accrual basis except in cases where ultimate collection is considered doubtful.

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method.

5.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

5.4 Property, plant and equipment

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

Asset category	Estimated useful life (in years)
Plant and machinery	15
Computers	3
Furniture and fixtures	8
Office equipment	5
Leasehold improvements	Over the effective term of the lease

The residual values, useful lives and method of depreciation of are reviewed at each financial year end.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per the provisions of Previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

5.5 Other intangible assets

Recognition and initial measurement

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

The cost of capitalized software is amortized over the useful life of 3 years from the date of its acquisition, as determined by the management.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per the provisions of Previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

5.6 Operating leases

Company as a lessee
Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straightline basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The respective leased assets are included in the balance sheet based on their nature. Rental income is recognized on straightline basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

5.7 Impairment of non-financial assets

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

5.8 Financial instruments

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

i. **Financial instruments at amortised cost** – the financial instrument is measured at the amortised cost if both the following conditions are met:

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

De-recognition of financial assets
A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement
All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement
Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.9 Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables
The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

5.10 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised in the statement in which the relevant item is recognised.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax losses are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

5.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

5.12 Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefits is probable, related asset is disclosed.

5.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

6. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

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7. Property, plant and equipment

(₹ in lakhs)

Particulars	Leasehold improvements	Furniture and fixtures	Office equipment	Plant and machinery	Computers	Total
Gross block						
Balance as at 31 March 2015*	**259.32**	**141.15**	**5.17**	**164.76**	**5.42**	575.82
Disposals/adjustments during the year	(181.35)	(24.79)	(5.98)	(44.20)	-	**(256.32)**
Balance as at 31 March 2016	**77.96**	**116.36**	**(0.81)**	**120.56**	**5.43**	**319.49**
Additions during the year	-	-	0.49	-	-	**0.49**
Balance as at 31 March 2017	**77.96**	**116.36**	**(0.32)**	**120.56**	**5.43**	**319.98**
Accumulated depreciation						
Balance as at 31 March 2015*	-	-	-	-	-	-
Depreciation charge	170.98	67.70	3.43	5.04	1.78	**248.93**
Reversal on disposal of assets	(112.18)	(29.60)	(5.97)	(1.70)	(20.13)	**(169.58)**
Balance as at 31 March 2016	**58.80**	**38.10**	**(2.54)**	**3.34**	**(18.35)**	**79.35**
Depreciation charge	10.00	38.59	1.80	17.94	2.14	**70.47**
Balance as at 31 March 2017	**68.80**	**76.69**	**(0.74)**	**21.29**	**(16.20)**	**149.82**
Net block						
Balance as at 31 March 2015	**259.32**	**141.15**	**5.17**	**164.76**	**5.42**	575.82
Balance as at 31 March 2016	**19.16**	**78.26**	**1.73**	**117.21**	**23.78**	**240.15**
Balance as at 31 March 2017	**9.16**	**39.67**	**0.42**	**99.27**	**21.63**	**170.16**

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

(₹ in lakhs)

Particulars	Leasehold improvements	Furniture and fixtures	Office equipment	Plant and machinery	Computers	Total
Gross block as at 1 April 2015	957.42	307.23	75.27	270.21	122.64	**1,732.76**
Accumulated depreciation as at 1 April 2015	698.10	166.08	70.10	105.45	117.22	**1,156.96**
Net block as at 1 April 2015	**259.32**	**141.15**	**5.17**	**164.76**	**5.42**	575.82

(i) Contractual obligations : 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 31 March 2017 and 31 March 2016

(iii) Property plant and equipemnt pledged as security : The Company has not pledged property, plant and equipment as security.

8. Capital Work-In-Progress	31 March 2017 (₹ in lakhs)	31 March 2016 (₹ in lakhs)	1 April 2015 (₹ in lakhs)
Development and construction expenses	275.58	434.09	597.15
	275.58	**434.09**	**597.15**

9. Other Intangible Assets (₹ in lakhs)

Particulars	Computer software	Total
Gross block		
Balance as at 31 March 2015*	**21.96**	**21.96**
Additions during the year	-	-
Disposals/adjustments during the year	-	-
Balance as at 31 March 2016	**21.96**	**21.96**
Additions during the year	-	-
Deletions/adjustments	-	-
Balance as at 31 March 2017	**21.96**	**21.96**
Accumulated amortisation		
Balance as at 31 March 2015*	-	-
Depreciation charge	10.42	10.42
Reversal on disposal of assets		-
Balance as at 31 March 2016	**10.42**	**10.42**
Depreciation charge	4.20	4.20
Deletions/adjustments	-	-
Balance as at 31 March 2017	**14.62**	**14.62**
Net block		
Balance as at 31 March 2015*	**21.96**	**21.96**
Balance as at 31 March 2016	**11.54**	**11.54**
Balance as at 31 March 2017	**7.34**	**7.34**

** Represents deemed cost on the date of transition to Ind AS.* (₹ in lakhs)

Particulars	Computer software	Total
Gross block as at 1 April 2015	47.44	**47.44**
Accumulated depreciation as at 1 April 2015	25.48	**25.48**
Net block as at 1 April 2015	**21.96**	**21.96**

(i) Contractual obligations : 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 31 March 2017 and 31 March 2016

(iii) Property plant and equipemnt pledged as security : The Company has not pledged property, plant and equipment as security.

	31 March 2017 (₹ in lakhs)	31 March 2016 (₹ in lakhs)	01 April 2015 (₹ in lakhs)
10. Loans			
(Unsecured, considered good)			
Security deposits	229.50	204.42	207.75
	229.50	**204.42**	**207.75**
11. Deferred tax assets			
Minimum alternate tax credit entitlement	9.62	9.62	9.62
	9.62	**9.62**	**9.62**
12. Non-current tax assets (net)			
Advance income tax, including tax deducted at source	5,577.16	7,379.42	7,313.91
	5,577.16	**7,379.42**	**7,313.91**
13. Other non-current assets			
(Unsecured, considered good)			
Prepaid expenses	14.42	35.84	62.44
	14.42	**35.84**	**62.44**
14. Trade receivables			
(Unsecured, considered good unless otherwise stated)			
Secured, considered good	1,070.58	842.88	910.74
Unsecured, considered good	181.16	21.73	13.06
Unsecured, considered doubtful	1.59	1.59	1.26
	1,253.31	**866.20**	**925.06**
Less : provision for doubtful receivables	1.59	1.59	1.26
	1,251.72	**864.61**	**923.80**
15 (i). Cash and cash equivalents			
Cash in hand	10.92	11.61	10.94
Balances with banks			
- current accounts	97.46	156.72	17.82
	108.38	**168.33**	**28.76**

15 (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 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in lakhs)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	16.19	0.14	16.33
Add: Permitted receipts	3.58	356.15	359.73
Less: Permitted payments	-	1.13	1.13
Less: Amount deposited in banks*	19.77	341.93	361.70
Closing cash in hand as on 30 December 2016	-	**13.23**	**13.23**

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 8 November 2016.

	31 March 2017 (₹ in lakhs)	31 March 2016 (₹ in lakhs)	01 April 2015 (₹ in lakhs)
16. Other current assets			
(Unsecured, considered good unless otherwise stated)			
Prepaid expenses	21.53	23.33	26.17
Advances recoverable in cash or in kind or value to be received	90.29	77.20	69.63
	111.82	**100.53**	**95.80**

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DLF Universal Limited
Summary of significant accounting policies and explanatory information for the year ended 31 March 2017

Equity
17. Equity share capital

(i) Authorised	31 March 2017 Number	(₹ in lakhs) Amount	31 March 2016 Number	(₹ in lakhs) Amount	1 April 2015 Number	(₹ in lakhs) Amount
Equity share capital of face value of ₹10 each	162,036,900	16,203.69	162,036,900	16,203.69	162,036,900	16,203.69
Redeemable preference shares of ₹ 100 each	97,600	97.60	97,600	97.60	97,600	97.60
Redeemable preference shares of ₹ 10 each	5,000	0.50	5,000	0.50	5,000	0.50
12% Non-cumulative redeemable preference shares of ₹ 100 each	4,822	4.82	4,822	4.82	4,822	4.82
		16,306.61		**16,306.61**		**16,306.61**

(ii) Issued, subscribed and paid-up share capital

	31 March 2017 Number	Amount	31 March 2016 Number	Amount	1 April 2015 Number	Amount
Equity share capital of face value of ₹10 each, fully paid up	50,000	5.00	50,000	5.00	50,000	5.00
		5.00		**5.00**		**5.00**

(iii) Reconciliation of numbers of equity shares outstanding at the beginning and at the end of the year

Equity shares	As at 31 March 2017 No. of shares	(₹ in lakhs)	As at 31 March 2016 No. of shares	(₹ in lakhs)	As at 1 April 2015 No. of shares	(₹ in lakhs)
At the beginning of the year	50,000	5.00	50,000	5.00	50,000	5.00
Add : shares issued during the year	-	-	-	-	-	-
At the end of the year	**50,000**	**5.00**	**50,000**	**5.00**	**50,000**	**5.00**

(iv) Rights, preferences and restrictions attached to equity :
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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after setting off all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(v) Details of shareholders holding more than 5% shares in the company

Equity shares	As at 31 March 2017 No. of shares	% holding	As at 31 March 2016 No. of shares	% holding	As at 1 April 2015 No. of shares	% holding
DLF Limited*	47,730	95.46%	47,730	95.46%	47,730	95.46%
**Held by DLF Limited along with its 6 nominees*						

18. Other financial liabilities			
Security deposits	230.48	219.40	198.26
	230.48	**219.40**	**198.26**
19. Other non-current liabilities			
Deferred income	7.40	21.38	22.56
	7.40	**21.38**	**22.56**
20. Borrowings			
Loans and advances from related parties - unsecured*			
Holding company	3,169.73	3,169.73	3,169.73
Subsidiary/fellow subsidiary companies	200.00	-	-
	3,369.73	**3,169.73**	**3,169.73**

*repayable on demand and carries an interest rate of 13.50% per annum (31 March 2016 : 13.50% per annum).

21. Trade payables			
Due to related parties	63.29	175.05	92.03
Due to others	57.64	66.90	136.74
Due to Micro Enterprises And Small Enterprises	-	-	-
	120.93	**241.95**	**228.77**

Payable To Micro Enterprises And Small Enterprises*
*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2017, 31 March 2016 and 1 April 2015:

Particulars	2017 (₹ in lakhs)	2016 (₹ in lakhs)	2015 (₹ in lakhs)
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting	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 this Act;	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	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. The same has been relied upon by the auditors.

DLF Universal Limited
Summary of significant accounting policies and explanatory information for the year ended 31 March 2017

	31 March 2017 (₹ in lakhs)	31 March 2016 (₹ in lakhs)	01 April 2015 (₹ in lakhs)
22. Other financial liabilities			
Interest accrued on borrowings	776.97	385.14	-
Security deposit	9.50	5.10	-
Due to related parties	8,136.23	9,713.87	9,124.03
	8,922.70	**10,104.11**	**9,124.03**

	31 March 2017 (₹ in lakhs)	31 March 2016 (₹ in lakhs)	01 April 2015 (₹ in lakhs)
23. Other current liabilities			
Payable to statutory and government authorities	69.72	36.67	33.31
Deferred income	14.55	19.04	18.99
Advance from customers	1,189.64	1,014.93	1,216.89
	1,273.91	**1,070.64**	**1,269.19**

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DLF Universal Limited
Summary of significant accounting policies and explanatory information for the year ended 31 March 2017

	For the year ended 31 March 2017 (₹ in lakhs)	For the year ended 31 March 2016 (₹ in lakhs)
24. Revenue from operations		
Operating revenue		
Rental income	786.54	725.76
Other operating income		
Service and maintenance income	325.14	316.82
	1,111.68	**1,042.58**
25. Other income		
Interest on financial instruments	25.08	29.27
Unclaimed balances and excess provision written back	-	40.93
Miscellaneous income	94.26	91.99
	119.34	**162.19**
26. Finance costs		
Interest on:		
Loans from related parties	435.39	427.91
Financial instruments	24.58	25.61
Others	0.11	0.08
	460.08	**453.60**
27. Depreciation and amortisatione expense		
Depreciation on property, plant and equipment	70.47	248.93
Amortisation of other intangible assets	4.20	10.42
	74.67	**259.35**
28. Other expenses		
Rent	554.44	559.15
Rates and taxes	2.60	5.78
Electricity	383.65	386.62
Repair and maintenance :		
Plant and machinery	1.33	5.37
Others	457.67	429.73
Legal and professional	25.41	15.30
Payment to auditor*		
Audit fee	8.00	1.20
Others	9.31	-
Insurance	3.01	5.26
Provision for doubtful debts	-	0.32
Assets written off	-	249.79
Miscellaneous expense	41.64	36.74
	1,487.06	**1,695.26**

* *including non-cenvatable tax and swachh bharat cess*

29. Tax expense

Tax expense	-	-
Income tax expense 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 profit or loss are as follows:

Reconciliation of tax expense and the accounting profit multiplied by tax rate		
Accounting loss before income tax	(790.79)	(1,203.13)
At country's statutory income tax rate of 28.84% (31 March 2016: 34.61%)	(228.06)	(416.38)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of unrecognised deferred tax on unabsorbed losses	228.06	416.38
Income tax expense	-	-

The Company has unabsorbed business losses of ₹ 2,727.49 lakhs (31 March 2016: ₹ 1,946.77 lakhs and 1 April 2015: ₹ 1,255.20 lakhs) on which no deferred tax asset is created as a matter of prudence.

30. Earnings per share (EPS)

Earnings per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2017	31 March 2016
Profit attributable to equity holders (in Lakhs)	(790.79)	(1,203.13)
Weighted average number of Equity shares for basic EPS	50,000.00	50,000.00

No transaction involving Equity shares or potential Equity shares is there between the reporting date and the date of authorisation of these financial statements.

Earnings per equity share (for continuing operation):		
Basic (₹ in lakhs)	(0.02)	(0.02)
Diluted (₹ in lakhs)	(0.02)	(0.02)

31. Financial risk management

i) Financial instruments by category

(₹ in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
	Amortised cost	Amortised cost	Amortised cost
Financial assets			
Trade receivables	1,251.72	864.61	923.80
Security deposit	229.50	204.42	207.75
Cash and equivalents	108.38	168.33	28.76
Total	**1,589.60**	**1,237.36**	**1,160.31**
Financial liabilities			
Borrowings	3,369.73	3,169.73	3,169.73
Trade payables	120.93	241.95	228.77
Security deposit	239.98	224.50	198.26
Other financial liabilities	8,913.20	10,099.01	9,124.03
Total	**12,643.84**	**13,735.19**	**12,720.79**

ii) **Risk management**

The Company's activities expose it to liquidity risk and credit risk. The Company's board of directors have the overall responsibility for 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**

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) **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: High credit risk

Asset group	Basis of categorisation	Provision for expenses credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and trade receivables - considered good	12 month expected credit loss
High credit risk	Unsecured trade receivables - considered doubtful	Life time expected credit loss or fully provided for

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 debtor declaring bankruptcy, advance not recoverable 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 –

(₹ in lakhs)

Credit rating	Particulars	31 March 2017	31 March 2016	1 April 2015
A: Low credit risk	Cash and cash equivalents, loans, trade receivables and other financial assets	1,589.60	1,237.36	1,160.31
B: High credit risk	Not applicable	1.59	1.59	1.26

ii) *Concentration of financial assets*

The Company is primarily engaged in the business of colonization and real estate development and leasing of foodcourts. The Company's outstanding receivables are for lease rental and other related receivable.

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

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	1,253.31	1.59	1,251.72
Cash and cash equivalents	108.38	-	108.38
Security deposit	229.50	-	229.50

As at 31 March 2016

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	866.20	1.59	864.61
Cash and cash equivalents	168.33	-	168.33
Security deposit	204.42	-	204.42

As at 1 April 2015

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	925.06	1.26	923.80
Cash and cash equivalents	28.76	-	28.76
Security deposit	207.75	-	207.75

Expected credit loss for trade receivables under simplified approach

The Group considers provision for lifetime expected credit loss. Given the nature of business operations, the receivables from food court business has low credit risk as the Group holds security deposits against the premises given on rentals. Further, historical trends indicate some shortfall between such deposits held by the Group and amounts due from customers. Hence, with the historical loss experience and forward looking information, the Group has provided expected credit loss in relation to receivables from rental business.

Reconciliation of loss provision – trade receivables (₹ in lakhs)

Reconciliation of loss allowance	Loss allowance
Loss allowance as on 1 April 2015	1.26
Impairment recognized during the year	0.33
Loss allowance on 31 March 2016	1.59
Impairment recognized during the year	-
Loss allowance on 31 March 2017	1.59

(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.

(₹ in lakhs)

31 March 2017	Less than 1 year	1-5 year	More than 5 years	Total
Non-derivatives				
Borrowings (including interest accrued)	4,146.70	-	-	4,146.70
Trade payable	120.93	-	-	120.93
Security deposits	162.78	76.46	0.74	239.98
Other financial liabilities	8,136.23	-	-	8,136.23
Total	12,566.64	76.46	0.74	12,643.84

(₹ in lakhs)

31 March 2016	Less than 1 year	1-5 year	More than 5 years	Total
Non-derivatives				
Borrowings (including interest accrued)	4,193.74	-	-	4,193.74
Trade payable	241.95	-	-	241.95
Security deposits	71.90	147.92	4.68	224.50
Other financial liabilities	9,075.01	-	-	9,075.01
Total	13,582.60	147.92	4.68	13,735.20

(₹ in lakhs)

1 April 2015	Less than 1 year	1-5 year	More than 5 years	Total
Non-derivatives				
Borrowings (including interest accrued)	3,808.59	-	-	3,808.59
Trade payable	228.77	-	-	228.77
Security deposits	75.42	118.25	4.59	198.26
Other financial liabilities	9,124.03	-	-	9,124.03
Total	13,236.81	118.25	4.59	13,359.65

32. Capital management

The Company's objectives when managing capital are to

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by overseeing the following ratios –

Debt equity ratio (₹ in lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Net debt*	4,038.32	4,025.40	3,779.83
Total equity	(6,169.45)	(5,378.66)	(4,175.53)
Net debt to equity ratio	(0.65)	(0.75)	(0.91)

**Net debt = Borrowings + interest accrued – cash and cash equivalent*

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